



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
SAM NUNN ATLANTA FEDERAL CENTER
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ATLANTA, GEORGIA 30303-8931**

July 27, 2001

Blue Ridge Environmental Defense League
ATTN: Mr. Louis Zeller
P.O. Box 88
Glen Dale Springs, NC 28629

SUBJECT: Reactor Oversight Process at the Catawba and McGuire Nuclear Stations

Dear Mr. Zeller:

This is in response to your letter of July 11, 2001, concerning the Nuclear Regulatory Commission's (NRC) implementation of its reactor oversight process (ROP) at the Catawba and McGuire Nuclear Stations. In your letter, you referenced two earlier letters your organization submitted to us on this issue dated June 21 and July 18, 2000, respectively that were not answered. The lack of a specific response to your earlier letters is unacceptable to us and we apologize for not providing a more timely response. We do note, however, that many of the concerns raised in your earlier letters were similar to other comments we received from the public and considered during the development and continued refinement of the ROP. The comments from external stakeholders are referenced in a Commission paper dated June 25, 2001, "Results of the Initial Implementation of the New Reactor Oversight Process," and the pertinent section of the Commission paper is included as an Enclosure to this letter. The complete document may be obtained from the Publicly Available Records (PARs) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS>. The ADAMS accession number for the document is ML011410551.

In your earlier letters, you stated that the ROP is not an acceptable substitute for previous methods of nuclear plant review such as the Systematic Assessment of Licensee Performance (SALP), and you indicated that it does not provide clear, understandable and unambiguous information to citizens. While the new oversight process does not provide numerical ratings as did the SALP, it does provide more timely, objective and safety significant criteria for assessing performance. The impetus for the change in regulatory approach included insights from our comprehensive review of NRC regulatory programs in response to both "reinventing government" initiatives and concerns expressed by public interest groups, the nuclear industry and Congress. The ROP was developed with input and suggestions from NRC personnel, Congressional representatives, members of the public, nuclear industry representatives and experts, and other external stakeholders. In general, the June 25, 2001 Commission paper indicated that most

external stakeholders thought the ROP improved consistency and enhanced the predictability of the Agency actions. According to the paper, many public stakeholders also perceived the ROP as being more objective and understandable, with an increase in regulatory focus on risk significance.

In your July 11th letter, you state that either a “special reactor oversight process” must be developed for the McGuire and Catawba plants, which have made preliminary plans to use mixed oxide (MOX) fuel, or the standards for all reactors must be raised. The NRC has not yet received an application to amend the license of any plant to allow use of MOX fuel. Until such an application is received, and the agency has had an opportunity to complete its technical review, it would be premature to propose changes to the ROP. However, our review of any application would include a determination of whether a change in the NRC’s Reactor Oversight Process is warranted.

The information you provided in the July 11th letter relating to other issues, such as the experience base with plutonium fuel, reactor vessel materials, MOX fuel performance characteristics, the isotopic content of MOX fuel and Dr. Edwin Lyman’s views on accident consequences are known to the NRC staff. However, in preparation for the review of any license amendment requests related to the use of MOX fuel, we have undertaken initiatives to enhance staff knowledge of these and other issues. In the event Duke Power Company or any other licensee requests amendment of its licenses to permit the use of MOX fuel, the request will be noticed in the Federal Register and the public will be provided an opportunity to submit comments on the request.

You also expressed concerns related to the design of ice condenser containment systems and past problems with these systems. The NRC staff is aware of these issues and has completed a program of special emphasis inspections over a period of several years to address them. This program of inspections for the Catawba and McGuire plants is summarized in letters dated January 28, 2000, to Duke Energy Corporation (ADAMS accession numbers ML011970160 and ML011970128). As noted in these letters, we completed the special emphasis inspections and continue to monitor the licensee’s oversight of ice condenser operations as part of our normal inspection program. As indicated in our May 31, 2001, Performance Assessment Letters for the most recent assessment interval, we continue to believe that monitoring the ice condenser system as part of our normal inspection program is appropriate.

In summary, we believe that the use of more objective and risk-informed insights gained through use of the new process allow us to focus finite inspection resources on areas where the potential risks are greatest. As we develop additional experience in use of the ROP we may make additional refinements to fulfill our safety responsibilities. We sincerely appreciate your interest and welcome any suggestions you have for improvement.

Respectfully,

/RA/

Malcolm T. Widmann, Acting Chief
Reactor Projects Branch 1
Division of Reactor Projects

Enclosure: Results of the Initial Implementation of the
New Reactor Oversight Process

PUBLIC DOCUMENT (circle one): YES

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