

EDO Principal Correspondence Control

FROM: DUE: 05/10/01 EDO CONTROL: G20010165
DOC DT: 04/24/01
FINAL REPLY:

NEI
Ralph E. Beedle

TO:
Chairman Meserve

FOR SIGNATURE OF : ** PRI ** CRC NO: 01-0222
Chairman Meserve

DESC: SAFEGUARDS PERFORMANCE ASSESSMENT PROGRAM ROUTING:
Travers
Paperiello
Kane
Norry
Reiter
Craig
Burns/Cyr
Virgilio, NMSS

DATE: 04/26/01

ASSIGNED TO: CONTACT:
NRR Collins

SPECIAL INSTRUCTIONS OR REMARKS:

Template Secy-017

E-Rida Secy-01

OFFICE OF THE SECRETARY
CORRESPONDENCE CONTROL TICKET

Date Printed: Apr 26, 2001 14:45

PAPER NUMBER: LTR-01-0222 **LOGGING DATE:** 04/26/2001
ACTION OFFICE: EDO

AUTHOR: RALPH BEEDLE
AFFILIATION: NEI
ADDRESSEE: RICHARD MESERVE
SUBJECT: SAFEGUARDS PERFORMANCE ASSESSMENT PROGRAM

ACTION: Signature of Chairman
DISTRIBUTION: RF

LETTER DATE: 04/24/2001
ACKNOWLEDGED: No
SPECIAL HANDLING:

NOTES: COMMISSION CORRESPONDENCE
FILE LOCATION: ADAMS

DATE DUE: 05/14/2001 **DATE SIGNED:**

EDO --G20010165



NUCLEAR ENERGY INSTITUTE

Ralph E. Beedle

SENIOR VICE PRESIDENT AND
CHIEF NUCLEAR OFFICER,
NUCLEAR GENERATION

April 24, 2001

The Honorable Richard A. Meserve
Chairman
U.S. Nuclear Regulatory Commission
Mail Stop O-16 C1
Washington, DC 20555-0001

Dear Chairman Meserve:

Recently the NRC staff sent the Commission recommendations for a program to test concepts of a performance-based approach to safeguards regulations for power reactors. The industry believes that a pilot program is necessary to achieve the most effective safeguards regulation, and 22 facilities have volunteered to participate in such a program.

The industry's implementing guide, *Safeguards Performance Assessment Program*, NEI 99-07, provides a structured program to demonstrate that a licensee's protective strategy is effective through a series of evaluated drills and exercises. In implementing the industry program, a licensee would normally plan a series of drills over a three-year period to test key program elements. Near the end of the three-year cycle, the licensee conducts an exercise during which the NRC evaluates licensee performance. Program goals are achieved over a full three-year cycle, not in any single drill or exercise.

To support the rulemaking effort, the pilot program needs to provide insights into all aspects of a licensee's program during the first year of the pilot program. To achieve this, the industry proposes using all 22 volunteers with facilities conducting evaluated exercises in the first, second or third year as described in the enclosure. All pilot facilities would conduct drills each year, as required by the industry guide.

Discussions with the NRC staff have focused on scheduling eight evaluated exercises during a one-year pilot program. The additional resources required to support the pilot program would be compensated by a reduction in the OSRE schedule.

We also recommend that the pilot program continue until the revised safeguards rule is finalized. At the end of the first year, guidance will be revised to incorporate



The Honorable Richard A. Meserve

April 24, 2001

Page 2

lessons learned. Implementation after the final rule is issued will be simplified if pilot facilities remain in the program.

We strongly encourage the Commission to support a safeguards performance assessment pilot program that allows a comprehensive evaluation and provides insights in support of the rulemaking process.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Beedle", written in a cursive style.

Ralph E. Beedle

JWD/

Enclosure

- 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
- Samuel J. Collins, Director, NRR, NRC

Safeguards Performance Assessment Volunteers

The following facilities have volunteered to participate in a pilot program to evaluate protective strategies using guidance in *Safeguards Performance Assessment Program*, NEI 99-07. Actual dates for the observed evaluated exercise would be coordinated with the NRC Regional staff.

First Year—(These facilities are willing to conduct an evaluated exercise during the first year of the pilot, July 2001 to June 2002. Only eight will be selected from this list, the others will move to the second year list.)

Plant	Region	Preferred Dates For Evaluated Exercise
Limerick	1	Apr-Jun 2002
Vermont Yankee	1	Aug 2001
North Anna	2	Apr 2002
Surry	2	Jun 2002
McGuire	2	Oct-Dec 2001
Kewaunee	3	Jun 2002
Braidwood	3	Jan-Mar 2002
ANO 1	4	Apr-Jun 2002
Palo Verde	4	Sep 2001
Comanche Peak	4	Oct-Dec 2001

Second Year—(These plants are willing to conduct an evaluated exercise during the second year of the pilot, July 2002 to June 2003.)

Plant	Region	Preferred Dates For Evaluated Exercise
Ginna	1	Oct-Dec 2002
Vogtle	2	Jan-Mar 2003
Prairie Island	3	Jan-Jun 2003
Grand Gulf	4	Jan-Mar 2003

Third Year—(These plants would implement the program in the normal manner with an evaluated exercise in the third year, July 2003 to June 2004.)

Plant	Region	Preferred Dates For Evaluated Exercise
Calvert Cliffs	1	Oct-Dec 2003
Hatch	2	Jan-Mar 2004
Monticello	3	Jan-Jun 2004
Fermi	3	July-Sep 2003
Perry	3	Apr-Jun 2004
Columbia Generating	4	Aug-Sep 2003
San Onofre	4	Oct-Dec 2003
Wolf Creek	4	Apr-Jun 2003