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NRC Project 692

Document Control Desk
US Nuclear Regulatory Commission
Washington, D.C. 20555-0001

Subject: Request for Waiver of Review Fees for CEOG Report CE NPSD-1186

Reference: CEOG Letter, R. Phelps to NRC, Submittal of CE NPSD-1186, "Technical Justification for the Risk Informed Modification to Selected Required Action End States for CEOG PWRs," CEOG-00-121, dated April 28, 2000.

The reference letter submitted CE NPSD-1186 for staff review and approval. By this letter and for the reasons stated below, the CEOG requests waiver of fees associated with the staff's review of this report.

Significant advances in and experience with risk assessment methodology since 1975 have resulted in the Commission advocating certain changes to the development and implementation of its regulations through the use of risk-informed, and ultimately performance-based, approaches. The Probabilistic Risk Assessment (PRA) Policy Statement (60 FR 42622, August 16, 1995) formalized the Commission's commitment to risk-informed regulation through the expanded use of PRA. The PRA Policy Statement states, in part, "The use of PRA technology should be increased in all regulatory matters to the extent supported by the state of the art in PRA methods and data, and in a manner that complements the NRC's deterministic approach and supports the NRC's traditional defense-in-depth philosophy."

Report CE NPSD-1186 documents the results of risk-informed applications for the improvement of Technical Specification end states. The report was developed using the joint application cross-comparison process pioneered by the CEOG to support risk informed decisions and provides a technical basis for changing the safe mode end state for 29 Technical Specifications from Mode 5 to Mode 4. The results have been cross-compared to understand the reasons for differences and to understand the insights gained from the PRA and deterministic evaluations. Importantly, the report illustrates a process for performing risk-informed applications.

As noted in SECY-99-246, "Proposed guidelines for applying risk-informed decision making in license amendment reviews," the staff envisions several procedure changes to existing

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Regulatory Guides and Standard Review Plans to gain more consistency in the process of analyzing and evaluating the risk implications of proposed changes. We have worked closely with the NRC Technical Specification and PRA branches during the review of CE NPSD-1186. Based on discussions with the staff, it is our understanding that the processes and results documented will be instrumental in assisting the NRC in formulating PRA policy statements, regulatory guides, or standard review plans associated with risk-informed applications.

We appreciate that there is significant generic benefit to both the industry and the NRC to complete the review, reach agreement through resolving issues, and to issue a safety evaluation on this report. With NRC approval, this report and safety evaluation can be referenced by CEOG members in their licensee applications, thereby resulting in significant savings to the NRC in review time and averted work. Through the application of these generic methods, we estimate that the staff will avert costs that amount to one or two man-months of staff review time for each subsequent utility application.

The process improvements described above clearly reduce NRC resource requirements. In consideration of such averted costs, the CEOG requests that the fees associated with the review of the subject report, both fees invoiced and those yet to be invoiced, be waived to the extent that it has or will reduce NRC expenditures associated with the development of regulatory guidance and improvements, and in the review of individual license applications.

This request for fee waiver is based on footnote 4 to 10 CFR 170.21 which states that fees will not be assessed for reports submitted to the NRC to assist the NRC in developing a rule, regulatory guide, policy statement, generic letter or bulletin (criterion 2) or as a means of exchanging information between industry organizations and the NRC for the purpose of supporting generic regulatory improvements or efforts (criterion 3).

NRC fees assessed for review of the reference report (TAC MA8858) through the end of November 2000 total \$88.4K. For comparison, the cost to develop this report by CE Nuclear Power was approximately \$70K.

Please do not hesitate to contact me if you have any questions.

Sincerely,



Richard A. Bernier, Chairman
CE Owners Group

cc: CE Owners Group
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