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OFFICE OF ADMINISTRATION
USNRC

Chief, Rules and Directives Review Branch
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Subject: Comments on Draft Management Directive 8.6, "Systematic Assessment of Licensee Performance," Generic Letter 92-05, NRC Workshop on the Systematic Assessment of Licensee Performance (SALP)

Gentlemen:

These comments are submitted by Toledo Edison in response to the request of the NRC as stated in Generic Letter 92-05, "NRC Workshop on the Systematic Assessment of Licensee Performance (SALP)." Toledo Edison, a subsidiary of Centerior Energy, is partial owner of and is responsible for operation of the Davis-Besse Nuclear Power Station. Toledo Edison has been authorized for power operation of the Davis-Besse Nuclear Power Station since 1977. As a 10 CFR 50 licensee, Toledo Edison has vested interest in any NRC program changes that may affect the management and operation of Davis-Besse.

Toledo Edison commends the Staff for initiating improvements to the current SALP Program. The program should provide a meaningful vehicle for dialogue with the NRC regarding Davis-Besse performance. Towards that end, a review has shown that draft Management Directive 8.6, entitled "Systematic Assessment of Licensee Performance (SALP)" as part of Generic Letter 92-05, includes sections which Toledo Edison believes require enhancements or clarifications to ensure an effective SALP process.

Specific comments on draft Management Directive 8.6 are enclosed. In addition, general comments on items not specified in the draft Management Directive 8.6 are also enclosed. Since the NRC is interested in licensee perspectives on the proposed changes to the SALP Program, Toledo Edison requests the Staff's consideration of the enclosed comments in developing the revised SALP program.

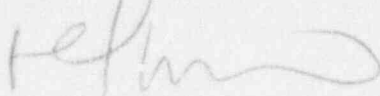
Operating Companies:
Cleveland Electric Illuminating
Toledo Edison

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Should you have any questions or require clarification of any comments on the enclosures, please contact Mr. Robert W. Schrauder, Manager - Nuclear Licensing at (419) 249-2366.

Very truly yours,



KAP/dlc

Enclosures

cc: A. B. Davis, Regional Administrator, NRC Region III
J. B. Hopkins, NRC Senior Project Manager
DB-1 NRC Senior Resident Inspector
USNRC Document Control Desk
Utility Radiological Safety Board

TOLEDO EDISON'S RESPONSE

TO

GENERIC LETTER 92-05

1. DRAFT Handbook 8.6

Page 7, paragraph 1 - "Engineering"

Toledo Edison Comments

- a. The SALP procedure should evaluate the effectiveness of a plant modification. Currently the NRC only evaluates the quality of the modification and the modification package. An assessment should be made to evaluate whether the solution engineered and implemented by the modification actually corrects the initiating problem. By comparison, other functional areas (e.g., Security) are credited for a major system improvement in that functional area.
- b. The maintenance and execution of the Inservice Inspection and Containment Leak Rate programs is generally under the purview of Engineering functions and should therefore be evaluated under the Engineering functional area.
- c. Since the SALP is a plant driven process, the effectiveness of generic corporate engineering programs and directives are not comprehensively evaluated. Such evaluations will be helpful for licensees to further improve performance in this area.
- d. A significant portion of engineering resources is devoted to identifying and implementing ways of improving plant operation and reliability. The result of these efforts can reduce concerns such as scram frequency, safety system unavailability, and source term. These efforts should be included in the Engineering assessment.

2. DRAFT Handbook 8.6

Page 7, paragraph 2 - "This functional area covers all activities related to plant support functions, including radiological controls, emergency preparedness, security, housekeeping controls, chemistry, and fire protection."

Toledo Edison Comments

- a. The elevated importance of Radiological Protection at nuclear facilities in combination with public opinion and awareness of radiological effects on the population and environment supports a stand alone functional area for Radiological Protection. Radiological Protection is an area that demonstrates the

overall effectiveness of a licensee's organization. Toledo Edison believes that Radiological Protection requires the attention and is better presented in the SALP process and SALP Report as a separate functional area.

- b. Toledo Edison believes that fire protection should not be specifically incorporated into the Plant Support functional area. Fire Protection has been treated by licensees and the Staff as a regulated compliance issue. Therefore, this issue should not differ from any other regulated issues. The Engineering, Operations, and Maintenance organizations all have unique responsibilities in implementing and continuing to be in compliance with the fire protection requirements. The assessment of fire protection activities should either be encompassed into the applicable functional areas, or be assessed independently as a "special" short-term functional area as described in the Draft Handbook (page 7, paragraph 3).

3. Draft Handbook 8.6

Page 12, paragraphs 1 and 2 - "NRC should examine licensee performance during the assessment period to determine whether a trend exists. ... The performance trend should be determined selectively and should be reserved for those instances in which it is necessary to focus the attention of NRC and the licensee on an area with a declining performance trend, or to acknowledge an improving trend in licensee performance."

Toledo Edison Comments

The criteria for establishing "improving" and "declining" performance trends are not specified in the handbook. Toledo Edison believes that it would be difficult to establish clear and consistent trending criteria for all licensees, and therefore, trending designations should be eliminated from the performance rating. Since the current process is inconsistent and misinterpreted, the trending analysis should be limited to the discussion sections of the report. If the Staff plans to utilize the trending designation, Toledo Edison believes that a seven tier rating system (i.e., 1, 1-, 2+, 2-, 3+, 3) is a better rating method for SALP assessment. An improving or declining trend would be self explanatory by a change in rating. A seven tier system would also allow attention to be more focused on the applicable assessment period. Historically it appeared that previous performance may have influenced the Staff in SALP evaluations. For example, a Category 1 rating may not have been received because of average performance (i.e., Category 2) in the previous assessment period.

In addition, Toledo Edison believes the NRC Staff does not consistently follow the guidance presented in the Handbook. Since "sustained performance" from previous assessment periods is not included as an Evaluation criterion (page 10, paragraph F), functional areas should be evaluated on performance during the applicable SALP period. In addition, it appears the majority of the SALP report contents have pertained to issues that arose in the latter portions of assessment periods. Many issues in the beginning of the period are not mentioned.

4. Draft Handbook 8.6

Page 18, paragraph 2 - "The transmittal letter should strive to characterize NRC's confidence in or concern with the licensee's performance and the underlying reasons therefor and should place in perspective any significant events or findings that took place outside the assessment period that bear on the evaluations in the report."

Toledo Edison Comments

This statement allows the Staff to consider events that occurred outside the assessment period to influence the performance ratings. The trending criteria (see comment 4) suggest that evaluations be limited to the applicable SALP period. The draft Handbook should be consistent in the valuation process for assessing licensee performance. Events that occurred outside the period should be reflected in the corresponding assessment periods. As a minimum, the statement on page 18 should be supported by examples to clarify its intent. Page 12, paragraph 1 of the draft Handbook states:

"NRC should examine licensee performance during the assessment period to determine whether a trend exists."

Page 15, paragraph 4 of the draft Handbook states:

"All board voting members should (1) have visited the site during the assessment period and reviewed plant performance and (2) be familiar with inspection report findings that were issued during the assessment period."

The aforementioned sections of the draft Handbook stress evaluation of licensee performance during the assessment period.

TOLEDO EDISON GENERAL COMMENTS

1. The draft Handbook 8.6 Introduction states:

"Unacceptable performance is addressed through various NRC programs and policies, and the implementation of these activities should not be delayed to await the results of a SALP assessment." ... "The SALP ... is not intended to propose problem resolutions or solutions."

Occasionally, licensees have been "surprised" by issues that were not specifically identified or discussed in inspection reports or docketed correspondence by the NRC Staff. This situation resulted in additional time and expense by both the NRC and the licensees on issues that should have been resolved during the assessment period. In addition, new issues may cause irreparable damage to the licensee regarding press and public opinion. Therefore, the SALP report should be consistent with SALP Program guidance.

2. The draft Handbook does not contain provisions for extending or decreasing SALP periods for licensees who have undergone Senior Resident Inspector and/or designated NRC management changes during the assessment period. Toledo Edison has experienced periods without Senior Resident Inspectors and designated Project Managers. Staff changes place the licensee at a disadvantage since the direct line of communication is lost.

The draft Handbook states on page 15, paragraph 4:

"To effectively support the goals of the "Overview" section of the report, it is important that the board voting membership remain constant during the evaluation process."

Since inspection reports are part of the evaluation process, and the Project Manager and Senior Resident inspector are voting members of the SALP Board, an 18 month assessment period experiencing changes in key staff positions may not result in an adequate and consistent SALP report.

The evaluation frequency criteria should include provisions for NRC Staff changes.