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M.J. Davis

64FR 71517
Dec. 21, 1999

A. Edward Scherer
Manager of
Nuclear Regulatory Affairs

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RULES & DIR. BRANCH
US NRC

February 25, 2000

Rules and Directives Branch
Office of Administration
U. S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Re: **Comments Of Southern California Edison Company
On Draft Regulatory Guide DG-1086, Criterion For
Triggering A Review Under 10 CFR 50.80 for
Non-Operator Service Companies**

Gentlemen:

These comments are submitted by Southern California Edison Company (SCE) in response to the Nuclear Regulatory Commission's Draft Regulatory Guide DG-1086 on *Criterion For Triggering A Review Under 10 CFR 50.80 For Non-Owner Operator Service Companies*, dated December 1999. SCE supports the proposed criterion regarding triggering a review under 10 CFR 50.80 for non-owner operator service companies.

The NRC proposes that if a service company has final decision-making authority in one or more of a list of fourteen final decision-making authority areas, a 10 CFR 50.80 review would automatically be required. SCE agrees that: (1) this is an appropriate list of final decision-making authority areas to determine whether a 10 CFR 50.80 review is necessary; and (2) final decision-making authority in any one of these areas should trigger the need for a 10 CFR 50.80 review.

The NRC proposes to define final decision authority in a particular area as making "a decision that cannot be modified, overruled, or is not subject to reversal by the current licensee." SCE agrees that the owner/operator of a nuclear unit retains decision-making authority over a particular area when it maintains active management over decisions through careful review by the management team of each decision made. However, if the decisions made by the service company are not typically reviewed by the management team of the owner/operator on a timely basis, final decision-making authority no longer resides with the owner/operator. In this case, a 10 CFR 50.80 review should be required and the service company should be added to the NRC license.

SCE notes that, in several places, the NRC refers to transfer of the NRC license from the owner/operator to a service company. In fact, only the NRC license for the operator of the facility would be transferred to the service company. Therefore, SCE suggests that wherever the Draft Regulatory Guide refers to the term "transfer," it should describe the "NRC license" transferred as the "operator's NRC license."

SCE commends the NRC for the issuance of this draft guidance on Section 50.80 review. If there are any questions on these comments, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "D. B. [unclear]". The signature is written in a cursive style with a large, stylized initial.