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FROM: DUE: / /

EDO CONTROL: G20000547  
DOC DT: 11/17/00  
FINAL REPLY:

Ralph E. Beedle  
Nuclear Energy Institute (NEI)

TO:

Chairman Meserve

FOR SIGNATURE OF :

\*\* GRN \*\*

CRC NO: 00-0698

DESC:

ROUTING:

SECY-00-198, Status Report on Study of Risk-Informed Changes to the Technical Requirements of 10 CFR 50 (Option 3) and Recommendations on Risk-Informed Changes to 10 CFR 50.44 (Combustible Gas Control)

Travers  
Paperiello  
Miraglia  
Norry  
Craig  
Burns/Cyr  
Collins, NRR

DATE: 11/27/00

ASSIGNED TO:

CONTACT:

RES

Thadani

SPECIAL INSTRUCTIONS OR REMARKS:

For Appropriate Action.

OFFICE OF THE SECRETARY  
CORRESPONDENCE CONTROL TICKET

Date Printed: Nov 24, 2000 14:21

PAPER NUMBER: LTR-00-0698

LOGGING DATE: 11/24/2000

ACTION OFFICE: EDO ✓

AUTHOR: Ralph Beedle

AFFILIATION: NEI

ADDRESSEE: CHRM RICHARD MESERVE

SUBJECT: Provides an industry perspective on SECY-00-198, Status Report on Study of Risk-Informed Changes to the Technical Requirements of 10 CFR Part 50 (Option 3) and Recommendations on Risk-Informed Changes to 10 CFR 50.44 (Combustible Gas Control)

ACTION: Appropriate

DISTRIBUTION: CHAIRMAN, COMRS, RF

LETTER DATE: 11/17/2000

ACKNOWLEDGED No

SPECIAL HANDLING:

NOTES:

FILE LOCATION: ADAMS

DATE DUE:

DATE SIGNED:



NUCLEAR ENERGY INSTITUTE

**Ralph E. Beedle**

SENIOR VICE PRESIDENT AND  
CHIEF NUCLEAR OFFICER,  
NUCLEAR GENERATION

November 17, 2000

The Honorable Richard A. Meserve  
Chairman  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555-0001

Dear Chairman Meserve:

In September, the NRC staff forwarded to the Commission for notation vote SECY-00-198, *Status Report on Study of Risk-Informed Changes to the Technical Requirements of 10 CFR Part 50 (Option 3) and Recommendations on Risk-Informed Changes to 10 CFR 50.44 (Combustible Gas Control)*. This letter provides an industry perspective on several issues discussed in the SECY document that are critical to the viability of Option 3. These issues include:

- backfit considerations;
- selective implementation;
- the “framework” for risk-informing technical requirements; and
- the inclusion of new special treatment requirements in Option 3.

The SECY proposes the addition of technical requirements to a voluntary risk-informed alternative regulation without backfit analysis. The objective of Option 3 is to provide licensees with alternatives that maintain the level of safety provided by the current regulations while reducing unnecessary burden. The introduction of any new requirement or regulatory position should be based on safety significance and cost-benefit assessments, and not on a “quid pro quo” concept devoid of cost-benefit assessments. If the NRC staff identifies a new safety-significant issue based on risk insights, that issue should be input to the generic issue program for consideration as a mandatory change for all affected nuclear plants. It should not be combined with a voluntary risk-informed alternative requirement resulting from Option 3.

The policy issue on selective implementation is linked, in part, to the backfit issue. We believe it would be more straightforward and less confusing from an implementation standpoint to adopt all of the requirements within a risk-informed alternative regulation. However, if that alternative contains additional requirements of undetermined value, we see little incentive for any licensee to adopt such an alternative.



The Honorable Richard A. Meserve

November 17, 2000

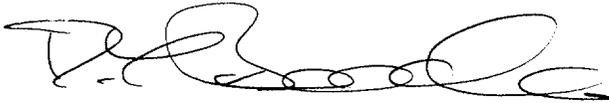
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With regard to the framework document attached to the SECY, we believe this effort is diverting attention and resources from the Option 3 candidates, namely 10 CFR 50.44, 10 CFR 50.46 and the conforming appendices and regulations. A set of guiding principles should be sufficient to move forward at this time. A broad, philosophical discussion, absent practical experience from the candidate regulations, will do little to advance the prospects for Option 3.

Our last concern is with the staff's intent to expand Option 3 to develop risk-informed alternatives to the special treatment requirements. The purpose of Option 3 is to risk-inform the technical requirements, not to amend or identify new special treatment requirements. This proposed work, if it has merit, should be conducted outside the Option 3 initiative.

As in the case of Option 2, we believe that frequent Commission briefings with all stakeholders are necessary to maintain momentum and resolve emerging issues. We remain committed to working with the NRC to develop a practical approach to implementing risk-informed improvements to the technical requirements. We intend to provide the Executive Director for Operations with additional details of our concerns. If you have any questions please contact me or have your staff contact Steve Floyd (202-739-8078, e-mail sdf@nei.org).

Sincerely,

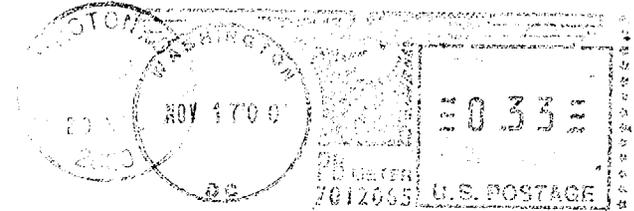


Ralph E. Beedle

- c: The Honorable Greta Joy Dicus, Commissioner, NRC
- The Honorable Nils J. Diaz, Commissioner, NRC
- The Honorable Edward McGaffigan Jr., Commissioner, NRC
- The Honorable Jeffrey S. Merrifield, Commissioner, NRC
- Dr. William D. Travers, Executive Director for Operations, NRC

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FORWARDING AND ADDRESS CORRECTION REQUESTED



NUCLEAR  
ENERGY  
INSTITUTE

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Chairman  
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