



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

June 24, 1998

50-321/366

Mr. H. L. Sumner, Jr.
Vice President - Nuclear
Hatch Project
Southern Nuclear Operating
Company, Inc.
Post Office Box 1295
Birmingham, Alabama 35201-1295

SUBJECT: CONFIRMATORY ORDER MODIFYING LICENSE

Dear Mr. Sumner:

The Commission has issued the enclosed Confirmatory Order Modifying License (Order) to Southern Nuclear Operating Company, Inc. (SNC, the licensee) for Edwin I. Hatch Nuclear Plant, Units 1 and 2. This Order confirms SNC's commitment, as stated in your letters dated December 13, 1994, March 28, 1995, and May 11, 1998 (HL-5632), to complete implementation of Thermo-Lag 330-1 fire barriers corrective actions by startup of Unit 2 from the fall 1998 refueling outage. This commitment was set out in your letter of consent dated June 2, 1998.

You should proceed with implementation of these corrective actions in accordance with your proposed schedule.

Your June 2, 1998, letter expresses your position on a number of issues associated with your consent to the issuance of this Order and your waiver of your right to request a hearing on the Order. We do not agree with your position in a number of respects but do not believe it is necessary to resolve our differences at this time. Two of your statements, however, warrant a specific response in order to clearly emphasize our position. You state your belief that if you request a hearing on an NRC staff denial of a showing of good cause for relaxation or rescission, the effectiveness of the Order ("commitment") will be suspended until the completion of the hearing. That is not correct. Absent relaxation, as provided in the Order, or a stay of the effectiveness of the Order, the Order would remain effective.

You also state that once you make a showing of good cause, your obligation to comply with the Order is relieved "unless and until the NRC formally finds that SNC's showing of good cause is not adequate." That too is incorrect. You remain obligated to comply with the Order unless and until it is relaxed or rescinded, in writing, by the Director of the Office of Nuclear Reactor Regulation, or you otherwise formally obtain relief.

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A copy of this Order is being filed with the Office of the Federal Register for publication.

Sincerely,

ORIGINAL SIGNED BY:

Leonard N. Olshan, Senior Project Manager
Project Directorate II-2
Division of Reactor Projects - I/II
Office of Nuclear Reactor Regulation

Docket Nos. 50-321 and 50-366

Enclosure: Order

cc w/encl: See next page

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| MTschiltz (Thermo-Lag) | |

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| DATE | 6/18/98 | 6/22/98 | | | |

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H. L. Sumner, Jr.

- 2 -

A copy of this Order is being filed with the Office of the Federal Register for publication.

Sincerely,

A handwritten signature in black ink, appearing to read "L. N. Olshan". The signature is written in a cursive style with a large, prominent initial "L".

Leonard N. Olshan, Senior Project Manager
Project Directorate II-2
Division of Reactor Projects - I/II
Office of Nuclear Reactor Regulation

Docket Nos. 50-321 and 50-366

Enclosure: Order

cc w/encl: See next page

Edwin I. Hatch Nuclear Plant

cc:

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UNITED STATES OF AMERICANUCLEAR REGULATORY COMMISSION

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|---------------------------------------------|---|-------------------------------|
| In the Matter of |) | |
| |) | |
| SOUTHERN NUCLEAR OPERATING |) | Docket Nos. 50-321 and 50-366 |
| COMPANY, INC. |) | |
| |) | License Nos. DPR-57 and NPF-5 |
| Edwin I. Hatch Nuclear Plant, Units 1 and 2 |) | |
| |) | |

**CONFIRMATORY ORDER MODIFYING LICENSE
EFFECTIVE IMMEDIATELY**

I.

Southern Nuclear Operating Company, Inc. (SNC/the licensee) is the holder of Facility Operating License Nos. DPR-57 and NPF-5, which authorizes operation of Edwin I. Hatch Nuclear Plant, Units 1 and 2, located in Appling County, Georgia.

II.

The staff of the U.S. Nuclear Regulatory Commission (NRC) has been concerned that Thermo-Lag 330-1 fire barrier systems installed by licensees may not provide the level of fire endurance intended and that licensees that use Thermo-Lag 330-1 fire barriers may not be meeting regulatory requirements. During the 1992 to 1994 timeframe, the NRC staff issued Generic Letter (GL) 92-08, "Thermo-Lag 330-1 Fire Barriers" and subsequent requests for additional information that requested licensees to submit plans and schedules for resolving the Thermo-Lag issue. The NRC staff has obtained and reviewed all licensees' corrective plans and schedules. The staff is concerned that some licensees may not be making adequate progress toward resolving the plant-specific issues, and that some implementation schedules may be either too tenuous or too protracted. For example, several licensees informed the NRC staff that their completion dates had slipped by 6 months to as much as 3 years.

SNC has committed to complete final implementation of Thermo-Lag 330-1 fire barriers corrective actions at both Hatch units by startup of Unit 2 from the fall 1998 refueling outage. The NRC staff has concluded that this schedule is reasonable based on the amount of installed Thermo-Lag and the complexity of the plant-specific fire barrier configurations and issues. In order to remove compensatory measures, such as fire watches, it has been determined the resolution of the Thermo-Lag corrective actions by SNC must be completed in accordance with the current SNC schedule. By letter dated April 29, 1998, the NRC staff notified SNC of its plan to incorporate SNC's schedule commitment into a requirement by issuance of an order and requested consent from the licensee. By letter dated June 2, 1998, the licensee provided its consent to issuance of a Confirmatory Order.

III.

The licensee's commitment as set forth in its letter of June 2, 1998, is acceptable and is necessary for the NRC to conclude that public health and safety are reasonably assured. To preclude any schedule slippage and to assure public health and safety, the NRC staff has determined that the licensee's commitment in its June 2, 1998, letter be confirmed by this Order. The licensee has agreed to this action. Based on the above, and the licensee's consent, this Order is immediately effective upon issuance.

IV.

Accordingly, pursuant to Sections 103, 161b, 161i, 161o, 182, and 186 of the Atomic Energy Act of 1954, as amended, and the Commission's regulations in 10 CFR 2.202 and 10 CFR Part 50, IT IS HEREBY ORDERED, effective immediately, that:

SNC shall complete final implementation of Thermo-Lag 330-1 fire barrier corrective actions at Plant Hatch Units 1 and 2, described in the SNC submittal

to the NRC dated December 13, 1994, March 28, 1995, and May 11, 1998 (HL-5632), by startup of Unit 2 from the fall 1998 refueling outage.

The Director, Office of Nuclear Reactor Regulation, may relax or rescind, in writing, any provisions of this Confirmatory Order upon a showing by the licensee of good cause.

V.

Any person adversely affected by this Confirmatory Order, other than the licensee, may request a hearing within 20 days of its issuance. Where good cause is shown, consideration will be given to extending the time to request a hearing. A request for extension of time must be made in writing to the Director, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, and include a statement of good cause for the extension. Any request for a hearing shall be submitted to the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Attention: Rulemaking and Adjudications Staff, Washington, DC 20555-0001. Copies of the hearing request shall also be sent to the Director, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, to the Deputy Assistant General Counsel for Enforcement at the same address, to the Regional Administrator, NRC Region II, P.O. Box 2257, Atlanta, Georgia 30303-3415, and to the licensee. If such a person requests a hearing, that person shall set forth with particularity the manner in which his/her interest is adversely affected by this Order and shall address criteria set forth in 10 CFR 2.714(d).

If a hearing is requested by a person whose interest is adversely affected, the Commission will issue an Order designating the time and place of any such hearing. If a hearing is held, the issue to be considered at such hearing shall be whether this Confirmatory Order should be sustained.

In the absence of any request for hearing, or written approval of an extension of time in which to request a hearing, the provisions specified in Section IV above shall be final 20 days from the date of this Order without further order or proceedings. If an extension of time for requesting a hearing has been approved, the provisions specified in Section IV shall be final when the extension expires if a hearing request has not been received. An answer or a request for hearing shall not stay the immediate effectiveness of this Order.

FOR THE NUCLEAR REGULATORY COMMISSION

**Original signed by
Samuel J. Collins**

Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

Dated at Rockville, Maryland
this 24th day of June 1998

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