

# YANKEE ATOMIC ELECTRIC COMPANY

DSI-23

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December 2, 1996  
FYC 96-010



Mr. John C. Hoyle  
Secretary of the Commission  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555-0001

Attention: Chief, Docketing Service Branch

Subject: NRC Strategic Assessment and Rebaselining Initiative (61 FR 52475, dated October 7, 1996)

Dear Mr. Hoyle:

Yankee Atomic Electric Company (Yankee) appreciates the opportunity to comment on NRC's initiative to strategically assess and rebaseline its mission and goals. Yankee is the owner of the Yankee Nuclear Power Station, which is in the process of being decommissioned. Yankee is also the provider of engineering and licensing services to other nuclear power plants within the United States. Yankee's comments, which are attached, respond to the following direction-setting issue papers:

- low level waste (DSI 5)
- high level waste and spent fuel (DSI 6)
- operating reactor program oversight (DSI 11)
- risk-informed, performance-based regulation (DSI 12)
- public communications initiatives (DSI 14)
- fees (DSI 21)
- research (DSI 22)
- enhancing regulatory excellence (DSI 23)
- decommissioning of power reactors (DSI 24)

We would add that the Commission's periodic assessment of the NRC's direction and activities can be extremely beneficial. However, for such an important initiative, the Commission has not provided stakeholders with sufficient time for review and comment, even with the extension that was granted. The lack of review time was underscored by a number of NRC licensees and members of the general public at the first NRC workshop. Further, we are concerned that the overall process gives the appearance of stakeholder input, but the schedule for review of comments, if conducted over the short period of time originally proposed, is unlikely to be substantive in terms of any meaningful analysis of the stakeholders' comments. To ensure

Acknowledged by [signature] 12/31/96 DM

U.S. NUCLEAR REGULATORY COMMISSION  
DEVELOPMENT AND RESEARCH SECTION  
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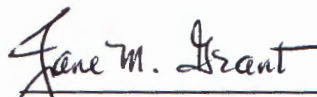
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*Letter, Yankee to U.S. NRC  
December 2, 1996*

schedule for review of comments, if conducted over the short period of time originally proposed, is unlikely to be substantive in terms of any meaningful analysis of the stakeholders' comments. To ensure meaningful consideration of all comments on such a broad range of key issues, the Commission should consider a revised schedule that allows for sufficient NRC Staff and Commission evaluation and entertains the possible additional interaction with stakeholders prior to establishing a new direction.

We also would emphasize that the papers fail to highlight the significant improvements made by the NRC and the industry over the last 17 years since the TMI accident, and in doing so, continue to cultivate the idea that there is much need for improvement in terms of ensuring public health and safety. The Commission needs to seriously consider that a point might be reached where the costs of the regulator imposed "continual improvement" initiatives bring into question the economic viability of the nuclear option, and as a result of NRC policies and actions, society is effectively denied the benefits of this important energy source. We urge the Commission to commit to a concerted effort to develop an objective standard for adequate protection of the public health and safety, beyond which no additional, incremental efforts to reduce risk should be required. We believe that unless such an effort is completed, licensing, oversight, investigative, and rulemaking initiatives will continue to place undue weight on subjective judgements and non-quantitative criteria, thereby fueling the never-ending upward spiral of performance expectations for licensees.

Sincerely,  
YANKEE ATOMIC ELECTRIC COMPANY



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Jane M. Grant  
Manager, Regulatory and Industry Affairs

**Attachments**

c: M. Fairtile, NRC, NRR  
J. White, NRC, Region I



**COMMENTS ON DSI 23  
ENHANCING REGULATORY EXCELLENCE**

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The Commission is highly reactive and driven by specific events. In conducting business in that manner through the years, the Commission has established an approach that does not allow it to acknowledge in a meaningful way the significant accomplishments made by the industry and NRC throughout the last 17 years since TMI, and importantly, to acknowledge the overall exemplary record of the industry to date. This same approach will continue to demand continuous improvement by the industry without acknowledging that an acceptable threshold of adequate protection has been reached. Regulatory excellence will never be achieved if NRC does not develop and implement an objective standard for adequate protection.

We offer the following comments in addition to NEI's.

**Question 1. What, if any, important considerations may have been omitted from the issue paper?**

We believe that the NRC has touched upon the factors important to establishing and enhancing regulatory excellence only in very general terms. As a result it is difficult for us to assess NRC's plans for achieving regulatory excellence. We do agree with the NRC that regulatory efficiency, which is a key factor to achieving regulatory excellence, implies that regulatory activities must be consistent with the degree of risk reduction they achieve. We note, however, that through programs such as the Marginal to Safety Program, the Commission has in effect acknowledged as much, but has not always followed through on actions to achieve the desired regulatory efficiency. For example, the Post Accident Sampling System, which was declared marginal to safety by the NRC, has still not been eliminated from the regulations, thereby subjecting licensees to unnecessary operating and maintenance costs, inspection costs, and potential enforcement costs.

**Question 2. How accurate are the NRC's assumptions and projections for internal and external factors discussed in the issue paper?**

We agree that the NRC staff has a strong tradition of dedication to safety as noted under the section entitled "Internal Factors." Under that same section, NRC implies that such dedication may be eroded if the Staff were to focus more on regulatory efficiency than on both efficiency and effectiveness. It is not clear how such a focus, if it were to occur, would in any way undermine either the contribution of regulatory effectiveness or the desired outcome of regulatory excellence. As the Commission defines it, "regulatory efficiency" implies that regulatory activities are

consistent with the degree of risk reduction they achieve. Given this definition, regulatory efficiency allows NRC to focus its resources on matters of radiological safety significance, and in doing so, better defines the regulatory framework (regulatory effectiveness).

We would add that NRC must also establish the nexus among the various support functions, such as those of the Office of General Counsel, Office of Investigations, Office of the Inspector General, etc. and achievement of regulatory efficiency, as the activities conducted by these organizations should also be commensurate with the degree of risk reduction they achieve.

**Question 3. Do the Commission's preliminary views associated with each issue paper respond to the current environment and challenge?**

The Commission's preliminary view to support Option 2, broadened to include addressing how to improve the way the NRC does its job, addresses a need that has always existed, but even more so now due to the pending deregulation of the electric utility industry. The cumulative effect of NRC's regulatory activities has always challenged the economic viability of commercial nuclear power, but will do so even more in a deregulated environment.

**Question 4. Which option do you endorse?**

We recommend that the NRC adopt Option 2, that is, initiate a more proactive approach to improvement. Overall the industry has established an impressive safety record. We believe that part of that success can be attributed to the use of self-assessment, especially in more recent years. We recognize that the NRC also has initiated a self-assessment program, but Option 2 requires that NRC embrace a *more aggressive* self-assessment process than appears to be currently in place. With regard to selection of Option 2 we also note the following:

- It is critical that input/data be obtained by the NRC to assist in determining those elements of the regulatory framework that should be assessed and the priority scheme for assessment. Input/Data should be obtained from all stakeholders through the continued, routine use of surveys and other means available.
- We agree that focus needs to be brought to the idea of achieving regulatory excellence. We believe that senior management should play a key role in implementing Option 2. However, it has been our experience that self-assessment provides even more benefits when a vertical cross section of the organization is involved. Such participation can result



in better recommendations and greater acceptance of the recommendations by staff and management.

- We also suggest that self-assessment can be enhanced by selective use of independent assessment. The Commission already uses such an approach, in part, as the ACRS provides independent assessment on technical matters. Unfortunately, it is our perception that this body of technical experts has been historically underutilized by the Commission and staff. Other selected opportunities for integration of independent assessment into the process can help to ensure that existing NRC cultural or other factors do not place artificial constraints on the assessment process.
- It is important that any group tasked with assisting the agency in establishing regulatory excellence must not be burdened by competing responsibilities in a way that distracts from the mission at hand. For example, the mission of the Committee for Review of Generic Requirements (CRGR), while reasonable and appropriate, was not fully realized, in our opinion, because members on this committee had too many collateral duties and insufficient support staff to ensure success. The usefulness of a group whose mission it is to ensure that regulatory excellence is achieved would be greatly enhanced if its members' collateral duties were limited in a way that acknowledges the importance of the primary mission.