



FirstEnergy Nuclear Operating Company

Perry Nuclear Power Station
10 Center Road
Perry, Ohio 44081

L. William Pearce
Vice President

440-280-5382
Fax: 440-280-8029

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Perry Nuclear Power Plant
Docket No. 50-440
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Subject: Response to NRC Confirmatory Action Letter (CAL) Followup Inspection Phase 2
Performance Improvement Initiative Review Inspection Report 05000440/2005014

Ladies and Gentlemen:

This letter provides the FirstEnergy Nuclear Operating Company (FENOC) response to the NRC Inspection Report 05000440/2005014 for the Perry Nuclear Power Plant (PNPP). The NRC letter provided the results of your review of Phase 2 of the Performance Improvement Initiative. In your letter you requested that FENOC respond within 30 days of receipt of the letter describing the specific actions that PNPP plans to take to address the observations identified in this inspection report. There were six (6) observations contained in the report. The FENOC responses to these observations are contained in an attachment to this letter. No commitments are contained in this letter or the attachment.

If you have questions or require additional information, please contact Mr. Jeffrey Lausberg – Manager, Regulatory Compliance at (440) 280-5940.

Very truly yours,

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Attachment

cc: NRC Region III Administrator
NRC Project Manager
NRC Resident Inspector

IED1

Issue 1: The inspectors noted that some issues identified in the Perry IP 95003 inspection report were not specifically addressed by Commitments and/or Action Items in the licensee's August 8 and August 17 response letters. However, upon detailed review, the inspectors identified that although specific actions to address the issues in the IP 95003 inspection report were not addressed in these letters, actions were contained in some form in either the revised PII, the correction action program, or through departmental initiatives independent of a formal program. The following specific examples were identified:

PNPP Response: This issue is centered on assuring a concise reconciliation and ultimately a complete resolution of all findings and key observations detailed in the Perry 95003 Inspection Report. To that end, a 95003 Inspection Report "gap analysis" is under development which will track all findings and key observations noted in the inspection report in a matrix. This "gap analysis" will be monitored by the Perry Performance Improvement Initiative staff to provide additional assurance of integrated issue resolution.

A specific response to each of the supporting observations is provided below.

Observation: The licensee's response letters addressed an observation in the IP 95003 inspection report that corrective actions for issues entered into the corrective action program were frequently narrowly focused.

Resolution: The inspectors noted that the action items listed in the response letters did not specifically address the issue of narrowly focused corrective actions. The licensee credited a corrective action associated with CR 05-07223 to address the issue. This corrective action prescribed a 5-day root cause training course. It was unclear to the inspectors or to interviewed licensee personnel how the addition of this root cause class to the licensee's training program addressed the issue of narrowly focused corrective actions. Through interviews, the inspectors determined that the revised PII Human Performance and Corrective Action Program initiatives generally addressed improvement of standards associated with the corrective action process and therefore indirectly addressed the issue.

PNPP Response: Addressing the issue of narrowly focused corrective actions is one specific and substantive action necessary to achieve improvement in the implementation of the Corrective Action Program. The approach taken in the Phase 2 PII to improve implementation of the Corrective Action program has been to address the basic fundamental causes and in so doing, encompass the specific issues identified in the 95003 Inspection Report.

Specific to this observation, there are several actions that provide the details for resolution of this issue. As noted in the inspection report, CR 05-07223 and additionally, the Detailed Action Monitoring Plan (DAMP) section I.4 which are focused on improving the quality of evaluations and corrective actions primarily through training, provide the basis for this action closure. In addition, actions focused on reviews and feedback provided by the Corrective Action Closure Board (Action I.6.1 and I.6.2) and the Corrective Action Review Board (Actions I.7.2, I.7.4 and I.7.5) further support the resolution of this issue. Collectively, these actions focus on training to improve the quality of investigations and corrective actions, and the review and feedback process to assure effective resolution of plant issues.

Observation: The licensee's response letters addressed an observation in the IP 95003 inspection report of a lack of a questioning attitude for off-normal conditions.

Resolution: The inspectors noted that the action items listed in the response letters did not specifically address a lack of a questioning attitude for off-normal conditions. The licensee identified four condition reports that were associated with events related to the issue. The inspectors noted that these condition reports lacked corrective actions that addressed questioning attitude. Through interviews, the inspectors determined that the revised PII Human Performance and Corrective Action Program initiative actions included training that generally addressed improvement of standards associated with problem identification and therefore indirectly addressed the issue.

PNPP Response: Our 95003 Supplemental Inspection response letter included four bulleted actions which address the root cause of procedure adherence issues, including questioning attitude. Additionally, site training on the error prevention tools of effective communication and questioning attitude was provided in April, 2005. During the 4th quarter of 2005 and 1st quarter of 2006 human performance fundamentals training is being provided which addresses the use of the error prevention tool of questioning attitude.

These actions, when completed will address the root cause of questioning attitude and ultimately will address the more specific case of lack of questioning attitude for off normal conditions by engineering personnel.

Observation: The licensee's response letters addressed an observation in the IP 95003 inspection report that a lack of technical rigor in engineering products resulted in incorrect conclusions, and that a weakness in the communications between engineering and other organizations hindered the resolution of problems.

Resolution: The Phase 2 PII Detailed Action and Monitoring Plan included general action items for training on engineering rigor and conduct; however, the inspectors noted that more substantial action items, including the development of engineering procedures to address the specific issues, were being accomplished outside of the Phase 2 PII and the corrective action program. As such, actions that more substantially addressed IP 95003 issues were not formally tracked by the Phase 2 PII or by the corrective action program. The licensee entered this issue into their corrective action program as CR 05-07675.

PNPP Response: The issue of technical rigor identified in the 95003 Inspection Report will be addressed through implementation of the PII. The transition review from Phase 1 to Phase 2 of the PII identified Phase 1 technical rigor actions requiring inclusion in the Phase 2 DAMP Appendix. Specifically actions A.5.3.1, A.5.4.1, A.5.5.1 were included in the DAMP as specific actions to address technical rigor.

In addition to the actions specified in the DAMP, the Perry Engineering Department undertook further action that will be captured through the implementation of PYBP-PNED-0004 Perry Nuclear Engineering Department Conduct of Engineering document. Effective implementation of this document will provide additional basis to assure an adequate and sustained resolution of the issue of technical rigor. This action has been added to the Phase 2 PII DAMP Appendix as action A.5.6.1 as a result of condition report 05-07675.

Observation: The IP 95003 inspection report identified the following issues related to the use of the corrective action program to address action items in the Phase 1 PII: (1) while PII action items may be considered closed, the corrective actions to address the problems may not have been fully identified or implemented; and (2) in some cases the corrective action program had not been adequately implemented to address the concerns identified during the Phase 1 PII reviews.

Because closed Phase 1 PII action items were not reviewed by licensee staff to determine whether the items had been adequately accomplished and because the IP 95003 inspection identified that some action items were not adequately addressed, the inspectors questioned whether the completed Phase 1 PII action items had been adequately accomplished.

Resolution: In response to the inspectors' concerns, the licensee reviewed a sample of closed Phase 1 PII action items to assess whether there were items that were not captured in the transfer process due to inappropriate Phase 1 closure. The licensee found no issues with the sample of Phase 1 closed items that were reviewed. The NRC planned to conduct independent reviews of closed Phase 1 PII action items and determine whether those actions had been adequately accomplished during future CAL follow up inspection activities.

PNPP Response: This observation notes the Phase 2 PII dependency on the adequate review and closure of the Phase 1 PII and questions whether additional reviews need to be completed to assure the adequacy of the closed Phase 1 PII actions. As noted in the Inspection Report, for the Phase 1 actions which were not closed a comprehensive approach was taken to assure proper transition and integration into Phase 2.

The Phase 1 PII was in part, a broad-based discovery process, developed to ensure a full understanding of all key issues associated with Perry performance. Much of this effort was focused on reviews (latent issues, system health and programs). Each of these assessments reached a conclusion with regard to overall adequacy/health of each area. These assessments would also identify other issues that typically were entered into the corrective action process and not tracked by the PII. This is consistent with the current Phase 2 PII approach. As defined in PYBP-II-0006 section 4.6:

Fundamentally, the PII is aimed at strengthening execution of existing process. As a result, unless PII effectiveness reviews and performance assessments reveal continuing significant performance gaps, problems identified in these reviews will be handled through existing processes such as the Corrective Action Program.

As noted in the inspection report, as part of this PII inspection PNPP performed a sampling of these closure packages to determine if any actions identified affected the fundamental conclusion of each assessment that should have been further tracked by the PII. None were identified.

In response to this observation a review of past condition reports on Phase 1 PII action closure was performed. CR 05-02940 documents an issue identified by the Corrective Action Assessment Board that identifies that several Phase 1 PII closure validation packages did not meet the requirements for closure under PYBP-II-0005 "Closure and Validation of PII Actions". Specifically it identified two of eleven closure packages did not meet the criteria for closure and five of the eleven packages did not meet the requirements for documentation of "results achieved."

A review of this CR indicates that the issues identified focused on the adequacy of the "results achieved" section of the closure package. As defined in Phase 2 of the PII, "results achieved" are now generally segregated from the closure package for individual action item closure packages and are follow-up steps in each initiative, typically in the form of self-assessments and effectiveness reviews. It is recognized that in some cases,

the Phase 1 PII actions did not achieve the desired results. The Phase 2 PII was developed to focus on achievement of results. Tools such as results based performance metrics, self-assessments and effectiveness reviews are now integrated into the PII to assure that the desired results are achieved.

For the two other closure issues identified, the CR investigation determined them to be of an administrative nature that did not affect the ultimate closure disposition and no additional actions were determined to be necessary.

Issue 2: The inspectors identified that, in some cases, corrective action items for issues were flexible in nature and relied heavily upon particularly high standards or rigor of implementation, which was considered a potential vulnerability. The following specific examples were identified:

Observation: The licensee's response letters addressed an observation in the IP 95003 inspection report that multi-disciplinary assessment teams were not required for root cause evaluations, leading to potential inadequate reviews.

Resolution: The inspectors noted that as part of one of the licensee's completed actions in the response letters, licensee personnel revised procedure NOP-LP-2001, "Corrective Action Program," to address multi-disciplinary root cause teams. The inspectors noted that although NOP-LP-2001, Revision 12, addressed multi-disciplined Corrective Action Review Board membership and Management Review Board membership, this procedure did not address multi-disciplinary root cause evaluation teams. Subsequently, the inspectors determined that the procedure change addressing multi-disciplinary root cause team members had been relocated to business practice NOBP-LP-2011, "FENOC Cause Analysis," Revision 3. NOBP-LP-2011 included a statement to provide multi-disciplined team members as needed. The business practice also stated that members may serve more than one role. As a result, NOBP-LP-2011 provided flexibility that allowed a single-member root cause team. At the end of the inspection, licensee management planned to consider what additional actions, if any, should be implemented to address this issue.

PNPP Response: In response to this observation, Perry personnel have reviewed the situation and discussed it with the Fleet Program Manager for the Corrective Action Program process. As a result, the Nuclear Operating Business Practice (NOBP-LP-2011) FENOC Cause Analysis has been revised. This revision, effective December 16, 2005, eliminated the qualifiers of "if a team is used" (or similar variation) from the Business Practice.

Additional actions are also contained within the CAP PII that will strengthen the overall effectiveness of cause evaluations. Specifically, Items I.4.1, I.4.2, I.4.3, I.4.4, I.4.5, and I.4.6 all target the area of improving the quality of evaluations and corrective actions to ensure corrective actions are smarter and solve the cause of the identified problem.

Observation: The licensee's response letters addressed an observation in the IP 95003 inspection report that corrective actions to address identified problems were not always properly prioritized, leading to untimely implementation.

Resolution: An action item established corrective action program performance as a standing agenda item at the senior management team meetings. An additional action item prescribed an improvement in the timeliness of corrective action program actions. Through procedure review and interviews, the inspectors determined that actual corrective action prioritization was left to the

discretion of the action owner. The licensee's expectation was that problems should be prioritized by safety significance. The inspectors noted that this expectation, with the lack of additional guidance for implementation, was extremely subjective.

PNPP Response: A number of Performance Improvement Initiative Action Items address the issue of appropriate prioritization of Corrective Actions. The long-term resolution of this issue is anchored in the program fundamentals that have been communicated and reiterated to all site personnel through the development of PYBP-SITE-0046, Corrective Action Program Implementation Expectations. This action is a result of CAP PII Actions I.1.1, I.2.1 and I.2.2. Specifically, this document states:

Expectation: Condition report investigations and corrective action completion are to be based upon risk significance (not due dates).

Purpose: - Assignments based upon risk significance and not default due dates. Each activity evaluated and communicated with supervision the priority and work schedule.

Expectation: The individual assigned the activity is to complete the assignment in a quality and efficient manner such that the review and approval resources have sufficient time to complete the activity prior to the due date.

Purpose: Activities are actively worked based upon their risk significance. Communication between the individual assigned, their supervisor and the reviewer are occurring to discuss the schedule.

To facilitate the implementation of these expectations there is a focus (via CAP PII Actions I.7.1 through I.7.6) on identifying the appropriate corrective actions in the cause determinations being performed. This is implemented via the Correction Action Review Board and Corrective Action Closure Board that ensure high quality cause evaluations are performed. Ensuring the appropriate focused corrective actions are defined will also control the workload of corrective actions. Maintaining control of the corrective action workload also facilitates the prioritization of actions to be completed based on their significance.

To ensure the desired results are being achieved and the appropriate performance oversight is maintained, several Performance Indicators have been established. These indicators monitor important attributes of the Corrective Action Program including completion of Condition Reports and Corrective Actions on time, quality of evaluations, median age of CRs, and CA work off rates. These PIs are reviewed monthly to ensure the desired results are achieved. Should the expected level of performance not be realized in any given month a recovery plan is developed to restore performance to the expected level.

The collective effect of the actions described above (as implemented by the CAP PII) address the issue described in the observation of corrective actions not always being properly prioritized leading to untimely implementation. Accordingly, no additional action is required at this time