

September 25, 2001

The Honorable Harry Reid, Chairman
Subcommittee on Transportation,
Infrastructure, and Nuclear Safety
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The Fiscal Year 2001 Energy and Water Development Appropriations Act, House Report 106-693, directed the Nuclear Regulatory Commission (NRC) to continue to provide a monthly report on the status of its licensing and regulatory duties. The initial reporting requirement arose in the Fiscal Year 1999 Energy and Water Development Appropriations Act, Senate Report 105-206. The FY 2000 Energy and Water Development Appropriations Act, House Report 106-253, expanded the scope of the report requirement to include regulatory reform efforts affecting power reactor operations beyond 10 CFR Part 50, particularly NRC efforts to evaluate NRC security regulations. In FY 2000, we also expanded the monthly report to include the status of all license renewal applications that are under active review and other NRC initiatives in developing implementation guidance for the license renewal rule. In response to increased Congressional interest, in the May 2001 report we began to provide information regarding the status of activities involving power uprate licensing actions. On behalf of the Commission, I am pleased to transmit the thirty-second report, which covers the month of July (Enclosure 1).

In light of the September 11, 2001, terrorist attacks on the World Trade Center and Pentagon buildings, the NRC and its staff have been working diligently to ensure adequate protection of nuclear power plants and nuclear fuel facilities through close coordination with the Federal Bureau of Investigations, other intelligence and law enforcement agencies, federal government agencies, NRC licensees, as well as military, state and local authorities. We will provide more detailed information regarding the agency's response to this matter in subsequent monthly reports.

We previously included information on our recent activities related to through-wall circumferential cracks found in control rod drive mechanism (CRDM) penetration nozzles and weldments at Duke Power Company's Oconee Nuclear Station, Units 2 and 3, located in Seneca, South Carolina. These discoveries have raised concerns about the structural integrity of reactor penetration nozzles fabricated from Alloy 600 material in the top of reactor pressure vessels at pressurized water reactors (PWRs) throughout the industry. Due to these concerns, the NRC issued a bulletin on August 3, to the licensees of 69 PWRs, requesting information regarding the structural integrity of reactor vessel head penetration. The requested information, when submitted, will allow the NRC staff to assess licensee compliance with current regulations and determine the need for future regulatory actions to address the generic aspects of the issue. The bulletin also requires the PWR licensees to submit a written response indicating

whether the requested information will be submitted within the required 30-day time period. On August 15, the NRC met with representatives from the Nuclear Energy Institute and PWR licensees to discuss the agency's expectations regarding licensee responses to the bulletin. The staff is providing frequent updates to its dedicated website, "Generic Activities on PWR Alloy-600 Weld Cracking" (<http://www.nrc.gov/NRC/REACTOR/ALLOY-600/index.html>) in order to keep stakeholders informed of its actions. We will continue to keep you informed about this issue.

Since our last report, the Commission and the NRC staff also:

- issued an order on July 3 that essentially halted the shipment of large radioactive sources in certain packages by JL Shepherd & Associates (JLS&A). The NRC action followed complaints from foreign authorities that the JLS&A irradiators were not packaged for shipment in conformance with NRC regulations. A site visit by NRC inspectors identified several concerns with the company's quality assurance program. On August 20, the NRC received a written response from JLS&A to the order. The staff is currently evaluating the response.
- issued license amendments which replace the Point Beach Units 1 & 2 Technical Specifications (TS) in their entirety with new TS based on the improved Standard Technical Specifications (iSTS). The licensee will implement these revised TS by December 31, 2001. The Point Beach units are the 61st and 62nd units that have been approved to convert to the iSTS. Applications for conversion to iSTS for an additional 6 units are currently under review and licensees for 8 units are scheduled to make applications in the next year.
- approved the transfers of operating licenses for Indian Point Units 1 and 2 from Consolidated Edison Co. of New York to subsidiaries of Entergy Corporation. The Commission granted hearing requests on August 22 for groups seeking hearings on Entergy's financial ability to operate and maintain the facilities. The Commission's order lays out a schedule for the hearing which could result in a Commission decision in early 2002. The Commission's decision could reverse the action authorized by the NRC staff.
- issued Regulatory Issue Summary (RIS) 2001-16, "Update of Evacuation Time Estimates," on August 1, 2001. The NRC issued this RIS to alert addressees to the possible need to update emergency planning evacuation time estimates as the results of the Year 2000 census are published.
- published in the Federal Register on September 4 (66 FR 46230) a proposed rule that would amend NRC regulations to standardize the process for allowing a power reactor licensee to release part of its facility or site for unrestricted use before the NRC approves the license termination plan (LTP). This type of release is termed a "partial site release." The proposed rule would identify the criteria and regulatory framework that a licensee would use to request NRC approval for a partial site release and provide additional assurance that residual radioactivity would meet the radiological criteria for license termination, even if parts of the site were released before a licensee submits its LTP to the NRC. Also, the proposed rule would clarify that the radiological criteria for unrestricted use apply to a partial site release.

- approved the exemptions requested by South Texas Project Nuclear Operating Company for the special treatment requirements of 10 CFR Parts 21, 50, and 100. Exemptions were granted for components determined to be of low risk-significance using an NRC-approved categorization process. Issuance of the exemptions maintains public health and safety while reducing unnecessary regulatory burden. Additional information on this issue can be found on NRC's website at http://www.nrc.gov/NRC/REACTOR/RISK50/treatment_modifications.html.
- held a public meeting on July 17 through July 18 with Exelon Generation regarding the Pebble Bed Modular Reactor (PBMR). Exelon provided the staff a list of technical topics to be included in the pre-application review and a schedule for discussion of the topics at future meetings. The staff and Exelon continued discussions on Exelon's position papers on legal and financial issues and Exelon's proposed licensing approach. To prepare for construction inspections, the staff requested Exelon to provide information and schedules for offsite fabrication of components or modular systems. For the technical areas of the pre-application review, Exelon presented information on industry codes and standards being used for PBMR design and the fuel irradiation test program.
- held a public workshop July 25 through July 26 on NRC Future Licensing of Nuclear Power Plants. The workshop provided both internal and external stakeholders an opportunity to comment on the licensing process and activities associated with future licensing. During the workshop, representatives from General Atomic and Westinghouse discussed their proposed schedules for pre-application reviews. The workshop attracted 83 non-NRC participants.
- issued Revision 11 to the Certificate of Compliance for the TRUPACT-II shipping package (which changes the allowable contents to include additional waste streams). This package is used by DOE to transport transuranic waste to the Waste Isolation Pilot Plant. The amendment revises the allowable contents to include additional waste streams.
- published NUREG-1717, "Systematic Radiological Assessment of Exemptions for Source and Byproduct Materials." The document contains potential radiation doses associated with the current exemptions for byproduct and source material in NRC regulations. The study was initiated to assess doses using methods consistent with the current requirements in 10 CFR Part 20 and current information on inventories and uses of the exempt materials. The information contained in this NUREG can be used to review and examine the radiological impact of current exemptions. The NUREG has been sent to all Agreement States, general licensees and known facilities using or manufacturing products or materials containing exempt quantities of radioactive material.
- issued a license amendment and exemption to Maine Yankee. The amendment and exemption will allow Maine Yankee to implement changes to its Physical Security Plan, Guard Training and Qualification Plan, and Safeguards Contingency Plan to address the ISFSI Maine Yankee is currently constructing at its site. The Maine Yankee spent fuel pool will continue to meet the physical protection requirements of 10 CFR 73.55, with

exemptions previously approved by the NRC, until all spent nuclear fuel has been transferred to the ISFSI.

I have enclosed (Enclosure 2) the update to the Tasking Memorandum which delineates the schedules for accomplishing high priority initiatives.

Please do not hesitate to contact me if I may provide additional information.

Sincerely,

/RA/

Richard A. Meserve

Enclosures:

1. Monthly Report
2. Tasking Memorandum

LIST OF ADDRESSEES

The Honorable Harry Reid, Chairman
Subcommittee on Transportation,
Infrastructure, and Nuclear Safety
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

cc: Senator James M. Inhofe

The Honorable Joe Barton, Chairman
Subcommittee on Energy and Air Quality
Committee on Energy and Commerce
United States House of Representatives
Washington, D.C. 20515

cc: Representative Rick Boucher

The Honorable Sonny Callahan, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515

cc: Representative Peter J. Visclosky

The Honorable Harry Reid, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States Senate
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cc: Senator Pete V. Domenici

The Honorable W.J. "Billy" Tauzin, Chairman
Committee on Energy and Commerce
United States House of Representatives
Washington, D.C. 20515

cc: Representative John D. Dingell

The Honorable James M. Jeffords, Chairman
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

cc: Senator Bob Smith

The Honorable Pete V. Domenici
United States Senate
Washington, D.C. 20510

MONTHLY STATUS REPORT ON THE
LICENSING ACTIVITIES AND REGULATORY DUTIES OF THE
UNITED STATES NUCLEAR REGULATORY COMMISSION

July 2001

Enclosure 1

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¹Note: The period of performance covered by the report includes activities occurring between the first and last day of the month (e.g., July 31, 2001). The transmittal letter to Congress accompanying this report may provide more recent information in order to keep Congress fully and currently informed of NRC's licensing and regulatory activities.

I. Implementing Risk-Informed Regulations

The staff continues to make progress on tasks involving use of probabilistic risk information in many areas. The milestone schedule for the more significant risk-informed activities are included in the Commission Tasking Memorandum (Enclosure 2 to the letter from Richard A. Meserve, NRC Chairman, forwarding the July 2001 monthly report to Congress on the status of NRC licensing and regulatory duties). The following activities have seen substantial progress since the last report.

South Texas Project Risk-Informed Exemption Requests From Special Treatment Requirements

On July 13, 1999, STP Nuclear Operating Company (STPNOC) requested risk-informed exemptions from certain special treatment requirements of 10 CFR Parts 21, 50, and 100 for safety-related structures, systems, and components that it had determined to be of low risk significance. The exemption request is based on a risk-informed categorization of components in the plant. On June 6, 2001, the staff forwarded a safety evaluation to the Commission approving the majority of the exemptions. The staff and STPNOC briefed the Commission on this matter on July 20, 2001, and the staff issued the final safety evaluation and granted the exemption in early August 2001.

PRA Standards

The American Society for Mechanical Engineers (ASME) and the American Nuclear Society (ANS) have been working on developing standards for Probabilistic Risk Assessment (PRA) for nuclear power plants. ASME is developing the standard for the Level 1 (core damage frequency) and 2 (large early release frequency) PRA for accidents initiated by internal events (excluding internal fires) occurring at full-power operation. ANS is expanding on the ASME standard to address accidents initiated by internal events (excluding internal fires) at low power and shutdown conditions and to address accidents initiated by external events.

The ASME Committee on Nuclear Risk Management recently issued Revision 14A (of the full-power PRA standard) for public review and comment and final approval for publication. The comment period is from June 14, 2001, to September 11, 2001.

A first draft of the external events standard was also recently issued by ANS. ANS expects to issue a final PRA standard on external events next year. With the full-power ASME PRA standard in final form, ANS anticipates completing a first draft of a low power shutdown PRA standard early next year.

Proposed Revision to PRA Guidance

Draft Guide-1110, which is a proposed Revision 1 to Regulatory Guide 1.174, "An Approach for Using Probabilistic Risk Assessment in Risk-Informed Decisions on Plant-Specific Changes to the Licensing Basis," has been issued for public comment. This guide describes an acceptable method for licensees and NRC staff to use when applying risk information in assessing the nature and impact of proposed licensing basis changes. A proposed Revision 1 of Chapter 19, "Use of Probabilistic Risk Assessment in Plant-Specific, Risk-Informed Decision making:

General Guidance," of NUREG-0800, "Standard Review Plan for the Review of Safety Analysis Reports for Nuclear Power Plants," was also issued for public comment as a companion document. Chapter 19 of the Standard Review Plan will be used by the NRC staff for evaluating licensee submittals that use the guidance in Regulatory Guide 1.174 on risk-informed decision making that uses PRA.

II. Reactor Oversight Process

The NRC commenced initial implementation of its Reactor Oversight Process (ROP) at all nuclear plants in April 2000. It has continued meeting with interested stakeholders on a periodic basis to collect feedback on the efficacy of the process and consider this feedback in making refinements to the ROP. Recent activities include:

- e. Staff conducted another of a continuing series of public meetings on July 12, 2001, with industry's working group on ROP. The key issues discussed included: status of initiating event cornerstone performance indicator replacements, proposed changes to the monthly operating report, status of physical protection cornerstone initiatives, status of fire protection and ALARA significance determination process changes, credit for voluntary licensee-self assessment in lieu of selected NRC inspections, changes to the NRC ROP Web page, and reviews of frequently asked questions.
- f. Staff is continuing efforts to interface with internal and external stakeholders to discuss ROP initial implementation issues. For example, on July 9, 2001, the staff briefed the Advisory Committee on Reactor Safeguards Plant Operations Subcommittee on the ROP Assessment Process. The briefing included the Action Matrix, overall plant performance summary, and lessons learned to date. In addition, on July 13, 2001, the staff conducted a public meeting with industry's ROP working group to discuss and review issues associated with Safety System Unavailability (SSU) performance indicators (PIs). The long-term objective of the working group is to develop a common definition for unavailability for use in the ROP, maintenance rule, WANO, PRAs, and other programs. During this meeting, the working group made progress in resolving issues concerning the establishment of a common definition for SSU PIs. The working group identified several near term resolutions to be implemented by October 2001 in order to support a commencement of a pilot program by January 2002.
- g. On July 19, 2001, NRC staff briefed the Commission on the results of the first Agency Action Review Meeting (AARM). The AARM was conducted on June 26-28, 2001, at the Region II office in Atlanta. The briefing included a discussion of the assessment process, conduct of the AARM, plants with significant performance problems as determined by the ROP Action Matrix, self-assessment of ROP effectiveness, agency-wide technical and policy issues, and industry trends program as described in Commission paper (SECY-01-0111).

- h. On July 20, 2001, NRC staff, ROP Initial Implementation Panel, industry, and the public interest group briefed the Commission on the results of the initial implementation of the ROP. A transcript of the meeting is available on the NRC web site, <http://www.nrc.gov/NRC/COMMISSION/TRANSCRIPTS/index.html>. The results and lessons learned from the first year of implementation of the ROP, including the status of program changes made to date and those are planned for the future, are documented in Commission paper (SECY-01-0114) and is available on the NRC web site, <http://www.nrc.gov/NRC/COMMISSION/SECYS/index.html>.

III. Status of Issues in the Reactor Generic Issue Program

Resolution of issues in the Reactor Generic Issue Program continues to be on track in accordance with the existing schedules. There have been no changes in the status or resolution dates for Generic Safety Issues since the June 2001 report.

IV. Licensing Actions and Other Licensing Tasks

Licensing actions are defined as requests for: license amendments, exemptions from regulations, relief from inspection or surveillance requirements, topical reports submitted on a plant-specific basis, notices of enforcement discretion, or other licensee requests requiring NRC review and approval before it can be implemented by the licensee. The FY 2001 NRC Performance Plan incorporates three output measures related to licensing actions. These are: number of licensing action completions per year, age of the licensing action inventory, and size of the licensing action inventory.

Other licensing tasks are defined as: licensee responses to NRC requests for information through generic letters or bulletins, NRC responses to 2.206 petitions, NRC review of licensee topical reports, NRR responses to regional requests for assistance, NRC review of licensee 10 CFR 50.59 analyses and FSAR updates, or other licensee requests not requiring NRC review and approval before it can be implemented by the licensee. The FY 2001 NRC Performance Plan incorporates one output measure related to other licensing tasks. This is: number of other licensing tasks completed.

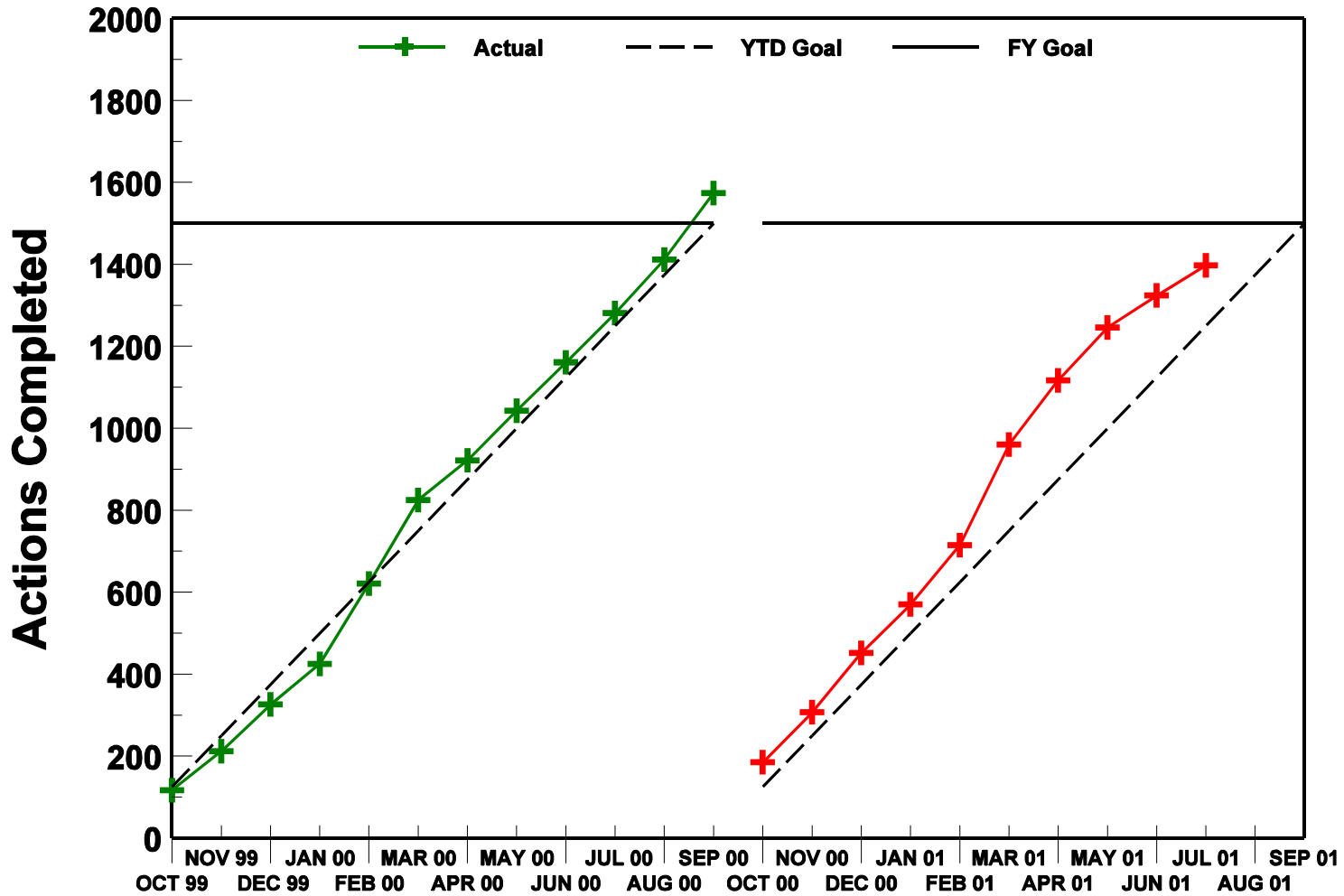
The actual FY 1999 and FY 2000 results, the FY 2001 goals and the actual FY 2001 results, as of July 31, 2001, for the four NRC Performance Plan output measures for licensing actions and other licensing tasks are shown in the table below.

PERFORMANCE PLAN				
Output Measure	FY 1999 Actual	FY 2000 Actual	FY 2001 Goals	FY 2001 Actual (thru 07/31/2001)
Licensing actions completed	1727	1574	≥ 1500	1398
Age of licensing action inventory	86.2% ≤ 1 year; and 100% ≤ 2 years	98.3% ≤ 1 year; and 100% ≤ 2 years	95% ≤ 1 year and 100% ≤ 2 years old	94.9% ≤ 1 year; 99.9% ≤ 2 years
Size of licensing action inventory	857	962	≤ 650	846
Other licensing tasks completed	939	1100	≥ 675	474

The following charts demonstrate NRC's FY 2001 trends for the four licensing action and other licensing task output measure goals.

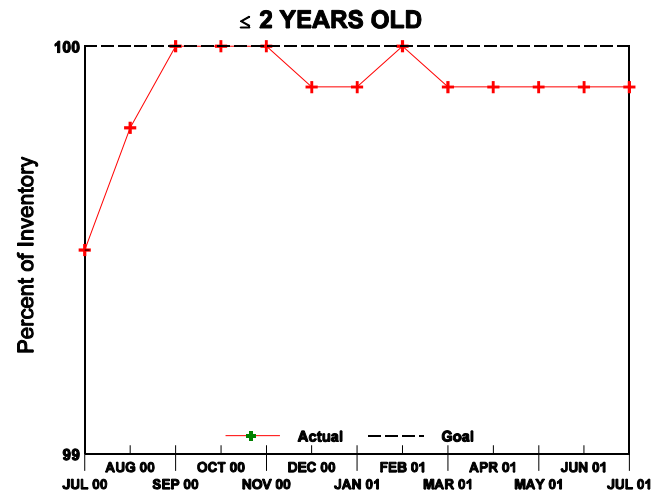
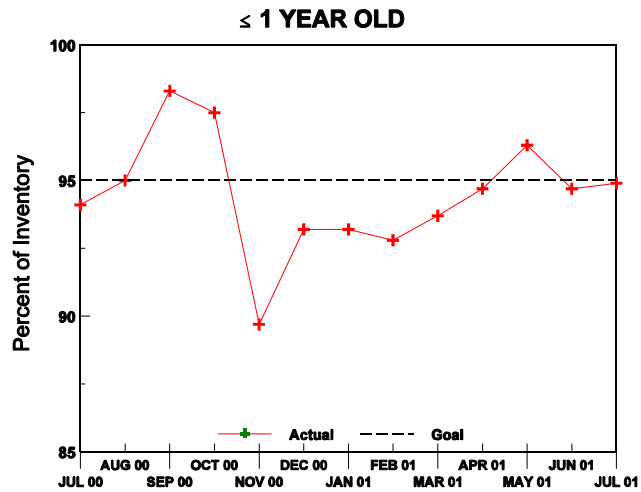
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Completed Licensing Actions



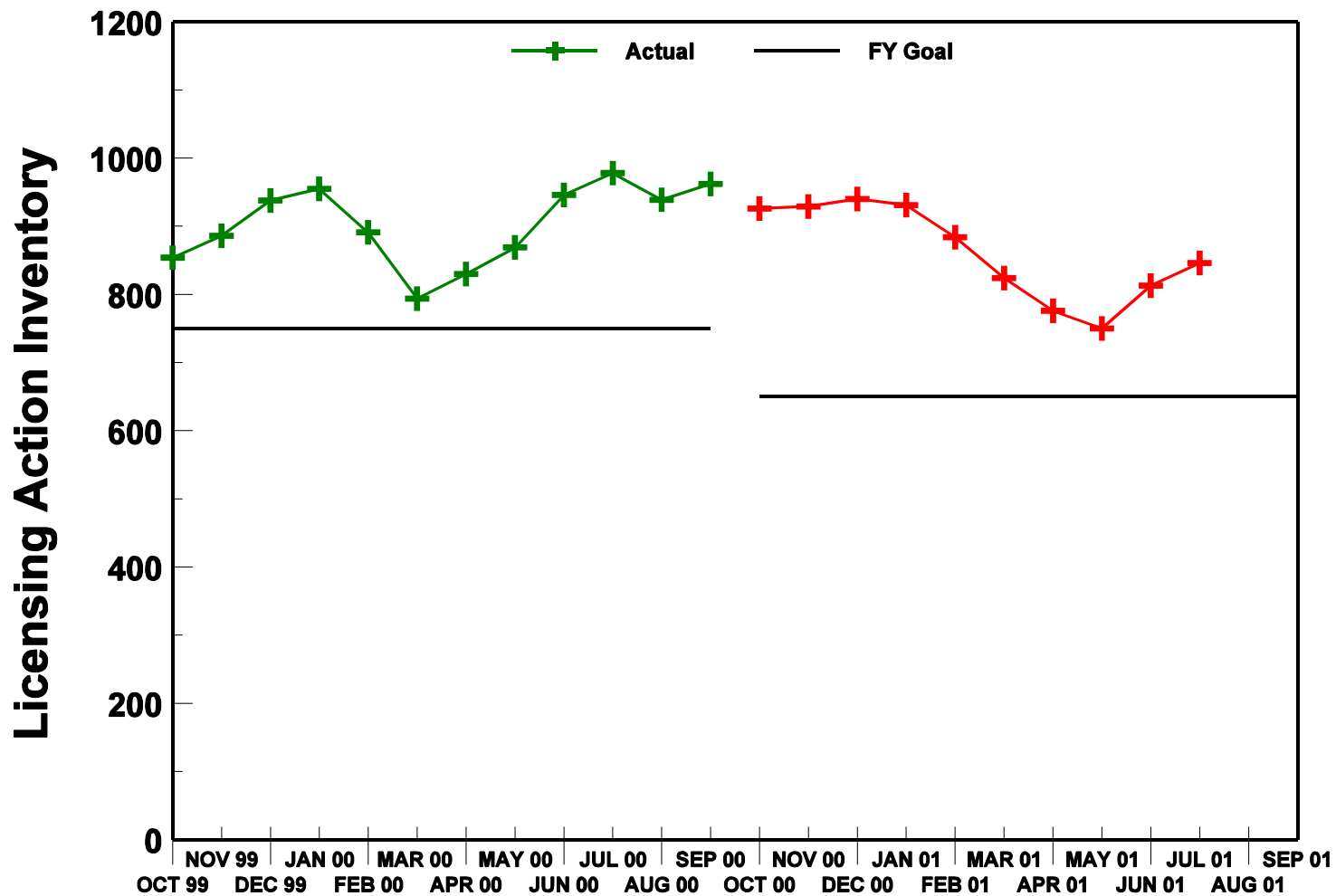
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Age of Licensing Action Inventory



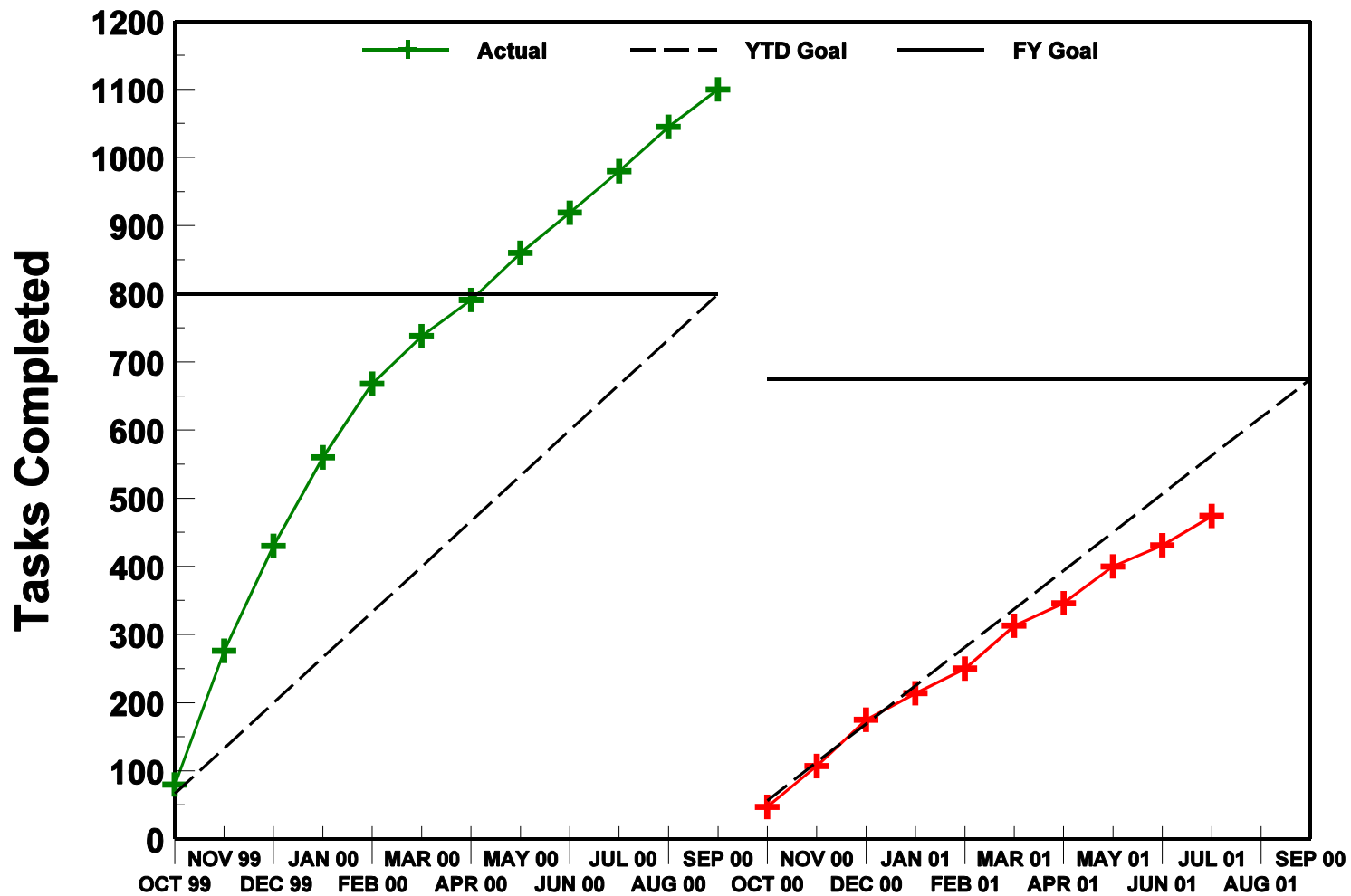
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Licensing Action Inventory



Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Completed Other Licensing Tasks



V. Status of License Renewal Activities

Hatch, Units 1 and 2, Renewal Application

The review of the Hatch renewal application is on schedule. The staff issued the safety evaluation report identifying open items in February 2001. The NRC staff and the applicant are working to resolve the open items and issue the completed report by October 2001. The final supplemental environmental impact statement was issued in May 2001.

Turkey Point, Units 3 and 4, Renewal Application

The review of the Turkey Point renewal application is on schedule. The applicant has responded to the staff's requests for additional information (RAIs) and the staff is preparing to issue the safety evaluation report identifying any open items in August 2001. The draft supplemental environmental impact statement (DSEIS) was issued for comment in June 2001. On July 17, 2001, the NRC staff held two public meetings in Homestead, Florida, to discuss the DSEIS. Both sessions were well attended. Comments were heard from representatives of the Radiation and Public Health Project (RPHP); the Florida Department of Public Health (FDPH); Dr. Dade Moeller, Professor Emeritus from the Harvard School of Public Health; Florida Power and Light; local civic and business representatives; and the Sierra Club. Much of the discussion focused on an RPHP report on a correlation between nuclear power plant operation, Strontium-90 levels in children's teeth, and incidents of childhood cancer. RPHP had issued a press release announcing that it would present its study and comments on the DSEIS; three television stations covered the meeting.

Two requests for hearing were received in response to the public notice of an opportunity for hearing and an Atomic Safety and Licensing Board Panel (ASLB) was convened to consider the requests. The ASLB held a prehearing conference with the petitioners, applicant, and staff in Homestead, Florida, in January 2001. In February 2001, the Board ruled that both parties have standing to intervene, however, neither petitioner identified admissible contentions. Therefore, the Board concluded that the intervention petitions were denied and the hearing proceedings terminated. One petitioner filed an appeal of the ASLB's decision to the Commission. In an order dated July 19, 2001, the Commission affirmed the ASLB decision terminating the proceeding.

Surry and North Anna Renewal Applications

On May 29, 2001, the NRC received concurrent applications for renewal of the Surry, Units 1 and 2, and North Anna, Units 1 and 2, operating licenses. The applications identify information that is common to both plants with the goal of improving efficiencies for the applicant's preparation and the NRC's review of the applications. The staff has completed its acceptance review and has found the applications acceptable for docketing and review. The review schedule and notice of the opportunity for hearing were issued on July 30, 2001. Until it is determined whether a hearing will be conducted, a 30-month review schedule has been established with a final decision on issuance of the licenses scheduled for December 2003.

McGuire and Catawba Renewal Applications

On June 14, 2001, the NRC received concurrent applications for renewal of the McGuire, Units 1 and 2, and Catawba, Units 1 and 2, operating licenses. The applications identify information that is common to both plants with the goal of improving efficiencies for the applicant's preparation and the NRC's review of the applications. The staff is currently performing the required acceptance review and, if found acceptable, will docket the application, notice an opportunity for hearing, and issue the review schedule.

Peach Bottom Renewal Application

On July 2, 2001, the NRC received an application for renewal of the Peach Bottom, Units 2 and 3, operating licenses. The staff is currently performing the required acceptance review and, if found acceptable, will docket the application, notice an opportunity for hearing, and issue the review schedule.

Previously issued Renewed Licenses

Renewed licenses were previously issued by the NRC for the facilities listed in the table below:

Facility	Issue Date for Renewed License
1. Calvert Cliffs	March 23, 2000
2. Oconee Units 1, 2, and 3	May 23, 2000
3. Arkansas Nuclear One, Unit 1	June 20, 2001

License Renewal Implementation Guidance Development

The Commission approved publication of the improved license renewal implementation guidance (standard review plan, NUREG-1800, and Regulatory Guide 1.188) and the documents were published in July 2001. The standard review plan incorporates by reference the Generic Aging Lessons Learned Report, NUREG-1801. The regulatory guide endorses an industry implementation guidance document, NEI 95-10, Revision 3.

The NRC staff continues to participate in a demonstration project involving industry preparation of sample license renewal application sections for the staff's review using the revised license renewal guidance documents. The goal is to identify ways in which the generic aging lessons learned report can be referenced in renewal applications to achieve the desired effectiveness and efficiency in the review process, and to enhance the review guidance.

VI. Status of Review of Private Fuel Storage, Limited Liability Corporation's Application for a License to Operate an Independent Spent Fuel Storage Installation on the Reservation of the Skull Valley Band of Goshute Indians

During the first two weeks of this reporting period, the NRC staff held a series of telephone conference calls with Private Fuel Storage, LLC, (PFS) and its consultants to discuss information, requirements, and approaches for demonstrating compliance with applicable regulatory requirements associated with the two license application amendments currently under review by the NRC staff. These two amendments related to aircraft crash hazards and geotechnical and facilities design aspects of the application, respectively. PFS submitted the aircraft crash hazard license application amendment in January 2001 and the geotechnical license application amendments were submitted from March through June 2001. As a result of the July 2001 telephone conference calls, PFS submitted additional data to the NRC staff regarding the license application amendments in letters dated July 19th and 20th, 2001. The NRC staff is considering this latest information along with the other information submitted by PFS regarding these two amendments. If these latest submittals contain the remaining information requested, the staff will be able to complete a thorough review of the license application amendments and work toward development of supplements to the safety evaluation report (SER) for the proposed PFS facility. NRC's SER for the PFS facility was completed in September of 2000. The submittal of license application amendments by PFS after the SER was completed caused the staff to reopen the completed safety evaluation of the proposed PFS facility. The staff expects to provide its evaluation of the amendments in an SER supplement to be completed no later than January 2002.

NRC and the cooperating Federal agencies (the Department of Interior's Bureau of Land Management and Bureau of Indian Affairs and the Surface Transportation Board) had planned to release a Final Environmental Impact Statement (Final EIS) in February of 2001. However, the license application amendments discussed above included information which could potentially impact conclusions reached during the environmental review of the proposed PFS facility and documented in the Draft EIS. This made it necessary for NRC and the cooperating Federal Agencies to postpone the completion and release of the Final EIS for the project. The staff expects to complete the Final EIS no later than January 2002.

Litigation in the adjudicatory proceeding on the PFS application continued during this reporting period as follows: (1) the NRC staff and Intervenor responded to PFS's motions for summary disposition of three environmental contentions, (2) the NRC staff and the Applicant responded to the State of Utah's request to modify its proposed seismic design contention, (3) a deposition was conducted on the State's aircraft crash hazard contention, and (4) the NRC staff, State of Utah and Applicant filed briefs and reply briefs on the regulatory standard to be applied in evaluating aircraft crash hazards at an independent spent fuel storage installation.

VII. Enforcement Process and Summary of Reactor Enforcement by Region

Reactor Enforcement by Region

		Reactor Enforcement Actions*				
		Region I	Region II**	Region III	Region IV**	TOTAL
Severity Level I	June 2001	0	0	0	0	0
	FY 2001 YTD	0	0	0	0	0
	FY 00 Total	0	0	0	0	0
	FY 99 Total	0	0	0	0	0
Severity Level II	June 2001	0	0	0	0	0
	FY 2001 YTD	0	1	0	0	1
	FY 00 Total	1	2	0	0	3
	FY 99 Total	5	0	2	0	7
Severity Level III	June 2001	0	0	1	0	1
	FY 2001 YTD	1	1	1	1	4
	FY 00 Total	5	0	4	4	13
	FY 99 Total	9	2	7	8	26
Severity Level IV	June 2001	0	0	0	0	0
	FY 2001 YTD	0	0	1	1	2
	FY 00 Total	4	1	3	5	13
	FY 99 Total	52	42	57	60	211
Non-Cited Severity Level IV & Green	June 2001	19	1	25	2	47
	FY 2001 YTD	225	80	154	101	560
	FY 00 Total	313	190	289	258	1050
	FY 99 Total	343	267	334	305	1249

Escalated Reactor Enforcement Actions Associated with the Reactor Oversight Process*						
		Region I	Region II**	Region III	Region IV**	Total
NOVs related to white, yellow or red findings	June 2001 -Red	0	0	0	0	0
	-Yellow	0	0	0	0	0
	-White	1	0	0	0	1
	FY 2001 YTD	4	3	2	1	10
	FY 00 Total	6	1	0	0	7

*Numbers of violations are based on enforcement action tracking system (EATS) data that may be subject to minor changes following verification. The number of Severity Level I, II, III listed refers to the number of Severity Level I, II, III violations or problems. The monthly totals generally lag by 30 days due to inspection report and enforcement development.

** Violation totals for Regions II & IV reflect a shift from a 6 week inspection period to a quarterly inspection period.

Description of Significant Actions taken in June 2001

North Atlantic Energy Service Corporation (Seabrook Station) EA-01-032

On June 29, 2001, a Notice of Violation was issued for a violation associated with a White Significance Determination Process finding involving the emergency diesel generator (EDG). The violation was based on the licensee's failure to take adequate corrective actions to address degraded components associated with the EDG.

Nuclear Management Company, LLC (Palisades Nuclear Generating Station) EA 01-088

On June 27, 2001, a Notice of Violation and Proposed Imposition of Civil Penalty in the amount of \$55,000 was issued for a Severity Level III violation. The action was based on the licensee's failure to provide complete and accurate information in letters to the NRC requesting enforcement discretion and an exigent Technical Specification change.

VIII. Power Reactor Security Regulations

The staff has been involved in a significant effort to re-evaluate and revise its regulations pertaining to security at power reactor facilities. The staff has performed a comprehensive review of the power reactor security regulations (10 CFR 73.55), including a new requirement for exercising the capability of security organizations to protect against the design basis threat. The staff conducted a series of public meetings to ensure that external stakeholders had an opportunity to provide input to the process. The staff developed several position papers related to the major issues within the rulemaking effort, completed its evaluation of public comments,

and incorporated issues raised in these comments into the proposed performance objectives for the revised rule. The proposed rule was submitted to the Commission for approval on June 4, 2001. The proposed rule was released to the public on June 14, 2001.

In addition to the above effort, considerable attention has been paid to related issues surrounding the conduct of the Operational Safeguards Response Evaluation (OSRE) program. The industry has developed a Safeguards Performance Assessment (SPA) program, and the staff proposed a pilot to test the SPA concepts. On July 5, 2001, the Commission approved initiation of the SPA pilot program. The staff has interacted extensively with stakeholders on this program and expects to pilot the SPA program while the rulemaking, including the exercise requirement, is being processed. Lessons learned from the SPA will be considered in the final rulemaking. Several public meetings have been held to discuss the SPA program. The most recent of these meetings, held July 11, 2001, discussed the Commission's approval of the initiation of the SPA pilot program, further development of the industry's SPA guidance document and additional details regarding the SPA pilot program. In parallel with this effort, the staff will continue to conduct currently scheduled OSREs.

IX. Power Uprates

The staff has assigned power uprate license amendment reviews a high priority. The staff considers power uprate applications among the most significant licensing actions and is, therefore, conducting power uprate reviews on accelerated schedules.

Licensees have been applying for and implementing power uprates since the 1970s as a way to increase the power output of their plants. The staff has been conducting power uprate reviews and to date, has completed 62 such reviews. During the month of July the staff approved five applications for power uprate of 1.4 percent each (based on improved feedwater flow measurement systems). These included San Onofre Units 2 and 3, Susquehanna Units 1 and 2, and Hope Creek. Figure 1, "Power Capacity Increase," shows the cumulative increase in power that resulted from the power uprates to date. This figure shows that, to day, an equivalent of approximately two nuclear power plant units (approximately 1000 MWe each) has been gained through implementation of power uprates at existing plants. The staff currently has 12 applications for power uprates under review.

Based on licensees' voluntary responses to NRC Regulatory Issue Summary (RIS) 2001-08, "Operating Reactor Licensing Action Estimates," and the results of a staff survey of all licensees in June 2001, the staff estimates that licensees plan to submit 44 power uprate applications in the next 5 years. Based on the information provided, the planned power uprates are expected to result in an increase of about 4440 MWt or approximately 1480 MWe. The staff will utilize the information provided in response to the RIS and survey for planning and allotting resources for power uprate reviews and to assure the staff's readiness and availability to perform the technical reviews for these applications when they arrive.

On July 26, 2001, the staff met with Westinghouse Electric Company to discuss (1) lessons learned from prior power uprate submittals and reviews, and (2) future plans for power uprates. During this meeting Westinghouse Electric Company informed the NRC staff that they are considering submitting power uprate applications on the order of 10 to 20 percent for the Westinghouse and Combustion Engineering-designed plants.

Also on July 26, 2001, General Electric Nuclear Energy (GENE) submitted Revision 1 of its proprietary Constant Pressure Power Uprate topical report. Revision 1 includes major changes to the approach originally proposed in a March 19, 2001, topical report; the review of the topical report had been placed on hold in June 2001 at GENE's request.

Figure 1: Power Capacity Increase

