



UNITED STATES
NUCLEAR REGULATORY COMMISSION
 WASHINGTON, D.C. 20555-0001

February 12, 2000

Mr. James A. Hutton
 Director-Licensing, MC 62A-1
 PECO Energy Company
 Nuclear Group Headquarters
 Correspondence Control Desk
 P.O. Box No. 195
 Wayne, PA 19087-0195

SUBJECT: SITE-SPECIFIC WORKSHEETS FOR USE IN THE NRC'S SIGNIFICANCE DETERMINATION PROCESS - PEACH BOTTOM ATOMIC POWER STATION, UNITS 2 AND 3 (TAC NO. MA6544)

Dear Mr. Hutton:

The purpose of this letter is to provide you with one of the key implementation tools to be used by the Nuclear Regulatory Commission (NRC) in the revised reactor oversight process, which is currently expected to be implemented at Peach Bottom Atomic Power Station, Units 2 and 3, in April 2000. Included in the enclosed Risk-Informed Inspection Notebook are the Significance Determination Process (SDP) worksheets that inspectors will be using to risk characterize inspection findings. The SDP is discussed in more detail below.

On January 8, 1999, the NRC staff described to the Commission plans and recommendations to improve the reactor oversight process. These recommendations were contained in SECY-99-007, "RECOMMENDATION FOR REACTOR OVERSIGHT PROCESS IMPROVEMENTS," (available on the NRC's Web Site www.nrc.gov/NRC/COMMISSION/SECYS/index.html). The new process, developed with stakeholder involvement, is designed around a risk-informed framework, which is intended to focus both the NRC's and Licensee's attention and resources on those issues of more risk significance.

The performance assessment portion of the new process involves the use of both licensee submitted performance indicator (PI) data and inspection findings that have been appropriately categorized based on their risk significance. In order to properly categorize an inspection finding, the NRC has developed the SDP. This process was also described to the Commission in SECY 99-007A, "RECOMMENDATIONS FOR THE REACTOR OVERSIGHT PROCESS IMPROVEMENTS (FOLLOW-UP TO SECY-99-007)," dated March 22, 1999, also available on the above noted Web Site.

The SDP for power operations involves evaluating an inspection finding's impact on the plant's capability to: limit the frequency of initiating events; ensure the availability, reliability, and capability of mitigating systems; and to ensure the integrity of the fuel cladding, reactor coolant system, and containment barriers. The SDP involves the use of three tables. Table 1 is the estimated likelihood for initiating event occurrence during the degraded period. Table 2 describes how the significance is determined based on remaining mitigation system capabilities and Table 3 provides the bases for the failure probabilities associated with the remaining mitigation equipment and strategies.

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As a result of the recently concluded Pilot Plant review effort, the NRC has determined that site-specific risk data is needed in order to provide a repeatable determination of the significance of an issue. Therefore, the NRC has contracted with Brookhaven National Laboratory (BNL) to develop site-specific worksheets to be used in the SDP review. These enclosed worksheets were developed based on your Individual Plant Examination (IPE) submittal that was requested by Generic Letter 88-20. The NRC plans to use this site-specific information in evaluating the significance of issues identified at your facility when the revised reactor oversight process is implemented industry wide. It is recognized that the IPE utilized during this effort may not contain current information. Therefore, the NRC or its contractor will conduct a site visit in the near future to discuss with your staff any changes that may be appropriate. We are not requesting written comments on the NRC's work product.

We will coordinate our efforts through your licensing or risk organizations as appropriate. If you have any questions, please call me at (301) 415-1483.

Sincerely,

/RA/

Bartholomew C. Buckley, Senior Project Manager, Section 2
 Project Directorate I
 Division of Licensing Project Management
 Office of Nuclear Reactor Regulation

Docket Nos. 50-277 and 50-278

Enclosure: Risk-Informed Inspection Notebook

cc w/encl: See next page

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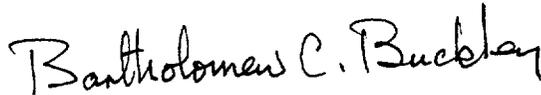
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cc w/encl: See next page

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