

February 14, 1996

U. S. Nuclear Regulatory Commission
Mail Station P1-37
Washington, D. C. 20555

Attention: Document Control Desk

Subject: Elimination of audit frequencies
Grand Gulf Docket No. 50-416
License No. NPF-29
Performance Based Audit Scheduling Program

Reference: NRC Letter Dated January 3, 1996 from W. D. Beckner to C. R. Hutchinson

The purpose of this letter is to comment on the Grand Gulf Nuclear Station letter dated February 12, 1996 - GNRO-96/0009 in reference to NRC Letter Dated January 3, 1996 from W. D. Beckner to C. R. Hutchinson. This letter will remain anonymous for obvious reasons. However, I feel compelled to comment on this letter since I fully support the NRC staff position on the subject. Certainly your staff has sufficient justification to support the conclusion that Grand Gulf's attempt to eliminate audit frequencies is clearly a reduction in a commitment. What Entergy Operations, Inc. is clearly doing is an attempt to circumvent the spirit of 10CFR50.54(a) and twist the process to their advantage. If you look at the transition that Entergy Operations, Inc. has been in during the past several years, what you will find is an effort to eliminate many important quality practices mandated by 10CFR50, Appendix "B". This issue just touches the tip of the iceberg in that regard. Each time EOI eliminates a process such as mandatory audit frequencies, what they do is accomplish their ultimate goal, and that is the elimination of Quality Assurance positions which had been used to perform these audits.

While EOI's attempt to substitute another suitable program to eliminate the audit frequencies is commendable on paper, it is in my opinion an attempt to water down what is already a watered down program. For many years, 10CFR50, Appendix "B" worked, and criterion XVIII was just one of the criteria that was required to implement a successful QA Program. Now, this process is no longer good enough for EOI. They frequently use what is termed the "construction mentality", indicating that the program was really only intended for construction and is no longer satisfactory. However, I have a real difficult time believing that is the real reason. In their letter, page 2 of 7, under "Commitment Substitution" they state implementation of a performance-based audit scheduling program cannot proceed without additional flexibility to allocate audit resources. It should be clear what they are really saying is they don't have the people to support a program which mandates a program that requires established audit frequencies. In other words, they have cut to the bone to the point they can no longer support their own QA program. They further state that prohibiting substitution of an equivalent or better commitment for a commitment being eliminated is not consistent with the spirit or intent of 10CFR50.54. How can they possibly make that statement? How can eliminating a tried and proven process and going to a lesser process be considered a betterment to the process? It is simply not true and they have no basis for this position?

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Page 2 of 7 also talks about the 10CFR50.54 process in terms of what is considered to be a reduction in commitment and what is not. I firmly believe that the entire issue associated with 10CFR50.54 is being abused by EOI Management in their attempt to eliminate important processes. It is my experience and belief that what has happened by the mere discussions on this issue is that EOI is taking advantage of the entire process. What is clearly a commitment in the past, EOI considers to be a non-commitment as long as they can convince themselves and QA personnel that the commitment has nothing to do with safety related equipment?

If this in fact is true, then I could write any 50.54 change to a program in a manner that clearly demonstrates the change does not impact safety, even though it may very well have an impact. Word Engineering is an interesting process as demonstrated by EOI's attempt to eliminate audit frequencies? The only problem is that EOI did not anticipate that the NRC staff would be so sharp as to pick up on this obvious attempt to circumvent the system. I applaud the NRC for their letter and the fact that they did not allow this process to proceed, at least to this point in the discussions!!

The EOI letter under the heading "Safety Must Be The Key Criterion" is another attempt to convince the NRC that it only matters if it is safety related. If that were really true, this industry could eliminate many very important processes that have been tried and proven since the processes might not have a direct correlation to some safety related application. What seems to be missing in this scenario is consideration for activities important to safety which could in fact impact many other processes, although not directly correlated to a safety related application or issue!! While I agree that many commitments can be tied to safety related significance, I do not agree that all commitments should be revised at random, based solely on that condition alone! If that were true, we could eliminate the bulk of 10CFR50, Appendix "B" in its entirety and go to a lesser program!

I am further reminded in reviewing the EOI documentation on this subject that if EOI was so sure they were on solid ground with this issue, they would have implemented the change under the 50.54 process without NRC approval or discussion. I firmly believe that EOI recognizes that they are clearly not on real solid ground where this issue as well as others are concerned. This is the driving force behind any correspondence or discussion on this subject with the NRC. If they truly believed that they could implement the many changes they wish to make under the guidance of 50.54 without considering the changes to be reduction in commitments, they would do so. You are reminded that this is only one of many changes they have made and continue to make! The NRC in fact has not been involved in some of the changes that perhaps they should have been, using the audit frequency as an example.

I am reminded of the many commitments that are in many of the licensing commitments at both Grand Gulf and River Bend Station. These would include ANSI N45.2-1977, ANSI N18.7-1976, 10CFR50, Appendix "B" which clearly mandate planned and periodic audits.

ANSI N45.2-1977, criterion 19 states: A comprehensive system of planned and documented audits shall be carried out to verify compliance with all aspects of the Quality Assurance Program.

ANSI N18.7-1976, Section 4.5 states: A comprehensive system of planned and documented audits shall be carried out to verify compliance with all aspects of the administrative controls and quality assurance program.

10CFR50, Appendix "B", criterion XVIII states: A comprehensive system of planned and periodic audits shall be carried out.....

Question: Why is it that these clear commitments in the licensing basis are no longer adequate and must change? The SHALL is not optional and the NRC has made it clear in the Regulatory Guides that the word SHALL means you will do it - no questions asked. It is not a should! Yet the NRC finds itself even discussing this issue continues to amaze me!

Again, the bottom line is resources and what is clearly happening in my opinion is that this is an attempt to circumvent the system under a false set of pretenses. With downsizing and destaffing of the Quality organizations in the EOI Nuclear QA Programs, what EOI is really telling the NRC without coming right out with the facts, is that they no longer have the resources to support previous commitments to the QA Programs. The NRC needs only to look at the present QA Staffing levels at Grand Gulf and River Bend and what the staffing levels were two to three years ago to confirm the emphasis EOI places on a strong QA Program. Especially at River Bend Station!

It does not take a rocket scientist to look at the staffing levels to get a very clear picture of where the EOI QA Programs are headed. If you don't have the manpower to support the QA program, certainly there will be a concerted effort to eliminate the process. If you don't have a process, you don't need people! This is the method they have chosen to resolve their manpower problem!

As you can see by this letter, I feel very strongly about this particular issue. However, my feelings are not unique to this issue! This is only one of many concerns I have with the path that this industry is taking towards quality as a whole. And particular EOI! Suddenly it is acceptable to give away the farm so to speak? Changes in the way we do business is an ongoing issue and changes continue to occur on a daily basis which I believe has the potential to seriously affect this industry in the very near future. Below is a list of changes which I am referring to:

Elimination of important in-line reviews by independent QA organizations (i.e. procurement reviews, modification reviews, nonconformance reviews)

Elimination of receipt inspection activities by independent QA organizations and assigning these functions to non-QA organizations (Where is the independence?)

Elimination of supplier annual evaluations (What happened to continuous quality of product?)

Elimination of commercial grade testing activities by independent QA organizations and assigning these activities to in-line non-QA organizations

Elimination of QC inspection activities and assigning inspection activities to the line organizations. What happened to the independence mandated by the regulations. Is that no longer required!

Elimination of audit frequencies (this subject)

Elimination of mandatory audits of important programs because they are not necessarily tied to safety related activities

Elimination of important reviews by independent review groups

Why don't we just throw out 10CFR50, Appendix "B" and let the utilities do what they want. It has become apparent that the old rules are not good enough anymore. While I believe that change is certainly necessary to survive, I do not believe or support change that has potential impacts on nuclear safety or the general welfare of the public. I truly believe that if we are to survive in this industry, that we must all recognize when change is necessary, but let us not do it at the expense of the industry or the public.

In this era of downsizing and cost cutting, it has become increasingly apparent that the almighty dollar is what drives everything. I don't believe this is the industry that can survive with that as the sole goal. EOI is one of the biggest cash cows in the utility world, with record profits in 1995. Don't poor mouth me with the need for change to survive just for the sake of cutting a few more jobs and making profits even higher.

And finally, I believe if the NRC is going to do their job and do it properly, well focused on your charter and responsibilities, that you will continue to fight such changes as you are doing here. Anything less would be wrong. I commend you for your position and I trust that this letter has provided additional insight to not only this issue but other future issues as well. Stand your ground and don't let the big utilities start dictating to you what is acceptable and what is not. If we continue to make the kinds of changes we are making, I believe we are destined as a country to have a serious accident again in the near future in this industry. Then we might all be looking for a job!

This continuous attempt to reduce and eliminate the Quality Programs at these nuclear stations is seriously eroding the quality of the program to the point I believe it is becoming dangerous! It will make Three Mile Island look like a mild storm compared to what is ahead. Perhaps it is time for the NRC to establish a task force to look at some of the changes occurring within the industry in a more thorough manner during the QA Program change review process (i.e. 50.59 and 50.54). You might be surprised what is getting through the system without any discussion! And one final comment, River Bend Station is also in the process of making this transition by eliminating audit frequencies. It is my understanding that the required 50.54 evaluations have been completed and audit frequencies no longer exist in the program. Apparently RBS personnel provided a demonstration of their proposed program during the November 1995 meeting with the NRC with proposed implementation to be in June 1996. It is also my understanding that RBS is allowing Grand Gulf to proceed on behalf of EOI with these changes, using Grand Gulf as the test case. That would indicate that RBS appears to be premature in their changes since Grand Gulf has not obtained full approval to date.

I hope this letter has provided additional insight into this issue and your staff will take this letter seriously. These are not the words of a disgruntled employee, these are the words of an employee that is seriously concerned about the future of this industry and the path that EOI is taking in regards to these type issues. I do not sign this letter for fear of reprisal. I firmly believe that if my management knew I wrote this letter to the NRC, I would be terminated immediately because I would be considered a non- team player. As a minimum, my career would be over. EOI can talk the talk when it comes to identifying safety concerns without fear of reprisal, but in the real world, that simply is not the truth. EOI has set out on a path that mandates blind compliance with their goals and they don't want anybody standing in their way that disagrees with them!

Sincerely,

A concerned Nuclear Industry Employee

February 12, 1996

U.S. Nuclear Regulatory Commission
Mail Station P1-37
Washington, D.C. 20555

Attention: Document Control Desk

Subject: Grand Gulf Nuclear Station
Docket No. 50-416
License No. NPF-29
Performance-Based Audit Scheduling Program

Reference: NRC Letter Dated January 3, 1996 from W. D. Beckner to C. R. Hutchinson

GNRO-96/00009

Gentlemen:

Last November, Grand Gulf issued a QA program change to enable implementation of a performance-based audit scheduling program, and met with NRR and Region IV staff to describe how the audit program would be administered. As we discussed, the impetus for change was our desire to enhance safety through better focus of audit resources on current problem areas.

We were disappointed to receive your referenced letter which concluded that implementation of a performance-based audit scheduling program was a reduction in quality assurance program commitments. Our disappointment stems from a number of factors, some of which include:

- The staff's evaluation is couched in terms of what commitments were being eliminated without recognizing that our QA program change involved the substitution of a more comprehensive commitment to a performance-based audit scheduling process in preference to rote audit subjects and frequencies.
- The Grand Gulf 50.54 evaluation of the change is based upon safety improvement. The staff's letter does not review our 50.54 evaluation and is silent on safety effects, focusing instead on the deletion of specific information.
- As the staff noted, Grand Gulf highlighted the QA program change on our docket and in a presentation to the staff in order to foster a dialogue. Contrary to the Commission's recent policy statement on "Communications Between NRC And Licensees", no dialogue ensued. The referenced letter was issued without an attempt on the part of the staff to discuss areas of disagreement.

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Since these concerns are policy-based and applicable to other issues, they are worth discussing in some more detail.

Commitment Substitution

Because the majority of audit resources are consumed by required audits (e.g., yearly audit of license conditions), some of which add little safety value, implementation of a performance-based audit scheduling program cannot proceed without additional flexibility to allocate audit resources.

Therefore, the QA program change at Grand Gulf eliminated required audit frequencies and substituted in their place a performance-based audit scheduling process. The intent of the audit scheduling process is to identify current problem areas at the plant and select subjects for audit based upon the subject's problem frequency and importance to safety.

The staff's evaluation considered only what was eliminated. They concluded:

"Thus, the deletion of specific information that describes how the requirements of Appendix B will be met is considered a reduction in commitment. The [Grand Gulf QA program changes] are a reduction in commitment because provisions related to 10 CFR 50, Appendix B, Criterion XVIII, were deleted from the quality assurance program."

We believe this is an inappropriate interpretation of how the controls of 10CFR50.54 should be applied. Prohibiting substitution of an equivalent or better commitment for a commitment being eliminated is not consistent with the spirit or intent of 10CFR50.54, particularly when substitution would constitute an enhancement to safety. Since most QA program commitment changes involve the elimination of some aspect of an existing commitment (usually coupled with substitution of a new commitment), a more general application of the staff's evaluation would prohibit changing virtually all QA commitments without prior NRC approval.

We also believe that the staff's conclusion on this issue is a good example of the need for revision of 10CFR50.54 in accordance with NEI's pending petition for rulemaking. The rulemaking petition was prompted in part by differing interpretations of what constituted a "reduction in commitment", and the excessive demand on staff and licensee resources to resolve the differing opinions associated with QA program changes like the Grand Gulf change.

Safety Must Be The Key Criterion

Grand Gulf's 50.54 evaluation (which was provided to the staff) considers the question of reduced commitment in terms of effect on safety. Since the term

"commitment" is not directly defined in the regulations, our evaluation reviewed prior NRC positions on the meaning of "commitment" and noted:

"From this discussion we can discern a couple of the characteristics of a commitment. First of all, a commitment is something different from the plans implemented to satisfy the commitment, i.e., by its nature it is broader than the implementing details. Secondly, a commitment is safety focused. A commitment cannot exist separately from a safety purpose. In other words, changes in commitment should be evaluated in terms of the presence or absence of safety equivalence."

The evaluation then noted that rote audit requirements do not recognize advancements in the understanding of safety significance. As a result, many of the activities that we understand today to be safety significant (e.g., shutdown risk management) cannot be audited when available audit resources are consumed by required audits. Since many of the required audit areas are mature and strong performers, required audits provide lower safety value than audits scheduled based on safety importance and problem frequency. Therefore, the evaluation concluded that substituting a performance-based audit scheduling process for a set of rote requirements would result in an improvement in safety, and would not represent a reduction in commitment.

The staff's evaluation, on the other hand, fails to mention safety, nor does it review or evaluate the Grand Gulf 50.54 evaluation. Instead, it talks in terms of "elimination of required audit frequencies", "deviations from the regulatory guide audit schedule provisions", and the like.

As above, we believe that an evaluation which does not consider the safety effects of a change is inconsistent with the intent or spirit of 10CFR50.54. Again, the NEI rulemaking petition would ensure that 50.54 evaluations are focused on the safety effect of a change.

Communications Between NRC and Licensees

The regulations allow Grand Gulf to implement a change to the QA program without notifying the NRC for an extended period of time. For the performance-based audit scheduling change, we could have implemented but delayed docketing the change until approximately Spring, 199.

In addition to working with NEI on a generic audit scheduling framework, we chose to docket the change early and engage the staff in a dialogue because we felt it was apparent that a performance-based audit scheduling program had safety benefits broadly applicable to other plants. In fact, we anticipated the staff may embrace the change as a means to

add more concrete value to plant safety through the QA program. Although we expected some areas of disagreement, we expected to work out those areas through dialogue.

To this point, there has been no dialogue with the staff. Despite a detailed presentation on the audit scheduling process on 11/16/95, the only subsequent communication from the staff has been their referenced letter. We believe this to be inconsistent with NRC policy.

On 11/6/95, the Commission published its policy statement on "Communications Between NRC And Licensees". It notes, in part:

"The Commission also expects the NRC staff to exercise initiative in maintaining open lines of communication and to ensure that its regulatory activities are appropriate and consistent. The Commission recognizes that honest, well-intentioned differences in opinion between the NRC staff and the licensee will occasionally occur. Therefore, the Commission encourages open communications to foster an environment where such differences receive constructive and prompt resolution."

Grand Gulf was unaware of any differences of opinion over implementation of our audit scheduling program until receipt of the staff's letter. Even after receipt of the letter we have no indication of where the staff disagrees with our 50.54 evaluation. To this point, we don't believe an environment of constructive resolution exists.

The policy statement also addresses inconsistent application of regulations. The Grand Gulf 50.54 evaluation for the performance-based audit scheduling program is identical, from a policy and interpretation standpoint, to our evaluation in early 1995 which enabled graded QA at Grand Gulf. Our evaluation, technical criteria and implementation details for graded QA have been shared in exhaustive detail, and over numerous meetings with the staff. No objection or concern has ever been raised to us over the graded QA program change or its evaluation basis.

Conclusion

We believe that the staff's determination that our performance-based audit scheduling program constitutes a reduction in QA program commitments is incorrect. Since implementation of the audit scheduling program will result in a safety improvement at Grand Gulf, we do not believe that the staff's request to cease implementation is appropriate.

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The staff's conclusion involves policy and regulatory interpretation issues that may have a significant adverse effect. Carried to its logical conclusion, virtually all QA program commitment changes would be prohibited without prior NRC approval. Consequently, we request a meeting with Mr. Ashok Thadani to present our concerns and work towards a constructive resolution.

We would be happy to further discuss these issues with the staff prior to our requested meeting. Please feel free to contact Mike Meisner at (601) 437-6470.

Yours truly,

CRH/MJM

cc: (See Next Page)

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