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Renewal Program

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

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COMMISSIONERS BRIEFING ON LICENSE
RENEWAL PROGRAM

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THURSDAY,

JUNE 14, 2001

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ROCKVILLE, MARYLAND

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The Commissioners met in the Commission
Hearing Room, at One White Flint, Rockville,
Maryland, at 1:30 p.m., Richard A. Meserve,
Chairman, presiding.

PRESENT:

- RICHARD A. MESERVE, Chairman
- GRETA J. DICUS, Commissioner
- EDWARD MCGAFFIGAN, JR., Commissioner
- JEFFREY S. MERRIFIELD, Commissioner
- KAREN D. CYR, General Counsel
- ANDY BATES, Acting Secretary
- CHRIS GRIMES, Chief, License Renewal &
Standardization Branch, NRR
- JON JOHNSON, Deputy Director, NRR

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PRESENT: (cont'd)

WILLIAM KANE, Deputy Executive Director
of Operations

SAM LEE, Senior Materials Engineer, NRR

DAVID SOLORIO, Safety Project Manager,
NRR

MICHAEL TUCKMAN, Executive Vice President,
Nuclear Generation, Duke Power Company

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P-R-O-C-E-E-D-I-N-G-S

(1:32 p.m.)

1
2
3 CHAIRMAN MESERVE: This afternoon's
4 briefing deals with the license renewal program.
5 And I think as everyone in the room is aware this is
6 a very, very significant program. We received our
7 first application in 1998, I believe, for Calvert
8 Cliffs.

9 We since then have processed now two of
10 them. With ANO Unit I, I think it's imminent that
11 having gotten through the Commission with just now
12 the license -- the formality of the license to be
13 issued. A large number of other applications are
14 now pending.

15 We are aware that there are more coming.
16 In fact, people in the industry inform us that we
17 ought to expect that virtually all of the entire
18 fleet of 103 nuclear powerplants will eventually
19 apply applications, submit applications for license
20 renewal.

21 This is an enormously important activity
22 for the NRC and for our licensees. In that
23 connection, the staff has been developing generic
24 guidance documents of various kinds in order to
25 facilitate the relicensing process and to enable

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1 efficiencies. We've done remarkably well so far,
2 and I think all of us join in complimenting the
3 staff for their capacity to live well within the
4 deadlines that we have set.

5 We hope that we'll be able to continue
6 on that course. And one of the ways in which we
7 believe that may be facilitated is through these
8 guidance documents.

9 So we have a briefing this afternoon in
10 which we're going to hear first from the staff. Let
11 me turn to my colleagues and see if they have any
12 opening comments.

13 COMMISSIONER MERRIFIELD: Yes. Mr.
14 Chairman, I would say I'd like to join you in your
15 comments about the staff. I think the most
16 difficult thing that we have as Commissioners right
17 now, when we have meetings on license renewal, is
18 trying to figure out new adjectives to use for our
19 pleasure, which the staff has proceeded in this
20 regard.

21 It has been an exceedingly good effort
22 in every single way, one that has brought a lot of
23 distinction to the Commission, and certainly a lot
24 of plaudits from the folks up in Congress who
25 ultimately give us our money.

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1 So I would -- I did want to add my
2 congratulations, and an excellent job, and hopefully
3 even further improvements can be gained down the
4 road. And I think we are very impressed in that
5 respect.

6 COMMISSIONER MCGAFFIGAN: Mr. Chairman,
7 I might just add, I think as of this moment we have
8 six applications for 12 units, assuming Arkansas
9 Nuclear I is behind us -- before us. Is that right?
10 Didn't we receive the Catawba McGuire today?

11 CHAIRMAN MESERVE: Yes.

12 COMMISSIONER MERRIFIELD: So we've got
13 12 units on the deck, and I think sometime in the
14 not-too-distant future we may have up to 20 units
15 simultaneously, or more simultaneously under review.
16 So we've got to compliment them, but they've got to
17 -- the hard part is dealing with the bow wave that's
18 about to hit them.

19 CHAIRMAN MESERVE: Why don't we get
20 underway? Dr. Kane?

21 MR. KANE: Thank you, Mr. Chairman, and
22 Commissioners. Appreciate those remarks. I'll
23 cover part of the same ground here that you have.

24 We do believe that the license renewal
25 program has achieved some really important

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1 accomplishments to date. The renewed licenses for
2 Calvert Cliffs and Oconee, as you noted, were issued
3 in 2000. Next week we expect to issue the renewed
4 license for the ANO I.

5 The reviews for Hatch and Turkey Point
6 continue to meet the established milestones. We
7 received an application for Surry and North Anna
8 units on May 29th of this year. And as you noted,
9 we received an application from Duke Energy for
10 their Catawba and McGuire plants today.

11 On April 26th of this year, the staff
12 submitted SECY-01-0074 to the Commission, which
13 presented improved guidance for the implementation
14 of the license renewal program for Commission
15 approval. Improved guidance was developed from NRC
16 research and operational experience on aging, as
17 well as from experience gained during the initial
18 license renewal reviews.

19 The improved renewal guidance consists
20 of a generic aging lessons learned report, a
21 standard review plan for license renewal, and a
22 regulatory guide. The Commission separately
23 requested annual briefings on the status of the
24 license renewal program. The briefing today will
25 cover the status of the license renewal program,

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1 including highlights of the program accomplishments,
2 our planning to accommodate the future renewal
3 workload.

4 Jon Johnson, Deputy Director of NRR, is
5 going to describe the purpose of the briefing in
6 more detail and introduce the staff speakers. Jon?

7 MR. JOHNSON: Thank you, Bill.

8 Chairman, Commissioners, good afternoon.
9 We're here to discuss aspects of the license renewal
10 program, and the briefing is really twofold; first,
11 to provide a status report on license renewal, the
12 schedule and resource planning, and, secondly, to
13 discuss the improved guidance documents.

14 We'd like to provide the basis for our
15 request that the Commission approved publishing
16 these guidance documents as we requested in our memo
17 of April 26th. As part of background, in 1999, the
18 Commission directed the staff to focus its review
19 where existing programs should be augmented and also
20 to provide credit for existing programs. We believe
21 we've done that, and we'll explain how.

22 I'd like to make several points. The
23 effort here has been a team effort. It has involved
24 NRR, Research, OGC, as well as the regions. These
25 documents, these generic documents, we believe are

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1 living documents. We do intend to keep them updated
2 as we learn lessons.

3 We've prepared and initiated a
4 demonstration project with the industry to actually
5 test to see how we could use these documents. And
6 also, the last point I'd like to make is that, as
7 Commissioner McGaffigan indicated, we have a number
8 of license renewal applications that we've just
9 received. We have the most that we have ever
10 received.

11 And in order to meet the efficiencies
12 that we've assumed, our staff has been meeting with
13 industry to coordinate the milestone schedule. We
14 still are sticking to the Commission policy with 30
15 months and 25 months, 25 months without a hearing.

16 But within that constraint we feel that
17 in order to become more efficient and effective that
18 we have to adjust the milestones within that
19 schedule, because we have so many that we'll be
20 dealing with at one time.

21 If there are no questions, I'd like to
22 turn it over to Mr. Chris Grimes. He's the Chief of
23 the License Renewal and Standardization Branch. We
24 have to get a new title for him, because we have --
25 in light of the future licensing applications and

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1 interest, we have split, as you know, the future
2 licensing organization away from Chris to allow him
3 to focus on license renewal.

4 Chris?

5 MR. GRIMES: Thank you, Jon.

6 If I could have slide 3, please.

7 It's my great pleasure to introduce the
8 staff's presentation this afternoon by providing an
9 overview of the program and reflecting a little bit
10 about how we got where we are today and where we're
11 going for the future.

12 Back in 1998, as Chairman Meserve noted,
13 we received the license renewal applications for
14 Calvert Cliffs and Oconee, and we set off on an
15 adventure to take Part 54 and Part 51 and implement
16 process and procedures to achieve an aggressive but
17 realistic review schedule for those first two
18 applications.

19 We developed specific procedures in
20 Office Letter 805 to establish the conduct of the
21 review process, to assign roles and responsibilities
22 to explain how the license renewal process would
23 work. But those procedures were drawn largely from
24 the processes that were used for original licensing,
25 which now seems like it was an eon ago, because we

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1 discovered in implementing those procedures that
2 this is a new world, this is a new working
3 environment, but the procedures provided us with an
4 effective framework.

5 When we presented the proposal to the
6 Commission in 1999, developed Generic Aging Lessons
7 Learned, even at that point our original procedures
8 had provided a system for collecting lessons
9 learned, for gathering the experience, and for
10 adjusting the process as we went along to
11 continually improve it as we were achieving the
12 milestones and working towards our preparations that
13 would position us for the future license renewal
14 reviews.

15 We also had Office Letter 906, which
16 established the review process for the environmental
17 reviews, and it was largely more tested than Office
18 Letter 805 was, but it also had the challenge of
19 implementing the changes to Part 51 that accounted
20 for a generic environmental impact statement for
21 license renewal.

22 In addition, we created a brand-new
23 inspection program and Inspection Manual Chapter
24 2516 to establish an appropriate scope of inspection
25 that would verify important aspects of a license

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1 renewal application and the staff's safety
2 evaluation report.

3 And with the cooperation of the regions,
4 we successfully implemented that with an inspection
5 -- specific inspection procedure for that manual
6 chapter.

7 As part of the process, we also had the
8 benefit of some basic process steps. We have weekly
9 staff meetings where the license renewal team
10 gathers and shares the status of the projects, the
11 lessons learned, and reflections on how the process
12 can be more efficiently implemented. And as a
13 result of that ongoing dialogue, we have established
14 style guides that provide aids to the staff in the
15 conduct of the license renewal reviews and an
16 adjunct to the standard review plan.

17 In addition, we have had the support of
18 the bimonthly management meetings, and the
19 interaction between the license renewal steering
20 committee that was established by the staff, and the
21 former support of the Executive Council who set out
22 management oversight expectations and support for
23 the program.

24 In addition, we've provided a system of
25 reporting and monitoring that is now being developed

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1 in ways that we can improve overall processes, not
2 just license renewal, but ways to more effectively
3 monitor programs throughout the reactor licensing.

4 Finally, I want to mention that we've
5 taken to heart the desire to offer ample
6 opportunities for public involvement. During the
7 development of the Generic Aging Lessons Learned
8 Report and the standard review plan, we held two
9 public workshops. We engaged public interest
10 groups, industry representatives, codes and
11 standards in the research community, in order to
12 provide the broadest possible input to the
13 development of the improved guidance.

14 We also set out to develop a
15 communication plan to make sure that we were taking
16 advantage of the best-available experience in terms
17 of communicating with all of our stakeholders.
18 Throughout my description of the program, I've
19 referred to what we have done.

20 And when I say "we," I mean more than
21 just the staff at the NRC who work full-time on
22 license renewal -- the majority of the NRR staff who
23 contributed in a variety of ways to the staff's
24 review; the regions, who have supported us through
25 their inspection activities and the development of

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1 the inspection program; the Office of Research, who
2 have brought their aging management expertise and
3 talent and a background from the national -- from
4 the aging research program.

5 NMSS has even shared experience with us
6 because they are developing license renewal for cast
7 designs. The General Counsel's office, who
8 supported us in the renewal review process, even the
9 Commission, who have supported the program, but also
10 the applicants, the industry, and their aging
11 expertise, the international community who have
12 shared technologies with us, and, finally, the
13 public interest groups who have shared with us their
14 views, their information concerning what they felt
15 were important aging issues, and offered us
16 suggestions on how we can communicate more clearly
17 to our public stakeholders. Do all of those people
18 deserve recognition for what they have contributed
19 to this program.

20 And with that, I'd like to turn the
21 presentation over first to Dave Solorio, who is a
22 Senior Reactor Systems Engineer in the License
23 Renewal Branch. And he's going to provide an
24 overview of the status and how we're positioned now
25 to take advantage of the process improvements for

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1 the future workload. And then Sam Lee is going to
2 describe how we developed the improved renewal
3 guidance and the basis upon which we bring it to you
4 for approval.

5 Dave?

6 MR. SOLORIO: Good afternoon,
7 Commissioners.

8 Since this is the first annual briefing,
9 I'm going to quickly summarize a few of the past
10 program accomplishments and quickly move to more
11 recent accomplishments and future activities.

12 The first two renewal applications
13 completed, as you've heard, were Calvert Cliffs and
14 Oconee. Calvert was completed on March 23, 2000,
15 and Oconee on May 23, 2000.

16 The staff's review of the Arkansas
17 application, which was received in February 2000,
18 was completed ahead of schedule. Last month we
19 provided the Commission our recommendation regarding
20 renewal. As a result, we're looking at completing
21 the review seven months ahead of schedule. The
22 efficiencies with Arkansas's review can be
23 attributed to similarities in design with Oconee and
24 experience gained by the applicant and the staff
25 from the Oconee review.

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1 We would expect the GALL report to
2 provide similar efficiencies to those observed with
3 the Arkansas review, in that when applicants can
4 refer to an aging management program that the staff
5 has previously found acceptable both the staff and
6 the applicant can save resources.

7 Another success of the program this year
8 has been the development of the improved license
9 renewal guidance discussed in SECY-0174, and that
10 will be covered in more detail following my remarks
11 by Sam Lee.

12 Next slide, please.

13 The next slide provides an update on the
14 current and future activities. Hatch was received
15 in March 2000 and is progressing on schedule. All
16 milestones have been met, and the review is on
17 schedule to be completed by March 2002.

18 Turkey Point was received in September
19 2000 and is progressing on schedule. All milestones
20 have been met, and the review is on schedule to be
21 completed by March 23rd. Excuse me, March 2003.

22 On May 29th, we received the sixth and
23 seventh license renewal applications for the North
24 Anna and Surry power stations. The review is
25 ongoing. Today we received, as has been mentioned,

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1 the seventh and eighth applications from Catawba and
2 McGuire, operated by Duke Energy.

3 We expect to receive one more
4 application this year, next month, from Peach
5 Bottom. Project managers have been assigned.

6 Finally, I want to just mention the
7 remaining bullets on the slide are meant to
8 illustrate that over the next few years we expect to
9 be kept very busy, and it's a prelude to my next
10 slide where I'll discuss our review planning
11 process.

12 On November 14, 2000, the staff issued a
13 regulatory information summary that identified the
14 importance of future applicants providing the NRC
15 with advance notice of their plans. Specifically,
16 the regulatory information summary requested future
17 applicants to provide the NRC with their intention
18 to submit and provide an anticipated schedule as
19 early as possible to improve the accuracy and
20 forecasting of our resources and our budget
21 planning.

22 Using schedule information from future
23 applicants, and cost experience from previous
24 reviews, and expected efficiencies of the use of
25 GALL and the standard review plan, we have conformed

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1 our budgets for the next few years to provide
2 sufficient resources to accommodate this workload.
3 Also, to aid us with this high number of
4 applications, we're enlisting the assistance of
5 contractors.

6 Based on the experience with initial
7 reviews, and because we expect more applications in-
8 house than we've had in the past, we've developed an
9 anticipated resource model to help us manage
10 overlapping reviews. We have also solicited
11 feedback on this model from applicants submitting
12 this year to help with adjusting interim milestones,
13 where practicable, to better balance our resource
14 loading.

15 And, finally, we've established several
16 measures for monitoring our performance, such as
17 total application review time, environmental impact
18 statement and safety evaluation report preparation
19 time, review cost and quality of requests for
20 additional information and safety evaluation report
21 inputs.

22 Our expectation is by monitoring these
23 measures we can continue to improve our program,
24 ensure that our program continues to be effective,
25 ensure our planning assumptions remain valid, and be

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1 able to make adjustments due to unforeseen events
2 early enough to make necessary corrections.

3 And that concludes my remarks and our
4 briefing on the status of the program. Now I'll
5 turn this over to Sam Lee, who will speak on the
6 improved renewal guidance.

7 MR. LEE: Thank you, Dave.

8 Can I have slide number 7, please?

9 During the review of the initial license
10 review applications, the staff and industry found
11 that many existing programs are adequate to manage
12 aging license renewal. Thus, NEI raised a question
13 on how to credit existing programs in a license
14 renewal review.

15 The staff prepared SECY paper 99-148
16 providing options and a recommendation to the
17 Commission to address NEI's question and to improve
18 the license renewal process.

19 In an SRM, the Commission endorsed the
20 staff's recommendation and directed the staff to
21 prepare guidance documents to focus the staff review
22 in areas where existing programs should be amended.
23 The staff has completed the improved license renewal
24 guidance document in accordance with the SRM.

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1 We have submitted those documents for
2 Commission approval in SECY-01-0074. We believe
3 this guidance document provides a stable and
4 predictable regulatory framework and improves the
5 efficiency of the license renewal process.

6 Can I have the next slide, please?

7 This has been a significant agency team
8 effort, as you have heard before. It involved the
9 NRR staff, including staff members who are actually
10 doing the -- conducting the license renewal
11 application review, and it also includes the Office
12 of Research staff, who has significant knowledge of
13 aging studies.

14 Today we are here represented by Mike
15 Mayfield and Jit Vora from Office of Research, and
16 also the General Counsel, OGC, and experts from two
17 national laboratories -- Argonne and Brookhaven.

18 We also benefitted from public
19 interactions. Like you have heard before, we held
20 the first public workshop back in December of 1999,
21 and that was to get the stakeholders engaged early
22 in the process, and then we also made early drafts
23 of the documents properly available, and we issued a
24 draft document for formal public comment in August
25 of 2000.

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1 And we followed that with a public
2 workshop in September, and we also held a -- we also
3 had a Commission meeting in December to discuss
4 public comment, and we had many public meetings at
5 NEI to discuss industry comments and technical
6 issues, including comments they raised at a
7 Commission briefing.

8 And the public also participated in the
9 workshops, and they also provided written comments.
10 And the Union of Concerned Scientists participated
11 in the Commission briefings, and they also provided
12 technical reports for staff to look at.

13 Can I have the next slide, please?

14 The improved license renewal guidance
15 documents consist of the Generic Lessons Learned,
16 the GALL report, like you've heard before. This is
17 basically a catalog of aging management evaluations.
18 It builds on previous extensive Office of Research
19 aging studies. It reveals aging effects, identifies
20 the aging management programs, and it evaluates the
21 adequacy of the programs to manage the aging
22 effects.

23 If a program is found to be adequate,
24 then the GALL report -- you indicate no further
25 staff evaluation is needed for license renewal.

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1 Otherwise, you will indicate that the program should
2 be amended for license renewal and it be part of the
3 review.

4 The standard review plan provides
5 guidance to the staff on how to review a license
6 renewal application. It refers the GALL report as
7 the technical basis to focus the staff review in
8 areas where the existing programs should be
9 augmented. And it also provides explicit
10 instructions to the staff on the appropriate use of
11 the GALL report in conducting the review.

12 We also have the Regulatory Guide for
13 license renewal, which proposes to endorse NEI
14 Document 95-10, Revision 3, that provides guidance
15 to an applicant in preparing the license renewal
16 application. NEI 95-10 also provides the standard
17 format of a license renewal application and, thus,
18 you standardize future applications.

19 The improved license renewal guidance is
20 a consistent set of documents, and the staff is well
21 positioned to meet the challenging workload, to
22 review multiple applications, like what you have
23 seen in the previous slides.

24 Can I have the next slide, please?

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1 The staff prepared a report, NUREG-1739,
2 that documents the staff evaluation of the public
3 comments received on the draft documents. It
4 includes the comments we received at a public
5 workshop, and that was attended by over 100 people.
6 And it also includes written comments submitted by
7 about 130 commenters. That includes individuals,
8 public interest groups, NEI, and industry, and it
9 also addresses the five technical reports provided
10 by the Union of Concerned Scientists and comments by
11 ACRS and their consultants.

12 Together the staff evaluated over a
13 thousand public comments, and the stakeholder
14 involvement has resulted in improving the quality of
15 the reports. And throughout this process we have
16 been monitored by the NRC Steering Committee.

17 Can I have the next slide, please?

18 The staff is recommending Commission
19 approval of the improved license renewal guidance
20 document; that is, the GALL report, the SRP, and the
21 Reg. Guide proposing to endorse NEI 95-10. For the
22 future activities, in the SRM associated with 99-
23 148, the Commission also directed the staff to
24 provide a recommendation on whether the license

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1 renewal rules should be revised to address technical
2 issues such as credit for existing programs.

3 We are in the process of developing the
4 staff's recommendation. We are also evaluating a
5 rulemaking petition submitted by the Union of
6 Concerned Scientists proposing to add the rad waste
7 system in the scope of license renewal.

8 At this time, based on the experience of
9 reviewing license renewal applications, the staff
10 has not identified a need to revise the rule in the
11 near term. We are planning a public meeting at the
12 end of the month to gather public comments, and we
13 will provide our recommendation to the Commission by
14 the end of August.

15 On the demonstration project, NEI is
16 using the GALL report to demonstrate the preparation
17 of future license renewal applications. NEI has
18 submitted sample application sections for staff
19 review. We plan on completing the demonstration
20 project by the middle of October in order to support
21 next year's applicants who are planning to use the
22 new guidance documents.

23 Like Jon has said before, we perceive
24 the improved license renewal guidance documents as
25 living documents. After the documents are issued,

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1 the staff plans routine maintenance to refine them,
2 to keep them updated, to capture lessons we learned
3 from the demonstration project, and the review of
4 future license renewal applications.

5 And, in addition, NEI has identified
6 five technical topics for further staff dialogue,
7 and then, by -- resulting in enhanced guidance in a
8 future update. The update schedule would depend on
9 the significance of changes that we will identify.

10 And this concludes the staff's formal
11 presentation.

12 CHAIRMAN MESERVE: Good. Thank you very
13 much. You covered a lot of territory.

14 Commissioner McGaffigan?

15 COMMISSIONER MCGAFFIGAN: Thank you, Mr.
16 Chairman.

17 I'm going to go back to slide 5. My
18 memory is fading, I think, now that I've been here
19 25 years, or been in government 25 years. But my
20 recollection is that these numbers on this chart --
21 we've got three applications in 2000. We're leaving
22 our Arkansas Nuclear I because we're already
23 finished with it.

24 We have five this fiscal year, and we
25 have five, then six, then five, then four. Our

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1 recollection is we had a lot lower numbers in
2 projecting forward, say, a year ago. So we have
3 been surprised on the up side, have we not?

4 MR. GRIMES: Actually, the total number
5 over a longer timeframe has been relatively
6 constant. We've seen schedules moving forward in
7 most cases. But at one point I would say about a
8 year ago, you may remember that we had a -- we were
9 talking about filling slots to try and achieve -- to
10 work up to a level of eight applications a year.
11 And so it's not as demanding as some of the
12 projections that we've had in the past.

13 COMMISSIONER McGAFFIGAN: Most of his
14 people have slid forward and sort of smoothed things
15 out at the moment, but if some of those other folks
16 slide forward you could be back up to eight in a
17 peak year, depending on what happens.

18 Okay. The resources -- we did not
19 budget to have five applications by June of this
20 year when we were doing the FY2001 budget. Did we?

21 MR. GRIMES: I believe we did.

22 COMMISSIONER McGAFFIGAN: We had --

23 MR. GRIMES: I believe that when we went
24 back and reviewed the fiscal 2001 budget once the

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1 figures were approved that we accounted for these
2 applications -- Dominion, Duke, and Peach Bottom.

3 COMMISSIONER MCGAFFIGAN: Arriving in
4 the June timeframe and getting appropriate attention
5 in June, July, August, presumably whatever you do
6 the first three months of receiving an application.

7 MR. GRIMES: Yes. I remember
8 specifically when --

9 COMMISSIONER MCGAFFIGAN: Because as I
10 recall it, we were expecting these in September.
11 And so you're saying, "We don't have to do much in
12 fiscal 2001. They're just going to be here for a
13 few days that year." Now they're here for three
14 months.

15 MR. GRIMES: That's correct. I
16 specifically remember when we formally changed the
17 projection to account for the fact that Dominion had
18 moved up almost a full quarter into fiscal 2001.
19 And so my recollection is that the 2001 budget right
20 now -- actually, the 2001 budget right now shows an
21 underspending in license renewal applications
22 because it assumes the resources are level.

23 We expect that we're going to pick up at
24 the back end of the year and compensate for that,
25 but I believe we have --

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1 COMMISSIONER MCGAFFIGAN: So you have
2 the resources you need.

3 MR. GRIMES: -- enough resources
4 budgeted.

5 COMMISSIONER MCGAFFIGAN: Okay. You
6 talked about adjusting milestones, or Mr. Johnson
7 did. You know, we had this for the first few
8 applicants. Was it 571 or 581 days for the stuff
9 that was in your control? It was one of those
10 numbers.

11 MR. GRIMES: 585 days.

12 COMMISSIONER MCGAFFIGAN: 585, okay.
13 585 days was what it -- when the SER and the EIS
14 would come to fruition, including the ACRS -- I
15 think for the later ones that included the ACRS
16 review period. Or did it not?

17 MR. GRIMES: It did not.

18 COMMISSIONER MCGAFFIGAN: It did not.
19 So the ACRS review period was another 30 to 60 days
20 on the 585.

21 MR. GRIMES: That's correct.

22 COMMISSIONER MCGAFFIGAN: These
23 adjustments that you're now talking about with the
24 applicants, what are the typical periods that you're

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1 talking about for the stuff that's under your
2 control?

3 MR. GRIMES: We're still maintaining the
4 585-day limit on the production of the safety --
5 final safety evaluation report and the final
6 environmental impact statement. We're looking at
7 the front end of the process more because of
8 improvements in the handling of the application.

9 For example, we want to allow the staff
10 to have more time to actually begin preparing a
11 safety evaluation before we finalize the request for
12 additional information. That provides a better
13 quality of information request. It also provides
14 for more effective communication.

15 Similarly, if we've got -- when we've
16 got three applications competing with staff
17 attention at the same time, if we move milestones
18 around so that we don't have them competing with
19 each other for attention in the designation of open
20 items or in the conduct of inspections, those
21 details of the schedules --

22 COMMISSIONER McGAFFIGAN: And you're
23 able to do all of that and still keep the 585 total?

24 MR. GRIMES: Yes, sir.

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1 COMMISSIONER MCGAFFIGAN: Okay. I hope
2 you're not using too many mirrors, but that's fine.

3 There is one item that came up recently
4 that I had some concern about I'll raise, and that's
5 that part of this scheduling these new applications
6 -- I guess starting with Turkey Point -- you're --
7 the rule in Part 51 says that it will provide for a
8 minimum of 45 days for the comment period on the
9 draft environmental impact statement.

10 But for the first four applications we
11 -- through Hatch we allowed for a 75-day public
12 comment period, which is obviously above the minimum
13 of 45. But the thought was that you all would want
14 to go back to 45 days, starting with Turkey Point,
15 on the grounds that this was helping effectiveness
16 and efficiency.

17 If you're taking the full 585 to do
18 this, and if the environmental impact statement, as
19 I understand it, wasn't the long pole in the tent
20 for Arkansas Nuclear I where we did it in even less
21 time, why do we have to shorten the comment period?

22 MR. JOHNSON: Well, Commissioner, one of
23 the things we need to understand is that the comment
24 period is not the only period we rely on to get
25 public comments.

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1 COMMISSIONER MCGAFFIGAN: I know there's
2 a scoping session early.

3 MR. JOHNSON: We --

4 COMMISSIONER MCGAFFIGAN: That's the
5 first time the public sees a document produced by
6 us.

7 MR. JOHNSON: Well, we start off early
8 when we get an application and announce that we have
9 the application, so that anybody who is interested
10 can have that information. We put it on our
11 website. We provide announcements in public
12 newspapers about meetings. We have meetings on the
13 scoping process. We have meetings during the
14 comment period.

15 So we feel that it's the best thing for
16 engaging the public is to engage them early and not
17 wait for the end of the period where this federal
18 notice period would take place. So --

19 COMMISSIONER MCGAFFIGAN: But the
20 federal notice period usually you will -- the notice
21 will read, "The draft environmental impact statement
22 is now available, and you have 45 days to comment on
23 it. During this period we will conduct public
24 meetings in towns X and Y to discuss it." And the
25 public is welcome to attend those meetings, which

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1 will be the subject of a separate Federal Register
2 notice.

3 So that's what the notice reads. The
4 first time the public has a chance that they -- they
5 have a chance to come to the scoping meetings early
6 on and say, "I'd like to have X, Y, or Z addressed
7 in the EIS." But the first time they see whether
8 you have chosen to address those points is when they
9 see the staff -- what the staff has committed to
10 paper. And 45 days is -- it's the minimum. I think
11 it's the statutory minimum.

12 We have had -- you know, we've been
13 using 75 here. When we did the PFS environmental
14 impact statement I think we did 90, because that's
15 what some of the other federal agencies who were co-
16 writers typically used in their EIS process.

17 So what -- the question: what do you
18 buy in terms of -- I'm giving up some public
19 confidence here. What am I buying in terms of
20 effectiveness and efficiency?

21 MR. JOHNSON: Well, first of all, we
22 don't think we are giving up public confidence. But
23 what we do -- what we do believe is when we first
24 started off we didn't know how long it would take,
25 whether we would need 45 days or need to grant

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1 exceptions or extensions. And so we assumed the 75-
2 day period.

3 But what we've learned after doing some
4 of these applications is we really didn't need it,
5 we didn't need the 75 days.

6 COMMISSIONER McGAFFIGAN: All the
7 comments came in within the first 45?

8 MR. JOHNSON: I don't know that exactly,
9 but it --

10 MR. GRIMES: The comments normally come
11 in right before the end of the comment period, and I
12 --

13 COMMISSIONER McGAFFIGAN: How do you
14 know they didn't need the full 75, whoever submitted
15 the comments?

16 MR. GRIMES: Because the measure of
17 public confidence is not just the time that's
18 available for them to comment. I want to emphasize
19 the interested -- all of the interested parties,
20 anyone who participated in the scoping meetings,
21 actually sees the draft EIS earlier than the time
22 that we notice, that we've started the comment
23 period.

24 COMMISSIONER McGAFFIGAN: Is that right?

25 MR. GRIMES: That's correct.

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1 COMMISSIONER MCGAFFIGAN: So you make
2 the draft EIS available --

3 MR. GRIMES: It's available a week or
4 two before the notice goes out. And another point
5 is -- that I want to emphasize in terms of process,
6 we have this public meeting. We also engage the
7 commenters more directly in order to understand what
8 their concerns are and to make sure that we're being
9 responsive.

10 And as Jon mentioned, what our
11 experience has been is they don't need the whole 75
12 days. We don't need the whole 75 days. And
13 particularly with the combined applications, the
14 expertise that we're relying on is going to be
15 trying to do two sites at the same time.

16 COMMISSIONER MCGAFFIGAN: Right.

17 MR. GRIMES: And so rather than have
18 this extended public comment period, we felt that we
19 would use a scheduling change along with more direct
20 involvement with the interested public in order to
21 make sure that we do not lose public confidence in
22 the process.

23 COMMISSIONER MCGAFFIGAN: Well, the
24 contractors -- it strikes me if -- I don't know
25 whether -- say we have the North Anna, the Surry,

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1 the Duke and Catawba applications, you're going to
2 have to schedule those some way. But if you have a
3 45- versus a 75-day comment period, you're going to
4 be working on Surry in January rather than December,
5 North Anna in February rather than January.

6 Everything just slips 30 days. I don't see why the
7 contractors, you know --

8 MR. JOHNSON: We can provide a lot of
9 the details, but I think from a big picture
10 standpoint there's a lot that has to be coordinated
11 by the teams. We have several teams of contractors
12 from several national laboratories.

13 COMMISSIONER McGAFFIGAN: What if you
14 get -- I mean, if you have a 75-day comment period,
15 obviously, we're more reluctant to give extensions.
16 But you said in the note to us that you'd be willing
17 to give 15-day extensions and perhaps two of them,
18 if necessary.

19 You know, your contractors then face the
20 possibility one place they ended up with a true 45-
21 day comment period, and another place they ended up
22 with 75, because we had to give extensions. And
23 they are suddenly working on the same application --
24 I mean, theoretically, everything has come together
25 at the same time.

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1 With the 75 days you may have more
2 predictability as to when people are actually going
3 to have to be working as opposed to 45 days with
4 extensions. I won't belabor it. I just have
5 concerns about the recommendation.

6 Last question I want to -- the ACRS made
7 some recommendations to you, and you wrote back to
8 them. One of the recommendations was that the staff
9 should encourage applicants to include the results
10 of the scoping process in their applications. The
11 availability of these results will facilitate the
12 review process significantly and make license
13 renewal applications more understandable.

14 I won't read the whole response from the
15 staff, but the staff more or less says in this
16 response that we -- it isn't required by rule, but
17 we agree that it -- you know, that this is useful.
18 The staff believes future applicants understand the
19 importance of voluntarily providing scoping
20 information to improve the public credibility and
21 efficiency of the review process.

22 That's sort of a promise they're going
23 to do it without a rule. Nevertheless, the staff
24 will continue to work with industry representatives
25 to develop improvements to the guidance, and the

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1 staff will note this recommendation response to the
2 Commission's request for the staff to evaluate the
3 need for any renewal rule changes.

4 I think you've gotten four applications
5 in the last week, and you haven't read them all yet.
6 But have they all included the results of the
7 scoping process, so we don't really need a rule
8 because we're already getting it?

9 MR. GRIMES: Your first observation is
10 the most germane, and that is we just got -- we
11 haven't even had Dominion for a week. But I can
12 tell you that as we've met with the industry and
13 talked about standardizing the contents of the
14 applications, and improving the presentations and
15 material, the industry has agreed that there is a
16 need to present the information in a context so that
17 the public can understand the application.

18 And so when we talk about voluntarily
19 providing information, we're really talking about
20 presenting the results of the scoping, as the rule
21 requires, in a context that makes it useful and
22 meaningful information.

23 We're going to pursue this question a
24 little further, because it -- we could resolve this
25 issue by changing the rule requirements to be more

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1 explicit about information that's presented in the
2 application. But our experience with the
3 applications thus far suggests that the ACRS's
4 interest in seeing more of the scoping information
5 could be resolved simply by providing more style,
6 guidance to the future applicants. This is one of
7 the features that we can test during a demonstration
8 project.

9 COMMISSIONER McGAFFIGAN: My sense was
10 that the ACRS -- that this was, you know, based on
11 their experience reviewing what you all were doing,
12 and that they felt -- I mean, it was, you know, a
13 recommendation that they felt reasonably strongly
14 about, that you all needed this information in order
15 to put this -- put everything in context, and that
16 it helped facilitate -- I mean, from the industry's
17 perspective, if it is helping to facilitate your,
18 and, more importantly, ACRS's review at the end of
19 the process, then I would think that that's a useful
20 thing. NEI -- I assume NEI 95, whatever, Rev. 3,
21 does not include what the ACRS recommends.

22 MR. LEE: Yes. I'd just like to add --
23 the Regulatory Guide endorses 95-10 and also the
24 SRP. They have language in there that provides

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1 guidance to the staff and the applicant to encourage
2 this confirmation. Okay?

3 And what we did was -- I guess that got
4 the ACRS's attention was through the public comment
5 period, okay, the public comments -- this is not
6 required by the rule. So what we did was we've gone
7 through the document and explicitly stated --

8 COMMISSIONER MCGAFFIGAN: Well, this is
9 done as part of their --

10 MR. LEE: Okay. But they are -- you
11 know, like "should," we use, you know, should
12 provide, may provide. They are still in there.

13 COMMISSIONER MCGAFFIGAN: Okay.

14 MR. LEE: Okay? But we actually
15 acknowledge that this is not required by the rule.
16 That was the only change.

17 MR. GRIMES: I'd also -- I'd like to add
18 there is a mutual gain here, because, as you pointed
19 out, if it takes more effort for the staff to
20 understand the scoping results, and they may have to
21 pry with more questions, the applicants, in the end,
22 end up expending an equal amount of energy. If they
23 put the information at the front end and can avoid
24 questions about scoping, then we're both motivated
25 toward the same desired outcome.

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1 COMMISSIONER MCGAFFIGAN: This is one of
2 these -- I asked the question a week or two ago in
3 some other context as to whether this was really a
4 rule or it wasn't a rule, and I'll -- it sounds to
5 me that this is sort of a quasi-rule that had best
6 be honored or else applicants may have longer review
7 processes, which they don't want to have.

8 And if it is in that sort of limbo
9 state, there's something to be said for amending our
10 rules to be compatible with the de facto situation.
11 But we'll see what you all have to say in a month or
12 two.

13 CHAIRMAN MESERVE: Commissioner
14 Merrifield?

15 COMMISSIONER MERRIFIELD: Thank you, Mr.
16 Chairman.

17 I would -- Commissioner McGaffigan
18 talked a little bit about the 75 days versus the 45
19 days. And I would comment more than anything else
20 sort of a conflict that I think all of us share
21 around here. On the one hand, there's a desire to
22 really provide sufficient opportunity for the public
23 to comment on these matters.

24 And when there's some balance here, you
25 say, well, you know, we want to make sure that we

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1 provide a full and vibrant opportunity for the
2 public to do that. On the other hand, there's a
3 notion of, well, our rule says 45 days.

4 COMMISSIONER MCGAFFIGAN: A minimum of
5 45 days.

6 COMMISSIONER MERRIFIELD: Minimum of 45
7 days. You know, human nature being what it is, with
8 a lot of cases while you might work on something for
9 the entire period, it's really the last two weeks
10 that you're working on it, relative to whether it's
11 45 days or 75 days.

12 So, you know, you can go back and forth
13 either way. I think it is something that the staff
14 needs to reflect on some more. Is it a matter that
15 our public has taken that full amount of time? Do
16 they need that amount of time? Would 15-day waivers
17 account for it?

18 I'm not certain, but I think it's -- I
19 think, like Commissioner McGaffigan, I struggle with
20 making sure that we are balancing it appropriately.
21 And I certainly urge the staff to take a second look
22 at that in that respect.

23 On page 5 of SECY-01-0074, the staff
24 writes the following. "When applicants state that
25 their aging management programs are bounded by the

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1 GALL programs, the staff's review will shift from
2 reviewing each program in detail to verifying the
3 applicant's assertion."

4 Could you give me a little bit more meat
5 on that and what -- from an implementation
6 perspective what that really means?

7 MR. GRIMES: In practice, this whole
8 concept of credit for existing programs was one --
9 an ability to refer to an accepted practice for
10 managing aging effects in such a way that the --
11 instead of spending substantial effort in reviewing
12 how that is done, just simply go out and verify
13 through inspection that that's the practice that's
14 being used.

15 And so GALL, as the Commission I think
16 eloquently stated, GALL focuses on those things for
17 which the staff needs to concentrate its energies in
18 establishing the effectiveness of the aging
19 management practice, separate from all of those
20 typical aging management practices that we would
21 find and we would rely on to develop a safety
22 evaluation conclusion. And so this is intended to
23 explain that distinction.

24 COMMISSIONER MERRIFIELD: Okay. As was
25 pointed out on page 3 of the same SECY, when we had

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1 our December 2000 Commission meeting NEI indicated
2 there were several areas that it believed the GALL
3 report was establishing unjustified requirements for
4 aging management programs.

5 Would you comment a little further on
6 what you've done to address these issues since we
7 had that Commission meeting?

8 MR. GRIMES: I'll ask Sam to describe
9 that in more detail.

10 MR. LEE: Yes. In the GALL report, what
11 we did was we go through the -- the GALL report
12 evaluation basically is a license renewal review.
13 We go through the license renewal requirements to
14 ensure the intended function will be maintained for
15 license renewal, you know, for aging management.

16 Okay? So that's why we didn't go.
17 Okay? So we explained to NEI, we are not purposely
18 going beyond the rule requirement. Okay. We are
19 trying to enforce Part 54. And in that case we look
20 at the component of the aging effect, look at the
21 program to see if the program is adequate or not.
22 Okay? Once you've done that, then NEI starts
23 pointing out places where they think we are
24 requiring too much in terms of aging management.

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1 And then for those, we talk about them
2 individually, you know, like program by program.
3 Okay. And then we resolve them on a program basis.
4 Okay. And there are a few that are still pending,
5 we haven't quite resolved, and those are the five
6 remaining, you know, public -- you know, topics.

7 MR. GRIMES: Commissioner Merrifield,
8 I'd like to add to that by saying this -- the
9 perceptions about what might be unjustified
10 requirements, in practice what we found was the
11 staff had attempted to try and describe all of the
12 attributes of an effective aging management program.

13 And in looking across the industry,
14 there may be some programs that do more prevention
15 and less mitigation or more mitigation and less
16 prevention in terms of the aging effects. And so we
17 ended up actually having -- we bounded it in a way
18 that really exceeded what was needed for the
19 purpose.

20 And so the exercise that Sam described
21 in terms of going through the specific comments, we
22 were able to separate out what are the specific
23 requirements necessary for an aging management
24 program from optional ways to achieve an effective
25 aging management program. And I believe that that's

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1 what was fundamental to the question about whether
2 or not there were unjustified expectations.

3 COMMISSIONER MERRIFIELD: So you would
4 characterize it the gap in the perception of that
5 has narrowed between ourselves and NEI?

6 MR. GRIMES: Yes. As a matter of fact,
7 I think in the sheer numbers I would say that we --
8 we addressed this -- over a thousand specific
9 questions concerning aging management programs, and
10 we're left with five topics where we need further
11 dialogue. So I would say that we achieved a
12 substantial alignment between the industry and the
13 staff on what the standard of acceptability is.

14 COMMISSIONER MERRIFIELD: One of the
15 issues that I think you're going to have to deal
16 with from a management perspective -- and I wanted
17 to get your comments on this -- we've gone from a
18 point at which we had a relatively smaller number of
19 plants under review to, obviously, we've got a lot
20 on our plate now with all of those that have come in
21 recently.

22 Issues such as the GALL report and the
23 standard review plan become more critical as you
24 have presumably a larger number of staff who are
25 part of this review process. And how -- are you

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1 comfortable with the program that you have underway
2 to make sure that we've consistent, that we -- in
3 dealing with all of these different reviews, that
4 we're not, because of that wider number of staff and
5 the possibilities for greater variance, that we're
6 not -- that variance isn't going to creep into the
7 program in our reviews?

8 MR. GRIMES: Yes. I'm very confident,
9 because, as I mentioned, we have weekly team
10 meetings where all of the participants, those that
11 are well versed in license renewal and have been
12 involved for a long time, down to the new folks just
13 out of the orientation session, are all sharing
14 experience.

15 And so the teambuilding that we've gone
16 through I think provides a process for making sure
17 that everyone is working essentially to the same
18 expectations. I also mentioned before that we've
19 developed these style guides in order to try and
20 minimize innovation and creativity and trying to do
21 it different. That has maintained a focus on what
22 the desired outcome of the review is, and it has
23 provided us with measures that we can use to monitor
24 the effectiveness of the program.

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1 MR. JOHNSON: I'd like to add that we
2 also -- the Steering Committee continues to meet,
3 and we meet with not only our own staff internally,
4 but we have meetings with the industry
5 representatives. And they are not shy about
6 bringing up questions or concerns about consistency,
7 and we've dealt with a number of those.

8 We also have teams of contractors that
9 we use, and, as an example, the environmental
10 reviews that these teams have -- we've taken from
11 different laboratories, so that there is a mix of
12 people. They're not just one isolated group off
13 doing some, and they don't talk. They actually get
14 the experiences from each other, so we get
15 management overview of that, too, to make sure that
16 those reviews are being done consistently.

17 COMMISSIONER MERRIFIELD: One quick last
18 question. In the SECY, you talk about the staff
19 evaluating the resource needs associated with the
20 demonstration program. And I'm wondering if you
21 completed your analysis of what that staff
22 requirement is, and describe it briefly in terms of
23 where you think you're going on that.

24 MR. GRIMES: Yes. We completed it. As
25 a matter of fact, we've briefed the leadership team

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1 in their PBPM process, in terms of we've overspent
2 in infrastructure, budget area, because the original
3 2001 budget did not provide for the level of
4 activity.

5 We had assumed that after we presented
6 the Commission paper that we would drop down to a
7 maintenance level, and we now see that it's -- you
8 know, it's going to tail off into next year, but so
9 far as we can tell we'll be done in September, so
10 we're not going to impact the next fiscal year's
11 budget.

12 But we have sufficient resources. We
13 have people who are working on that aspect of the
14 project right now, and so we don't view those
15 resource demands as limiting us in any way.

16 COMMISSIONER MERRIFIELD: Thank you, Mr.
17 Chairman.

18 CHAIRMAN MESERVE: Thank you.

19 Let me follow up on the resource needs
20 issue. It occurs to me that a large number of these
21 applications that you have pending are ones that are
22 in Region II. And you're going to be calling on
23 inspection resources there, or you have. Are they
24 going to be in a crunch?

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1 MR. GRIMES: I talked to Luis Reyes.
2 The vast majority of license renewal is in Region
3 II. And as we've budgeted, Luis has recognized that
4 -- you know, that he has a larger burden to carry.
5 But at the same time, he has an advantage.

6 The other regions that are looking at
7 spotty license renewal activity in the future years
8 have a difficult time trying to maintain a cadre of
9 experience. Luis has a steady workload, and so the
10 --

11 CHAIRMAN MESERVE: They can be happy.
12 He has all the --

13 MR. GRIMES: Right.

14 CHAIRMAN MESERVE: I see. Okay.

15 MR. JOHNSON: Also, Chairman, the
16 inspections we've done to date have used staff from
17 different regions, so they could learn. So if there
18 is someone available in Region I or Region IV that
19 has already conducted an inspection, we would expect
20 possibly to use those resources to assist in Region
21 II also.

22 CHAIRMAN MESERVE: Okay. Flexibility.

23 I have just one other question. Dr.
24 Lee, at the end you had indicated that there are
25 these five technical issues that are still

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1 outstanding. Could you say something about where we
2 are on the path to the resolution of those issues,
3 how significant they are, and if they fail to be
4 resolved in a generic basis, and whether they're
5 going to slow us down.

6 MR. LEE: For those, the staff already
7 identified programs as adequate to manage aging.
8 Okay? And in this case -- and, yes, I want to
9 continue to exchange more information in terms of,
10 you know, trying to understand why the staff want
11 that level of program.

12 And we had, you know, several meetings
13 with NEI on those topics already. And now I guess
14 just about two weeks ago or so we sent NEI a letter
15 on what we believe, okay, NEI's concerns with those
16 issues are. And then we are going to work on a
17 schedule and attempt to address them and get it into
18 a future update.

19 MR. GRIMES: Yes. I'd like to emphasize
20 I sent a letter to NEI outlining not only our
21 understanding of the issue, but also in the letter
22 we specified the schedule that we wanted to work to.
23 And the way that we characterized those issues, we
24 do not see any that would hold up continued progress
25 on license renewal reviews. These are

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1 clarifications and opportunities for further
2 efficiencies.

3 CHAIRMAN MESERVE: I presume you haven't
4 had a chance to have a response to that letter yet?

5 MR. GRIMES: No, we have not.

6 CHAIRMAN MESERVE: Okay. Commissioner
7 Dicus?

8 COMMISSIONER DICUS: I have a resource
9 question as well. It has to do with the fact that I
10 think you're aware we have a large number of staff
11 across the NRC eligible for retirement. Are you
12 vulnerable to some retirements in your resource
13 situation? And would that create a problem with
14 gearing back up, if you were to lose people?

15 MR. JOHNSON: Well, I think one of the
16 things the leadership team does is they meet
17 periodically, they're meeting right now, to look at
18 our approach for future reactor licensing if that
19 were to come true, and how we would staff that up.

20 The resources that are used in license
21 renewal, in Chris' branch, are primarily from a
22 project standpoint. But the majority of the NRC
23 resources are in the technical staff. And so they
24 are spread out in the Division of Engineering, and
25 so forth.

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1 And so it's not all in one -- all our
2 resources and expertise in license renewal are not
3 concentrated into one specific group, but we are
4 looking in general, not only just for license
5 renewal, but across the board at our aging staff.
6 And that's why I think you see in some of this room
7 here a number of our summer interns and people that
8 we're looking forward to bringing in for the future.

9 COMMISSIONER DICUS: Okay.

10 MR. KANE: The issue is a general one
11 and not unique to this area. I did want to say one
12 thing in follow up to Commissioner Merrifield's
13 point. Don't take the comments we've made as
14 dismissive of the point. I think it is a major
15 management challenge to make sure that we have
16 programs in place to make sure that we do get
17 consistency from -- as we take on more work.

18 And there have been some -- some areas,
19 as Jon has mentioned, where we've found that. But
20 where we need to apply additional controls as time
21 goes on we will. That's a good point.

22 COMMISSIONER DICUS: Okay. So I'm
23 taking your answer to say, no, you don't feel you're
24 vulnerable to retirements.

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1 MR. JOHNSON: Well, I don't think we are
2 vulnerable right now, and specifically for license
3 renewal, but in general that we are -- the agency is
4 --

5 COMMISSIONER DICUS: Sure. We're
6 aware --

7 MR. JOHNSON: -- looking at this across
8 the board.

9 COMMISSIONER DICUS: Some of the high
10 visibility reactor activities -- for example, I'm
11 referring to the cracking of Oconee -- would this
12 impact the priority -- your priorities that you have
13 for the license renewal program? Does this change
14 anything, is what I'm saying?

15 MR. JOHNSON: Well, I -- we've discussed
16 this, and this is an issue that we see right now
17 that we need to deal with for the current operating
18 plants. It's not a license renewal issue per se.

19 COMMISSIONER DICUS: Okay. So it
20 doesn't change priorities.

21 MR. JOHNSON: It has not, no.

22 MR. GRIMES: As a matter of fact, I
23 would like to add, I thought that the ACRS did a
24 very good job of characterizing how it was
25 appropriate to rely on the existing programs that

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1 revealed this particular problem, and at the same
2 time recognize that the lessons that will be learned
3 from the CRDM cracking are -- will be folded into
4 future program changes.

5 And that's consistent with the
6 Commission's philosophy in license renewal that
7 relies on processes that are self-correcting and
8 learning processes.

9 COMMISSIONER DICUS: Okay. Research's
10 role -- what -- give me some idea of what Research
11 is doing, particularly now that the guidance
12 documents are essentially finished, some of the
13 things that they're involved in.

14 MR. GRIMES: The Office of Research is
15 still undertaking -- for example, there are ongoing
16 research activities related to structural aging
17 issues. They recently completed a report in that
18 area, and we're -- and a group of experts is looking
19 at how to build on those results.

20 There is research on materials issues,
21 materials reliability program that the industry is
22 sponsoring. The Office of Research is interfacing
23 with the American Society of Mechanical Engineers
24 and the IEEE on process improvements that will

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1 benefit the aging management programs that we rely
2 on.

3 COMMISSIONER DICUS: Okay.

4 MR. GRIMES: That's the best I can do
5 off the cuff.

6 COMMISSIONER DICUS: Okay. Thank you.

7 CHAIRMAN MESERVE: Good. I'd like to
8 thank the staff. You're doing great work. Keep it
9 up.

10 We're now going to have a chance to
11 speak with Michael Tuckman, who is the Executive
12 Vice President, Nuclear Generation, for Duke Power
13 Company, and has had the privilege of being engaged
14 in our license renewal process.

15 Let me --

16 MR. TUCKMAN: I've been wedded to the
17 process.

18 (Laughter.)

19 CHAIRMAN MESERVE: Let me say before we
20 get started -- and I should have announced this
21 before the staff briefing -- is that Commissioner
22 Diaz had something come up that required him not to
23 be here, and he did express his regrets that he
24 couldn't join us this afternoon, that an emergency
25 arose.

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1 Please, why don't you proceed.

2 MR. TUCKMAN: Mr. Chairman,
3 Commissioners, it's a pleasure to be with you. My
4 name is Mike Tuckman, Executive Vice President for
5 Duke Energy.

6 I have three hats that I think I wear in
7 this particular industry. One, I've been leading
8 the NEI working group on license renewal and have
9 had numerous opportunities to engage with each of
10 you since 1993 as we have been working toward
11 license renewal.

12 I'm a past customer of the Commission
13 and having received the renewed license for Oconee
14 in May of last year. And I was a satisfied
15 customer, and I'm coming back again. And that's the
16 reason --

17 (Laughter.)

18 -- I'm here and still interested in this
19 process. You received our application for McGuire
20 and Catawba this morning, all 296,000 words, at
21 roughly \$12 per word as I calculated our cost.

22 (Laughter.)

23 1,340 pages, 11 volumes. It has been a
24 massive learning process for us, and I'll talk some

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1 about what we've learned in efficiency, if you will,
2 in the process of going through it again.

3 Can I have the first slide?

4 I'll cover four areas today -- the
5 industry perspective on renewal as a program,
6 license renewal guidance documents, I'd like to
7 address the class of 2001 -- we tend to talk in
8 terms of class of 2001, class of 2002 -- and then
9 kind of forecast the future for you just a little
10 bit.

11 Next slide.

12 From the beginning, the industry has
13 felt inherently that our plants were safe and they
14 could operate beyond 40 years of time. Our analysis
15 through the license renewal process to us has
16 confirmed that. The unknowns in the process, quite
17 frankly, were, how would the NRC be able to document
18 and reach a conclusion that the plants were safe and
19 demonstrate that not only to yourselves but to the
20 public?

21 We were also obviously concerned
22 relative to where the review could go, that it might
23 meander for a long time in areas that were not
24 specific to license renewal. The schedule would be
25 unkept. The cost would be not predictable, and the

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1 outcome was not very predictable. So those were
2 concerns that I had as an executive as we put our
3 Oconee program forward.

4 I'm happy to report to you today that
5 those concerns have been resolved. We believe the
6 program is running smooth, and it's a well-managed
7 program. As you pointed out, five reactors have
8 been completed. The sixth one is on the doorstep.
9 You have a number of applications in front of you,
10 and 10 applications or 10 reactors, three licensees,
11 are submitting their applications within basically a
12 two-month period of time.

13 I would like to tell you that -- I will
14 tell you, all scheduled dates have been met by the
15 NRC and the applicant. I view this process -- the
16 585-day schedule that you just talked about -- as
17 being, in essence, sort of an unwritten contract
18 sort of a contract.

19 It was not just the end date that was
20 specified. Every milestone along the way, whether
21 it be when the first round of RAIs would be out,
22 when the sufficiency review would be out, when the
23 applicant had to get their RAIs back in, when the
24 supplemental environmental impact statement would be
25 out. Every single date for the -- both the industry

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1 and the Commission has been met or exceeded. I
2 think that has done an awful lot for us.

3 You've been lucky -- not lucky, that's
4 the wrong term -- we've taken advantage in the ANO
5 case of the moons kind of aligning and the schedule
6 being able to be accelerated. I think that was
7 great that the staff was able to do that, and
8 potentially at times that same -- the moons will
9 align similarly, and that will work.

10 We've worked very -- the three
11 applicants for the class of 2001 are working very
12 closely with the NRC staff to see if we can't lay
13 out the dates for the concurrent review of these
14 three utilities, five sites, to make sure that it
15 can be done in an efficient way.

16 So some of the milestones will be moved
17 one way or the other, the end date is the same, and,
18 again, once the -- once we've agreed to the
19 milestone dates, we'll both achieve them.

20 But that's necessary for the efficiency.
21 You can't do five environmental scoping meetings
22 simultaneously. It just would be chaos. So we very
23 much appreciate the staff's openness to work with us
24 and actually ask our input and advice on the
25 process. So that has been very good.

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1 The NRC staff work is thorough. I think
2 all you have to do is read an SER or read the
3 request for additional information and you'll see
4 this is not a slam dunk. It is not something that
5 is given. There are questions asked. There are
6 hard technical questions to answer, and it has
7 worked very well.

8 The process is reasonably stable and
9 predictable. I say reasonably stable and
10 predictable -- when I've talked to you before, one
11 of the concerns was regulatory accretion. Will each
12 application get harder, because everybody has to ask
13 the next 50 questions, more depth?

14 By and large, the industry has learned
15 from each applicant. We have worked together. We
16 review each other's applications. We learn from the
17 preceding guy what's on the test, so to speak.

18 The NRC continues to find new areas to
19 delve. Sometimes it's an industry event. You
20 referred to the Oconee reactor vessel head cracking.
21 That was, to me, a sterling example of success. We
22 had committed to a program of aging management. We
23 implemented the program, and it found something in
24 corrective actions.

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1 So as issues continue to evolve in the
2 industry, we believe there will still be accretion,
3 and it's probably justified to some level. But we
4 have checks and balances in the process to make sure
5 that we stay within the guardrails of license
6 renewal.

7 Next slide, please.

8 There's a structured appeal and
9 resolution process. It's not used very frequently,
10 but the staff is amenable to when we raise an issue
11 saying, "This has gone further than we think it
12 should," or "We think it's not justifiable."
13 They'll sit down and have a formalized process for
14 mediating, and it also gives us an opportunity, if
15 we feel uncomfortable, to go to the Steering
16 Committee, the next level.

17 We've not had to bring anything to the
18 Steering Committee. Most things are getting
19 resolved at the staff level, at Chris Grimes' level,
20 and I would say it's working quite well.

21 This process has had senior NRC
22 management and utility senior management
23 involvement, and I think that has been key to the
24 success of the process.

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1 It's been very open to the public. Jon
2 Johnson described the many opportunities the public
3 has had to comment on license renewal in one shape
4 or another, and we believe it has been a very open
5 and transparent process.

6 The program is viewed very positively by
7 the plant owners. Why? Because the technical scope
8 is bounded, the schedules are being adhered to. It
9 is predictable. That doesn't mean you can predict
10 that you'll be successful, but the process is
11 predictable and that's what's important.

12 Can further enhancements be possible?
13 Obviously, the answer is, yes, further enhancements
14 are possible. My own learning is from going from
15 Oconee to McGuire to Catawba. The cost of doing the
16 two applications for McGuire and Catawba were less
17 than half the cost of doing the Oconee application.

18 The amount of time -- calendar time and
19 work hours was less than half that we've put
20 together. Clearly, the staff is learning -- you saw
21 through the ANO application -- as they become more
22 familiar with the various plant vendors and more
23 familiar with the process, there are improvements
24 that can be made.

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1 I will make a comment that I know that
2 staff is due to bring back to you a recommendation
3 relative to the rule change. The industry has
4 learned how to use this rule. The NRC staff has
5 learned how to use this rule. There are
6 efficiencies that can be gained in a risk-informed
7 matter.

8 The predictability of what we have
9 learned is the most important thing to us today, so
10 we would not urge changes to the -- excuse me -- we
11 would urge that there not be changes to the rule as
12 we presently are using it to go forward with license
13 renewal at this time.

14 That doesn't mean sometime in the future
15 you couldn't do something else, but we've just got
16 the GALL process and everything laid out. Let's
17 learn how to use that process in it and pick up the
18 efficiencies that way. We believe the rule does
19 provide for a safe license renewal process.

20 Next slide, please.

21 Let me talk about the generic documents.
22 Obviously, it was discussed -- the genesis for SECY-
23 99-148 was the issue of credit for existing
24 programs. I sat in this chair in 1999 and asked you
25 to take a real hard look at existing programs,

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1 because we felt that the license renewal rule
2 basically said if you are doing something under the
3 existing regime, that's acceptable, and you should
4 just go on.

5 In your wisdom, you said, well, new
6 programs or additions to programs really ought to be
7 looked at. That's the focus. And, obviously, the
8 guidance that is out there needs to be clear,
9 understandable, to both sides, so that there is some
10 efficiency. And you told the staff and us to
11 involve stakeholder participation, and that was what
12 was done.

13 Next slide.

14 The Generic Aging Lessons Learned report
15 is now created. Interestingly enough, I laid my
16 application, just the text part of the application
17 and the text part of GALL, and they're about equal
18 thickness. So we have about as much guidance as we
19 have application thickness.

20 The documents -- the GALL report does
21 document the industry compendium, if you will, of
22 acceptable programs. In some cases, and I think
23 I've had some discussion with some of you in the
24 past, the GALL goes a little further than any one
25 utilities program in an area might go. And that was

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1 a concern that the industry had, so we've had lots
2 of dialogue with the NRC staff on this issue.

3 I expect there are still some areas that
4 go further than any one utility will go. And
5 through the process of license renewal applicants,
6 the class of 2001 and '02, that will be identified,
7 and we'll have opportunities to adjust. But we
8 believe that, by and large, the compendium of
9 documents and justification that's been put together
10 will be very useful to both the NRC staff and to the
11 utilities.

12 Next slide, please.

13 Generic Aging Lessons Learned report is
14 a learning document. Much like when it was put out
15 in August of last year there were 14 mechanical
16 programs; now there are 34 mechanical programs that
17 are documented. We will continue to learn through
18 the GALL process, as various utilities or applicants
19 are reviewed, and we -- we very much want the staff
20 to quickly put out any revisions to the guidance in
21 a way that is easy for the next guy to pick up and
22 use.

23 My comment -- the
24 documentation/disposition process in this case was
25 probably the most thorough that I've seen on any NRC

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1 document that has gone out for comments. Comments
2 were laid out clear, who wrote the comment, what the
3 comment was, the basis, and their resolution for it.
4 And it was very easy to track the comments you sent
5 in or other people sent in to see how they were
6 done. So I just wanted to commend the staff for
7 that.

8 We talked about the industry project on
9 the use of GALL. And on the next page, the class of
10 2002 basically got together and said, "Okay. GALL
11 is out here. Now, how are we going to use it? How
12 are we going to use the SRP?" And that process was
13 started a few months ago and was submitted about two
14 weeks ago, to try and lay out several sections of
15 the application, how you would either reference or
16 take exception or -- or write your own program.

17 We would like -- the staff indicated by
18 the October or November timeframe -- that they would
19 give us feedback on it. That will be a good way to
20 see how effective the GALL program could be used in
21 the future.

22 Everything we ever do settles on what's
23 the level of detail required. So that will be a
24 good test for us.

25 The next page?

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1 Between the GALL, the SRP, NEI 95-10,
2 which was approved by -- or referenced by Reg. Guide
3 1.188, we believe there's a pretty good set of
4 documents out there that ought to provide even more
5 stability to the process than we've had thus far.
6 So we feel pretty good.

7 Next page?

8 Our conclusions. From the industry's
9 perspective, the documents should be issued for use.
10 And, again, it's imperative that the update -- that
11 they be updated periodically to incorporate the
12 lessons learned as we go forward and use these
13 documents.

14 Next page.

15 The class of 2001, very briefly, three
16 applicants, five stations, 10 units. As I review my
17 own application for two units, I believe you will
18 see significant efficiency on the multiple
19 applications. They are virtually identical and just
20 point out differences.

21 And I believe instead of -- at a level
22 of effort of two for the plant, I think you should
23 probably expect an effort of 1.4 or something like
24 that. Environmental is still different. So I think
25 that will help the resource issue also.

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1 The generic documents were not
2 extensively used by the three applicants that are
3 just coming in. They were not available, not ready
4 to use at that time. We had to do our application
5 the latter part of last year and the first part of
6 this year. We used what we could, but we -- you
7 will not find anybody referencing aging management
8 program and GALL in these documents.

9 We did, obviously, if it's there we took
10 advantage of it, we took advantage of ANO and Hatch
11 and Turkey Point as they've gone through the process
12 also. We used previous applications and questions.

13 We expect technical questions and
14 feedback on the GALL. In other words, if we didn't
15 address something that's in GALL, we expect that the
16 reviewer will probably ask us the question. We've
17 tried to anticipate that in our application, but the
18 -- the GALL test, I guess, how effective the whole
19 process is, will probably start with the class of
20 2002.

21 Lastly, forecasting the future. We
22 believe that most, if not all, nuclear units will
23 extend their operating licenses. We expect review
24 times and work hours to reduce. I say "review
25 times." I was really referring to the work hours

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1 that go into license renewal by the staff.
2 Originally, on Oconee, it was 22 person-years of
3 effort by the staff. We see that decreasing to 15
4 and potentially 12 or -- or whatever. But we expect
5 that the total hours to be spent reviewing to be
6 reduced as a result of the generic documents that
7 are being used.

8 Obviously, if the moon is aligned and
9 you can get it done in six months or eight months,
10 or a year and a half, that's appreciated by the
11 plant owner, because that's plant staff that we
12 don't have to have "standing by ready to answer
13 questions." But we understand the juggling act of
14 trying to look at many applications simultaneously.

15 The process requires continued NRC and
16 senior utility management oversight. We feel good
17 about where we are, and it's a large credit to the
18 folks that work in the trenches, both in the NRC and
19 the utilities. But I think, assuming the program is
20 in automatic and/or cruise control is probably not a
21 good assumption.

22 And certainly until we get the GALL and
23 everything moving, and we see how well it works, we
24 intend to stay involved.

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1 Thank you for the opportunity to make
2 comments.

3 CHAIRMAN MESERVE: Thank you very much.
4 Commissioner Merrifield?

5 COMMISSIONER MERRIFIELD: Thank you, Mr.
6 Chairman.

7 I started off in the first panel
8 commenting about the staff and the terrific job that
9 they've done in the review process. And it would be
10 inappropriate not to recognize the fact that I think
11 in some ways our staff's review has been easier as a
12 result of the lessons the industry has learned.
13 Obviously --

14 MR. TUCKMAN: We've been trying to make
15 it that way.

16 COMMISSIONER MERRIFIELD: Yes. I mean,
17 I think, obviously, there's credit on both sides of
18 the house, which is certainly the message I would
19 want to leave.

20 I don't want to let you off the hook.
21 On slide 3, you talked about reasonably stable and
22 predictable. Obviously, we strive for excellence
23 around here. What are those areas which aren't
24 quite as stable and predictable from the standpoint
25 of either Duke or NEI?

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1 MR. TUCKMAN: About the only thing that
2 I would say is not "stable and predictable" is the
3 new wrinkle that comes up when a system is looked at
4 by a new reviewer. Occasionally, you'll get some
5 questions that were accepted on a previous
6 application, and either something new has been
7 learned or the reviewer looks at it a little bit
8 differently, and you'll wind up with a question on
9 that particular area.

10 That goes a little further than what
11 you're used to seeing. And that's what I meant by
12 the "stable and predictable." We understand; we
13 don't expect the same questions every time.

14 COMMISSIONER MERRIFIELD: Right.

15 MR. TUCKMAN: But that's probably the
16 only area that I see.

17 COMMISSIONER MERRIFIELD: Well, you
18 know, like everything else, we strive for balance
19 around here. Obviously, you know, our staff needs
20 to ask the questions that are necessary to answer
21 the issues.

22 MR. TUCKMAN: The five issues that Chris
23 mentioned, several of those have taken longer to
24 resolve than I think either side would like. Things
25 like environmentally-assisted fatigue is an area

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1 that we have been struggling with as an industry,
2 inspection of small bore piping, and that sort of
3 thing. Those are the sorts of things that I guess I
4 would say add a little instability to the process.
5 We need to get them resolved.

6 COMMISSIONER MERRIFIELD: Are they
7 resolvable, from your standpoint?

8 MR. TUCKMAN: Yes.

9 COMMISSIONER MERRIFIELD: Okay. What
10 was the -- just help me understand, what was the
11 motivation for deciding you need to have a
12 demonstration project on the use of the GALL?

13 MR. TUCKMAN: When we started with the
14 GALL -- and, again, prior to seeing what finally got
15 issued here in April -- it was unclear how the NRC
16 staff would use GALL. And when I say that, the
17 first draft of GALL, as I indicated, any one -- not
18 any one program -- several of the programs had the
19 best features of all of the programs from the
20 various applicants that had applied.

21 And we didn't think that was the
22 appropriate yardstick to hold up against any single
23 applicant. Maybe it should have been this or this
24 or this rather than this and this and this.

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1 So we said it did not look to us that
2 the GALL would be used a lot, and specifically
3 referencing program reports exactly. So we thought
4 it would be useful to set up a pilot program to try
5 and see how we would use the guidance, and how we
6 would reference it, and what the staff would find
7 acceptable. That was the reason, the genesis for
8 it.

9 COMMISSIONER MERRIFIELD: It strikes me
10 -- and that's fair, and I think there is a
11 recognition about that being the goal of the GALL
12 report. One of the things that we always are
13 concerned about, and I think this is jointly between
14 the Commission and the NEI members, is the issue of
15 insularity, and that utilities or individual plants
16 are so ingrained on a way of doing things that
17 perhaps they're not opening themselves up to other
18 opportunities.

19 Do you think that going through the GALL
20 process and seeing how other utilities are doing
21 their programs is providing a sideline of having
22 some introspection on the part of individual
23 utilities to see maybe there's a better way of doing
24 things in our programs?

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1 MR. TUCKMAN: Yes. Clearly, if you have
2 not thought about license renewal, and you're coming
3 into it for the first time, you might say, "Gee, how
4 do you guys do buried pipe inspections?" or that
5 sort of thing. So you talk to your -- the guy who
6 went before you, or you look in GALL, and here's --
7 if you don't happen to have a program, this is a
8 good way of kind of sharing that experience.

9 Or if you have a program, you might
10 learn something from it and alter your program for
11 the period of extended operation. So I'd say it was
12 -- it is what it was set out to be -- a compendium
13 of good practices on how to manage aging.

14 COMMISSIONER MERRIFIELD: Thank you, Mr.
15 Chairman.

16 CHAIRMAN MESERVE: Thank you.

17 I'd like to pursue a little bit on your
18 slide 4, where you -- make sure I pin you down on --
19 make sure we understand all that you intended to say
20 when you said "further enhancements are possible."

21 I understood you to say that rulemaking
22 is not something you would encourage right now, that
23 we ought to be updating all of the documents,
24 including the GALL, as we go forward. So that's an
25 enhancement. Perhaps we ought to have some -- nudge

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1 it along in the direction of stability in the
2 reviews.

3 Is there anything else?

4 MR. TUCKMAN: Well, the -- could the
5 license renewal be risk-informed and, hence,
6 eliminate a lot of things that are presently being
7 looked at in license renewal? I would say, yes, it
8 could. The rule could further limit the things that
9 are looked at in license renewal.

10 I will tell you, the way we do our
11 scoping review and everything, it does not eliminate
12 that much work for us. But it could -- it could.
13 So what I'm saying, further enhancements in the rule
14 is an example. That's one example of how you could
15 achieve -- get more efficiency.

16 CHAIRMAN MESERVE: But I understood you
17 to say that was not something you were encouraging
18 us to do right now.

19 MR. TUCKMAN: I am not encouraging you
20 to change the license renewal rule.

21 Another example -- the back end of the
22 license renewal -- you know, after you have received
23 your license, and the way you incorporate all the
24 requirements for license renewal into the ongoing

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1 process, that was something that was not looked at
2 very hard because nobody had any experience with it.

3 As several plants start getting
4 experience with making sure that we implement all
5 our programs in an auditable fashion, etcetera, that
6 might be something in the future that we might want
7 to gather some experience.

8 The environmental area is another one.
9 You've now had a number of cases where we've done
10 the environmental reviews. Basically, the
11 environmental reviews have not shown that they were
12 having a negative environmental impact.

13 A number of the items that have to be
14 examined today could go to category 1 if you chose
15 to do so, and just eliminate a little bit more work.
16 So that's another opportunity that we have to make
17 the process a little easier.

18 CHAIRMAN MESERVE: Thank you. That's
19 helpful.

20 For the most part, you are delivering
21 good news here.

22 MR. TUCKMAN: This is a happy talk.

23 (Laughter.)

24 CHAIRMAN MESERVE: And so I don't have
25 very many questions for you. Usually we are trying

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1 to probe into what things we're doing wrong. We
2 appreciate your coming today and helping us.

3 MR. TUCKMAN: Yes, sir.

4 CHAIRMAN MESERVE: Commissioner Dicus?

5 COMMISSIONER DICUS: Thank you.

6 The numbers that the staff showed us a
7 little bit ago out to 2005 on what we might expect
8 coming in, do you kind of agree with those, or
9 disagree with them, or --

10 MR. TUCKMAN: Yes. Through the
11 Executive Steering group, we tried to gather
12 information from various utilities and present them
13 to the NRC staff. We got into a little bit of
14 difficulty in that because NEI doesn't really speak
15 for licensee A, and licensee A might not want to
16 have their name out.

17 So we shifted with working with Chris,
18 and then the NRC now does that survey. But it gives
19 very closely with what our understanding of the
20 industry is today.

21 COMMISSIONER DICUS: Okay. That's good.

22 MR. TUCKMAN: I have not seen anybody
23 slip their application out. They're all coming this
24 way, though.

25 COMMISSIONER DICUS: Noticed that.

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1 The question that I put also to the
2 staff about -- and you brought it up yourself -- on
3 the head cracking at Oconee. Staff says that's an
4 operating plant issue. It's not a license renewal
5 issue. And I appreciated that answer.

6 But has that activity or that situation
7 changed anything that the industry is doing with
8 regard to license renewal, taking another look at
9 something or anything along those lines?

10 MR. TUCKMAN: Well, the industry has,
11 though the materials reliability program, of which
12 I'm also co-chair, we've worked with the NRC and
13 brought all of the information we have relative to
14 the Oconee head cracking and the implications to the
15 rest of the industry. There is also an Inconel 600
16 working group that is trying to formulate plans to
17 do various inspections much earlier on some of the
18 plants than would have been done otherwise.

19 So, yes, I would say we have learned the
20 direct impact on license renewal is not there. But
21 it is on current plants.

22 COMMISSIONER DICUS: Okay. And then,
23 finally, what would you list as the one or two or
24 the main reason that there has been this apparent
25 turnaround that licensees -- perhaps most, if not

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1 all -- will come in for license renewal? What's the
2 environment that has created that?

3 MR. TUCKMAN: Several things. The
4 economics, the performance of the plants has
5 dramatically improved -- dramatically improved. The
6 economics, therefore, have improved on the plants
7 that we presently have.

8 Quite frankly, without trying to sound
9 self-serving, the stability of the Commission and
10 the way the NRC is dealing with the industry goes a
11 long way to providing faith for the operation of the
12 plants. That doesn't mean that you won't act when
13 you need to act, and I don't want to allude to that
14 fact.

15 But what I am saying is the stability
16 this Commission has put on things like license
17 renewal and the way the oversight process -- all
18 those things have made nuclear much more viable than
19 it has been in the past.

20 The success of license renewal -- there
21 were very few folks -- we used to have license
22 renewal meetings in the industry, and you'd have six
23 people attend. We have a lot of people attend those
24 meetings today. It's the happy club. So those are
25 some of the factors.

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1 COMMISSIONER DICUS: Okay. This is a
2 good news day, I guess. Okay.

3 Thank you, Mr. Chairman.

4 CHAIRMAN MESERVE: Commissioner
5 McGaffigan?

6 COMMISSIONER MCGAFFIGAN: I'm not going
7 to linger on this control drive mechanism issue
8 either, except you all are planning to replace the
9 heads, aren't you, at Oconee? Is that the case?

10 MR. TUCKMAN: Yes, sir. I'll replace
11 them in 2003 and '04.

12 COMMISSIONER MCGAFFIGAN: Does the fact
13 that you have a 20-year additional period to
14 amortize whatever cost, is that something that makes
15 it easier to make that sort of decision? Or would
16 you have done it even if you had --

17 MR. TUCKMAN: Let me comment in general
18 about capital expenditures. Because I have license
19 renewal at our Oconee plant, I am replacing steam
20 generators and spending an additional \$500 million
21 on the plant in capital improvements to assure its
22 reliability for the long term.

23 If I -- reactor vessel heads, I have
24 probably spent more money in the repair of reactor
25 vessel heads than I would have spent had I already

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1 had new ones. I just didn't have them in the
2 warehouse. But it does make all capital decisions
3 on a plant much easier, when you know you have
4 another 33 years to go.

5 COMMISSIONER MCGAFFIGAN: Going back to
6 the question I asked the staff, maybe you're
7 comfortable with this situation. We have this de
8 facto -- in the NEI 95-10, Rev. 3, in our Reg.
9 Guide, we now say, while it's not required by the
10 rule, people should think about submitting the
11 results of their scoping process when they submit
12 their application.

13 And ACRS had written a letter saying we
14 should think about requiring it, which apparently we
15 once did in the license renewal rule, circa the
16 early '90s. Then, we take it out of the rule, and
17 we put it back in guidance, and everybody is
18 following it. If everybody is comfortable with
19 that, I'm comfortable I guess.

20 But is the de facto situation, as you
21 understand it, somebody who has just submitted two
22 applications today, that you had best include the
23 results of the scoping analysis in order to --

24 MR. TUCKMAN: It's something you have --

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1 COMMISSIONER MCGAFFIGAN: -- facilitate
2 the staff review?

3 MR. TUCKMAN: It's something you have to
4 do. It's unreasonable to expect that the staff
5 would not ask questions about scoping. So you just
6 go ahead and put it in there, and it doesn't cost
7 anything.

8 COMMISSIONER MCGAFFIGAN: Okay. I guess
9 it's one of these unwritten rules, and I should just
10 let it be. Having heard this discussion today, if
11 everybody is satisfied with the situation as it is,
12 and it's functioning, maybe I'll just let it go.

13 MR. TUCKMAN: Nobody has complained
14 about doing it.

15 COMMISSIONER MCGAFFIGAN: Nobody has
16 complained about doing it. So ACRS will be happy,
17 the staff will be happy, you all -- okay. I quit.

18 (Laughter.)

19 Thank you. I join Commissioner
20 Merrifield and the other Commissioners in commending
21 the industry for the work that it has done to meet
22 us more than halfway in getting all of this process
23 in place. And now the proof will be in the classes
24 of 2001, 2002, 2003, and '04, whether we can get it
25 all done.

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1 MR. TUCKMAN: I can hardly wait to renew
2 Oconee's license again.

3 (Laughter.)

4 CHAIRMAN MESERVE: Mr. Tuckman, thank
5 you for joining us. Very much appreciate it.

6 MR. TUCKMAN: Thank you.

7 CHAIRMAN MESERVE: This is an impressive
8 achievement by both the staff and the industry.
9 It's a good day.

10 With that, we're adjourned.

11 (Whereupon, at 3:06 p.m., the
12 proceedings in the foregoing matter went
13 off the record.)

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