August 7, 2000

LICENSEE: STP Nuclear Operating Company

FACILITY: South Texas Project, Units 1 and 2

SUBJECT: SUMMARY OF MEETING WITH STP NUCLEAR OPERATING COMPANY TO DISCUSS SOUTH TEXAS PROJECT, UNITS 1 AND 2, TREATMENT ISSUES ON THE MULTIPART EXEMPTION FROM THE SPECIAL TREATMENT RULES OF 10 CFR PART 50

On July 24 - 25, 2000, the U.S. Nuclear Regulatory Commission (NRC) and STP Nuclear Operating Company (STPNOC) met in Rockville, Maryland, to discuss issues related to the commercial practices to be applied to low safety significant (LSS) and non-risk significant (NRS) safety-related structures, systems, and components (SSCs) that STPNOC is seeking to remove from the scope of the special treatment requirements of NRC regulations. The focus of the meeting was on the NRC's draft review guidelines titled, "Review Guidelines for STP Exemption Request and Baseline Acceptance Criteria for RIP50 Option 2," and the draft information on STP's commercial practices titled, "Elements of the South Texas Project Commercial Treatment for LSS and NRS SSCs." The purpose of the meeting was to identify areas were the staff and STPNOC agree and areas requiring additional information using these two documents.

Enclosure 1 provides a list of attendees at the 2-day meeting. Enclosure 2 provides the slides and handouts used by the staff at the beginning of the meeting, including an agenda. Enclosure 3 provides a copy of the July 19, 2000, letter forwarding STPNOC a copy of the NRC's draft guidelines, and STPNOC's draft description of its commercial programs. Both the draft guidelines and the draft commercial programs description were used during the meeting to facilitate discussions. Enclosure 4 provides the handouts used by the staff during the discussion of actions from the June 20 - 21, 2000, meeting. Enclosure 5 provides a description of the processes for assurance of functionality of LSS and NRS components prepared by STPNOC. The information in Enclosure 5 was provided to the staff at the end of the meeting. Enclosure 6 provides a marked-up copy of the NRC's draft guidelines with STPNOC's comments. STPNOC's comments in Enclosure 6 were provided to the staff at the end of the meeting.

Most of the meeting on July 24, 2000, focused on discussing the commercial practices related to the treatment of SSCs that STPNOC is seeking to exempt from the special treatment requirements of 10 CFR Parts 21, 50, and 100. The staff and STPNOC discussed each item in Section 3 of the draft review guidelines, with STPNOC providing the staff with specific comments as documented in Enclosure 6. The staff provided its feedback to STPNOC on its thoughts regarding the comments or provided clarification of the staff's understanding of each of the items in Section 3. STPNOC also presented its commercial practices as viewed from a design engineering perspective. This presentation covered the processes used to design, procure, install, and test SSCs, both safety-related and balance-of-plant. Based on questions from the staff during this presentation, STPNOC described how components designed,

fabricated, and installed in accordance with American Society of Mechanical Engineering Boiler and Pressure Vessel Code requirements (Code components) used in safety-related systems could be replaced with non-Code components. This included a description of the requirements for controlling the interface between Code and non-Code SSCs.

After discussing the NRC's draft guidelines, the staff provided STPNOC feedback on the areas in its description of commercial practices where the staff needed additional details describing the programs and processes. This discussion continued into the morning of July 25, 2000. The staff identified a number of areas where the descriptions very clearly stated the purpose of the procedures or programs, but did not describe how those procedures or programs would be implemented to demonstrate reasonable assurance that safety-related LSS and NRS SSCs would be capable of fulfilling the functions that cause them to be identified as safety-related. Further, the staff identified areas where clarifying examples would be beneficial to the staff's understanding of how the balance-of-plant (BOP) commercial practices would be implemented.

STPNOC provided the staff with comments on the draft review guidelines related to categorization on the morning of July 25, 2000 (see Enclosure 6). Due to time constraints, discussion of all of STPNOC's comments in the areas of categorization (Section 2 of the draft guidelines) and on licensing documentation (Section 4 of the draft guidelines) were not completed during this meeting. The staff and STPNOC agreed to schedule a followup conference call to complete the discussion of the remaining comments. In response to STPNOC questions, the staff indicated that in general STPNOC's categorization process was consistent with the approach described in the draft review guidelines. The staff has found that the approach for the categorization process, incorporating both probabilistic risk assessment insights as well as deterministic insights, is generally sound. At this time, the two remaining categorization issues are (1) should local environmental conditions that might impact an SSCs ability to mitigate the events or accidents be explicitly included in the categorization process and (2) should SSCs whose functions do not directly prevent or mitigate core damage frequency or large early release frequency be assigned a safety-significance based on their functions to mitigate the consequences of events or accidents for onsite and offsite radiation protection.

On the afternoon of July 25, 2000, discussions were held on questions related to exemption from the definition of basic component pursuant to 10 CFR 21.3. The staff informed STPNOC that legally it could grant an exemption from the definition. This does however create a regulatory issue in that this would create the situation were STP could be in compliance with the definition in 10 CFR 21.3 (as modified by the exemption), but still subject to the statutory definition applicable to Section 223.b of the Atomic Energy Act under which criminal sanction could be imposed. Two of the alternatives discussed were (1) the NRC could grant the exemption to the definition of basic component recognizing the potential for the situation described above and (2) the NRC could clarify the scope of SSCs meeting the definition of basic component to clearly indicate that safety-related SSCs categorized as LSS or NRS could not create a substantial safety hazard or could not result in a technical specification safety limit being exceeded, and therefore would not meet the definition and would be excluded from the requirements of 10 CFR Part 21. STPNOC's preferred alternative, consistent with its exemption request, is for the NRC to grant the exemption from the definition of basic component for safety-related SSCs categorized as LSS or NRS.

The meeting closed with a discussion on the NRC actions from the June 20 - 21, 2000, meeting. STPNOC was provided with a timeline for the NRC to complete its review of the exemption requests and a status of the request for additional information responses (see Enclosure 4). The staff informed STPNOC that the site visit to review its BOP commercial practices would occur in late September 2000. For exemptions the staff determines are not

necessary, STPNOC was informed that the basis for the staff determination will be documented in a denial of the exemption request. The staff has not defined the scope of exemption requests for which exemptions may not be necessary. Regarding questions on Class 1E isolation devices, STPNOC was informed that there is no regulatory requirement to have two Class 1E electrical isolation devices between Class 1E and non-Class 1E components, but that the staff noted this is a commitment in the South Texas Project Final Safety Analysis Report. The staff noted that the comparison between the Nuclear Energy Institute (NEI) guidelines for risk-informing the special treatment requirements under Option 2 and the proposal under the STPNOC exemption request provided by STPNOC at the June 20 - 21, 2000, meeting, was a useful tool for assessing whether there was divergence between the NEI approach and the STPNOC approach. Based on the staff's review both the NEI and STPNOC approaches were essentially consistent, using similar approaches, and no significant divergence was found between the two approaches.

Feedback was also provided to STPNOC in the area of change control. Alternatives discussed included (1) placing an exemption condition in each of the exemptions being granted describing a change control process; (2) placing an exemption condition in one of the exemptions being granted (e.g., exemption from 10 CFR 50.59) describing a change control process that is referred to in all of the other exemptions being granted; (3) describing the programs and processes in the Final Safety Analysis Report where changes would be governed by 10 CFR 50.59; (4) describing the programs in the licensee quality assurance program description where changes would be governed by 10 CFR 50.54(a)(3); (5) imposing a license condition describing a change control process; and (6) not allowing any changes to the processes described until such time that a change control process is promulgated under the rulemaking for Option 2 of risk-informing special treatment requirements.

/RA/

John A. Nakoski, Senior Project Manager, Section 1
Project Directorate IV & Decommissioning
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-498 & 50-499

Enclosures:
1. List of Attendees
2. July 24, 2000, NRC Staff Handout
3. NRC's July 19, 2000, letter to STPNOC (Accession No. ML003733405)
4. July 25, 2000, NRC Staff Handout
5. STPNOC's Description of Processes for Assurance of Functionality of LSS and NRS Components
6. STPNOC's Comments on NRC's Draft Guidelines (Accession No. ML003737155)

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ACCESSION NUMBER: ML003738263

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LIST OF ATTENDEES
JULY 24 - 25, 2000
MEETING BETWEEN NRC AND STPNOC
COMMERCIAL PRACTICES

NAME	TITLE/POSITION	ORGANIZATION	7/24	7/25
Jack Strosnider	Director, DE	NRR/DE		x
Suzanne Black	Deputy Director, DLPM	NRR/DLPM	x	x
Dick Wessman	Deputy Director, DE	NRR/DE	x	
Jose Calvo	Branch Chief	NRR/DE/EEIB	x	x
C. A. Carpenter	Branch Chief	NRR/DRIP/RGEB	x	x
E. Imbro	Branch Chief	NRR/DE/EMEB	x	x
Goutam Bagchi	Sr. Level Advisor	NRR/DE	x	x
Bob Hermann	Sr. Level Advisor	NRR/DE	x	x
Jim Lieberman	Sr. Level Attorney	OGC		x
Janice Moore	Sr. Level Attorney	OGC		x
Mark Rubin	Section Chief	NRR/DSSA/SPSB	x	x
D. Terao	Section Chief	NRR/DE/EMEB	x	
Cornelius Holden	Section Chief	NRR/DE/EEIB	x	x
Tom Bergman	Sr. Project Manager	NRR/DRIP/RGEB	x	x
Pei-Ying Chen	Sr. Mechanicl Engineer	NRR/DE/EMEB	x	
Mike Cheok	Sr. Reliability & Risk Analyst	NRR/DSSA/SPSB	x	x
John Fair	Sr. Mechanical Engineer	NRR/DE/EMEB	x	x
Dave Fischer	Sr. Mechanical Engineer	NRR/DE/EMEB	x	x
Hukam Garg	Sr. Electrical Engineer	NRR/DE/EEIB	x	x
Dick Hoefling	Sr. Attorney	OGC		x
John Knox	Sr. Electrical Engineer	NRR/DE/EEIB	x	x
Richard McIntyre	Sr. Reactor Engineer	NRR/DIPM/IQMB		x
E. M. McKenna	Sr. Reactor Engineer	NRR/DRIP/RGEB	x	x
Kamal Naidu	Sr. Reactor Engineer	NRR/DIPM/IQMB		x
John Nakoski	Sr. Project Manager	NRR/DLPM/PDIV-1	x	x
Tom Scarbrough	Sr. Mechanical Engineer	NRR/DE/EMEB	x	x
Stephen Alexander	Reactor Engineer	NRR/DIPM/IQMB		x
Peter Balmain	Operations Engineer	NRR/DIPM/IQMB	x	x
Stephen Dinsmore	Risk & Reliability Analyst	NRR/DSSA/SPSB	x	x
Ken Heck	Quality Operations Engineer	NRR/DIPM/IQMB	x	x
Samuel Lee	Reliability & Risk Analyst	NRR/DSSA/SPSB	x	x
Matthew A. Mitchell	Materials Engineer	NRR/DE/EMCB	x	x
Joe Petrosino	QA Specialist	NRR/DIPM/IQMB		x
Pete Prassinos	staff	RES/DRAA	x	
Tim Reed	Project Manager	NRR/DRIP/RGEB	x	x
Mohammed Shuaibi	Reactor Systems Engineer	NRR/DSSA/SRXB	x	x
Joe Williams	Project Manager	NRR/DLPM/DPIV-1	x	x
Ronald Young	Reactor Systems Engineer	NRR/DSSA/SPLB	x	x
Robert Moody	Project Manager	NRR/DLPM/PDIV-1	x	x

NAME	TITLE/POSITION	ORGANIZATION	7/24	7/25
Mark McBurnett	Director, Quality & Licensing	STPNOC		x
Steve Frantz	Partner (STPNOC Counsel)	Morgan, Lewis, & Bockius LLP	x	x
Steve Thomas	Manager, Design Engineering	STPNOC	x	x
Scott Head	Supervisor, Licensing	STPNOC	x	x
John Savage	Senior Staff - Quality	STPNOC	x	x
C. R. Grantom	Administrator Risk & Reliability	STPNOC	x	x
G. E. Schinzel	GQA Implementation Manager	STPNOC	x	x
Ralph Chackal	Reliability & Risk Engineer	STPNOC	x	x

United States
Nuclear Regulatory Commission

STP NUCLEAR OPERATING COMPANY RISK-INFORMED EXEMPTIONS FROM SPECIAL TREATMENT REQUIREMENTS

COMMERCIAL PRACTICES

July 24 - 25, 2000

Rockville, Maryland

United States
Nuclear Regulatory Commission

Meeting Purposes:

1. Working level discussion on Draft STP Review Guidelines to determine areas of agreement and those requiring additional discussion.

2. Working level discuss on draft information on STP's commercial practices to identify were additional detail is needed.

Agenda

Monday, July 24, 2000 - Room T-3B45 (ASLBP Hearing Room)

9:00am	- 9:10am	NRC Opening Remarks
9:10am	- 9:20am	STP Opening Remarks
9:20am	- 10:20am	Draft Review Guidelines - (Section 3) Treatment Agreement/Disagreement
10:20am	- 10:30am	**BREAK**
10:30am	- 12:00pm	STP Commercial Procurement Practices Presentation
12:00pm	- 1:00pm	**LUNCH**
1:00pm	- 5:00pm	Commercial Practices considering Draft Review Guidelines - Issues requiring further discussion

Tuesday, July 25, 2000 - Room O-8B4

9:00am	- 9:15am	Recap 7/24 Discussions
9:15am	- 9:45am	Draft Review Guidelines - (Sections 2 & 4) Categorization & Documentation Agreement/Disagreement
9:45am	- 10:45am	Categorization & Documentation considering Draft Review Guidelines - issues requiring further discussion
10:45am	- 11:00am	**BREAK**
11:00am	- 12:00pm	Categorization & Documentation considering Draft Review Guidelines - Issues requiring further discussion
12:00pm	- 1:00pm	**LUNCH**
1:00pm	- 1:45pm	Discussion on 10 CFR 21.3, Basic Component
1:45pm	- 2:30pm	Followup Actions from 6/20 - 21/00 Meeting
2:30pm	- 3:00pm	Closing Comments and Actions

United States
Nuclear Regulatory Commission

OUTLINE OF REVIEW GUIDELINES

1.0 INTRODUCTION

2.0 CATEGORIZATION GUIDELINES

2.1 Assessment of the Capability of the Plant-specific Probabilistic Risk Assessment (PRA) to Support the Categorization Process

2.2 SSC Categorization by the Integrated Decision-making Panel (IDP)

2.3 Documentation of the Integrated Decision-making Process and the Decision Criteria Used

2.4 Changes to the Decision-making Process and Guidance Criteria

3.0 TREATMENT GUIDELINES

3.1 Safety-related SSCs categorized as HSS or MSS [RISC-1]:

3.2 Nonsafety-related SSCs categorized as HSS or MSS [RISC-2]:

3.3 Safety-related SSCs categorized as LSS or NRS [RISC-3]:

3.4 Nonsafety-related SSCs categorized as LSS or NRS [Out-of-scope]:

3.5 Minimal Acceptable Commercial Practices and Controls

4.0 LICENSING BASIS DOCUMENTATION GUIDELINES

United States
Nuclear Regulatory Commission

NRC TIMELINE FOR EXEMPTION REVIEW

1. Develop Staff Guidelines	7/14/00
2. STP Provides Revised Exemption Requests	8/15/00
3. Issue Draft Safety Evaluation	11/01/00
4. ACRS Briefing on Draft Safety Evaluation	12/01/00*
5. STP Provides Response to Draft Safety Evaluation	12/31/00
6. Resolve Open items from draft safety evaluation	2/15/01
7. Final Safety Evaluation Completed	3/15/01
8. Commission Briefing on Staff Findings on Exemption Requests	3/30/01**
9. Issue Final Safety Evaluation and Exemption Decisions	4/15/01

* A firm date for the ACRS briefing has not been scheduled, but it is planned to occur near this date.
** A firm date for the Commission briefing has not been scheduled, but it is planned to occur near this date.

South Texas Project - 1/18/00 RAI Response Status

#	Response	Status
1	5/2/00	In review*
2	5/19/00	In review*
3	5/11/00	**Complete** - Sufficient information for DSER
4	5/10/00	In review*
5	5/15/00	In review - Open issue related to change process.
6	5/19/00	In review*
7	5/11/00	In review*
8	5/10/00	In review*
9	5/25/00	In review*
10	5/9/00	In review*
11	5/15/00	In review*
12	5/20/00	In review*
13	5/20/00	In review*
14	5/15/00	In review - Telecon 6/13/00 (IQMB)
15	5/15/00	In review - Telecon 6/13/00 (IQMB)
16	5/19/00	In review*
17	5/19/00	In review
18	5/19/00	In review
19	5/10/00	In review*
20	4/26/00	**Complete** - Sufficient information for DSER
21	4/26/00	In review*
22	5/3/00	In review - update response to be consistent with commitments in other responses.
23	5/9/00	In review*
24	5/20/00	In review*
25	1/26/00	**Complete** - no further information required
26	5/2/00	Near completion one question remains unresolved
27	5/2/00	In review - completion based on solution to "radiation safety cornerstone issue"
28	5/2/00	In review
29	5/19/00	In review
30	5/16/00	**Complete** - Sufficient information for DSER
31	4/26/00	**Complete** - Sufficient information for DSER
32	5/10/00	In review - Open question on assumption on failure above EQ temperatures for
33	4/26/00	**Complete** - Sufficient information to complete DSER
34	5/15/00	In review*; question on designation of isolation valves as HSS.
35	4/26/00	**Complete** - Sufficient information for DSER
36	4/26/00	In review - Question on doing importance analysis for each type of external event.
37	5/16/00	In review - Question on use of "notes"
38	5/15/00	In review*
39	5/19/00	In review*
40	5/22/00	In review*
41	5/19/00	In review*
42	5/15/00	In review*
43	5/19/00	In review*
44	5/15/00	In review*
45	5/19/00	In review*
46	5/15/00	In review
47	5/16/00	**Complete** - no further information necessary

*Completion of review of this response is predicated on agreement on the final review guidelines.

ASSURANCE OF FUNCTIONALITY
OF LSS AND NRS COMPONENTS

1.0 Introduction

South Texas Project (STP) has requested an exemption from the special treatment requirements in NRC's regulations for components that have been categorized as low safety significant (LSS) or non-risk significant (NRS). In lieu of the special treatment requirements, STP is proposing to provide normal commercial treatment for such components. However, STP is not proposing to make any changes in the design or design functions of the LSS and NRS components.

The NRC staff has questioned whether commercial treatment will provide adequate assurance that the LSS and NRS components will be able to perform their safety functions. In particular, NRC staff has questioned whether there is a need for measures that specifically verify that LSS and NRS components can perform their safety functions under design basis conditions.

As discussed below:

- Commercial treatment will provide adequate assurance that LSS and NRS components can perform their safety functions under design basis conditions.

- Even if it were assumed that commercial treatment would result in a substantial decrease in the reliability of LSS and NRS components, there would be no significant impact on safety.

- It would be inconsistent with the intent of the Commission to require additional measures to verify that LSS and NRS can perform their safety functions under design basis conditions.

2.0 Commercial Treatment Provides Adequate Assurance of Functionality

A description of STP's commercial treatment is contained in a separate document provided to the NRC, entitled *Elements of the South Texas Project Commercial Treatment for LSS and NRS SSCs*. These elements include:

- Controls over Procurement and Installation - STP will continue to use the LSS and NRS components that are currently installed, and will replace them only as the need arises. Since the existing LSS and NRS components were procured and installed using the special treatment programs, there is adequate assurance that these components can perform their safety functions under design basis conditions. The procurement of replacement LSS and NRS components will be accomplished through an engineering evaluation. STP will verify that the form, fit, and function (including

capability to withstand environmental conditions) of the replacement component is equivalent to that of the original component. Receipt inspections will verify that the component received is the component ordered, and post-modification/maintenance tests will be performed as appropriate to verify the function of the component.

- Maintenance - LSS and NRS will be removed from service in logical groupings approximately four times per year (as required) to support corrective, preventive, and predictive maintenance activities. Preventive maintenance will include routine maintenance checks, inspections, replacements, tests, adjustments, calibrations, and post-maintenance testing, as appropriate. Predictive maintenance activities will include periodic lube oil analyses on large motors and pumps, vibration analyses of rotating equipment, thermographic analyses of mechanical and electrical components to identify improper temperature conditions or electrical hot-spots, acoustic analysis for valve leak-by or component leakage, and motor potential diagnostic testing, as appropriate.

- Monitoring and CorrectiveAction - Under STP's Maintenance Rule Program, LSS and NRS safety-related components will be monitored at the appropriate plant/system/train level. In addition, LSS and NRS components will monitored by routine Operator rounds, System Engineer walkdowns and resulting System Health Reports, GQA Working Group periodic system reviews, and Corrective Action Program performance thresholds. When deficiencies are found in LSS and NRS components, the deficiencies will be subject to the existing Corrective Action Program, which satisfies the requirements in Appendix B to CFR Part 50. Furthermore, if a component fails to satisfy performance expectations, the commercial controls will be evaluated and adjusted as necessary to provide appropriate treatment to the component.

Available data indicate that commercial treatment programs are effective in ensuring the functions of compoents. STP has performed an analysis of Institute of Nuclear Power Operations (INPO) Equipment Performance and Information Exchange System (EPIX) data. The scope of this analysis includes over 670,000 component records, 166,000 component failure records, and 74 billion component-hours of experience. This analysis shows that, of the 33 component categories investigated, 21 had higher safety-related failure frequencies than non-safety-related failure frequencies. Non-safety-related failure frequency values were significantly higher than corresponding safety-related failure frequencies in only one of the 33 categories. In addition, STP has collected data on active equipment necessary to support power production at STP (e.g., feedwater and condensate pumps). The collected data indicate no apparent difference in the failure rates for normally operating motors between safety and non-safety related equipment. Based upon this data, STP concludes that the changes in the special treatment requirements for LSS and NRS components will not significantly impact their failure rates.

In summary, the commercial treatment provisions include 1) controls to ensure that LSS and NRS components will be procured and installed such that they are capable of performing their design basis functions, 2) maintenance activities to ensure that LSS and

NRS components will continue to satisfy their design basis functions, and 3) monitoring of LSS and NRS components to ensure that a deficiencies in the performance of LSS and NRS components are promptly corrected. Additionally, industry and STP data indicate that the failure rates for components subject to commercial treatment are not significantly different than the failure rates for components subject to special treatment. Therefore, STP concludes that commercial treatment provides adequate, risk-commensurate assurance that LSS and NRS components will be able to perform their safety functions under design basis conditions.

3.0 A Substantial Decrease in Reliability of LSS and NRS Components Would Not Significantly Impact the Safety of the Plant

As discussed above, industry and STP data indicate that the failure rates for components subject to commercial treatment are not significantly different than the failure rates for components subject to special treatment. Nevertheless, even if it were unrealistically assumed that the change from special treatment to commercial treatment would result in a substantial decrease in the reliability of LSS and NRS components, there would be no significant impact on risk.

NRS components are not sufficiently significant to warrant modeling in the PRA. Furthermore, the vast majority (approximately 90%) of the safety-related LSS components were so categorized solely for deterministic reasons; i.e., they were not sufficiently significant to warrant modeling in the PRA. Therefore, the exemption to exclude these components from the scope of the special treatment requirements will not affect risk levels as determined by STP's probabilistic risk assessment (PRA).

STP performed a sensitivity study to determine the impact on core damage frequency (CDF) and large early release frequency (LERF) from postulating a factor of 10 increase in the failure rates of all LSS components. In all cases, increasing the failure rates of LSS components by a factor of 10 resulted in a failure rate that was greater than the 95th percentile for each of the LSS component failure rate distributions. The cumulative impact to the annual average CDF and LERF of the increased failure rates for all LSS components categorized to date is shown below:

	Current Average (events/yr)	**Sensitivity Study λ_{LSS}*10 (events/reactor year)**	**Increase**	**Increase**
CDF	9.0781 E-6	9.3232E-6	.4510 E-7	2.7%
LERF	1.3742E-7	1.3911 E-7	.6900 E-9	1.2%

The above increases in CDF and LERF are within the acceptance guidelines for changes as outlined in Regulatory Guide 1.174 (i.e., 1E-6 delta CDF and 1E-7 delta LERF). Based upon the above, STP concludes that, even if it is unrealistically assumed that the change in the special treatment requirements were to result in significant degradation of NRS and LSS components, there would be little or no increase in risk.

4.0 It Would Be Inconsistent with the Intent of the Commission to Require Additional Treatment for LSS and NRS Components

As discussed above, commercial treatment provides adequate, risk-commensurate assurance that LSS and NRS components will be able to perform their safety functions under design basis conditions. It would be inconsistent with the intent of the Commission to require additional treatment or evaluations to provide further assurance of the functionality of LSS and NRS components.

The STP exemption request is a prototype for risk-informing the special treatment requirements in the Commission's regulations. Specifically, ST? is a prototype for rulemaking Option 2 in SECY-98-300, as approved by the Commission. With respect to Option 2, SECY-98-300 states:

> Under this option, SSCs of low safety significance (from a risk-informed assessment) would move from "special treatment" to normal industrial (sometimes called "commercial") treatment, but would remain in the plant and be expected to perform their design function but without additional margin, assurance, or documentation associated with high safety significant SSCs.

Similar statements are provided in the Advanced Notice of Proposed Rulemaking entitled *Risk-Informing Special Treatment Requirements* (65 Fed. Reg. 11488, March 3, 2000). Thus, a requirement for additional treatment for low safety significant components, above and beyond that provided by commercial treatment, would be inconsistent with Option 2.

Furthermore, the current special treatment requirements in NRC's regulations are the cumulative result of prescriptive, deterministic regulations promulgated over the years. Imposing a requirement for additional treatment, beyond that provided by commercial treatment, for low safety significant components would be inconsistent with NRC's intent to move toward risk-informed, performance-based regulation. In particular, for low safety significant components, licensees should have flexibility to identify the treatment to be afforded to such components (i.e., commercial treatment), subject to monitoring to ensure that the treatment is effective in maintaining an acceptable level of risk. As is stated in SECY-98-300:

> Since changes to [special treatment] requirements in the revised regulations would apply to those SSCs of low risk importance, it is anticipated that such an approach could be accomplished with no significant safety impact. However, as part of this process, the staff would have to ensure that the licensee had appropriate

assessment and feedback programs in place to reflect SSC performance degradation back into the PRA and to modify SSC risk importance as necessary.

It would be inconsistent with this principle to replace the current special treatment requirements with a different set of treatment requirements for low safety significant components. In essence, the NRC would only be exchanging one set of prescriptive requirements for another set of prescriptive requirements, without truly making its regulations risk-informed and performance-based. Furthermore, the cost of identifying additional treatment for each low safety significant function would be prohibitive and would outweigh any benefit from the STP exemption (or to Option 2 in general). Therefore, imposing a requirement for additional treatment, beyond STP's normal commercial practices, is not a viable option.

5.0 Conclusions

STP's commercial treatment includes provisions for control of procurement, maintenance, and monitoring and corrective action. These provisions provide adequate assurance that LSS and NRS components will be able to perform their safety functions under design basis conditions. This conclusion is supported by industry and STP data, which indicate that commercial treatment is effective in ensuring the function of components. Furthermore, STP's sensitivity studies demonstrate that, even if it is unrealistically assumed that the change in the special treatment requirements were to result in significant degradation of NRS and LSS components, there would be little or no increase in risk. Finally, it would be inconsistent with the intent of the Commission and the concept of risk-informed performance-based regulation to require STP to provide additional treatment, beyond its normal commercial practices, for LSS and NRS components. Therefore, STP's commercial treatment program provides an acceptable basis for ensuring the safety functions of LSS and NRS components, and the NRC should not impose a requirement for any additional treatment.

STPNOC'S COMMENTS ON NRC DRAFT REVIEW

GUIDELINES FOR STP EXEMPTION REQUEST AND

BASELINE ACCEPTANCE CRITERIA FOR RIP50 OPTION 2

(handwritten comments attached)

Enclosure 6