

February 20, 2002

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 (FY) 2002 Energy and Water Development Appropriations Act, House Report 107-258, 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 FY 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-seventh report, which covers the month of December 2001 (Enclosure 1).

The November 2001 report provided information on a number of significant NRC activities, including our actions taken following the terrorist attacks of September 11. The NRC continues to respond to a significant number of letters from the public and members of Congress regarding the security of NRC-licensed facilities. We will continue to keep you informed of the status of our activities in this area.

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

- renewed, on January 16, 2002, the operating license of the Edwin I. Hatch nuclear power plant, Units 1 and 2, near Baxley, Georgia, for an additional 20 years. The plant is operated by Southern Nuclear Operating Company, who submitted the associated license renewal application in February 2000. The Hatch units are the first boiling water reactors to have their licenses renewed by the NRC. A total of eight units at four sites have now had their licenses renewed.

- issued orders on December 20, 2001, authorizing the transfer of operating authority from Duke Energy Corporation (DEC) to a new DEC subsidiary, Duke Energy Nuclear, Limited Liability Corporation, for the Catawba, McGuire, Oconee nuclear power plants, and the independent spent fuel storage installation at Oconee.
- announced the opportunity to request a hearing on an application for renewal of the operating licenses for the St. Lucie nuclear power plant, Units 1 and 2. Florida Power & Light Co., which operates the facility, submitted the application in November 2001. The deadline for hearing requests is February 28, 2002, thirty days after publication in the Federal Register. The Commission currently is considering six applications for license renewal of fifteen units.
- issued orders on December 21, 2001, authorizing the transfer of operating authority for the Comanche Peak, Units 1 and 2, nuclear power plant from TXU Electric Company to TXU Generation Company LP. The license transfers were requested by the licensee on June 19, 2001, to comply with a Texas law requiring separation of electric utility assets associated with generation, distribution and sales. The actual transfer took place January 1, 2002.
- issued an order on December 20, 2001, authorizing the transfer of Reliant Energy Incorporated's interest in the South Texas Project Electric Generating Station, Units 1 and 2, to CenterPoint Energy, Incorporated, a new parent holding company for Reliant Energy.
- conducted a public meeting on December 3, with General Atomics (GA) to discuss GA's plans for a pre-application review of the gas turbine modular helium reactor (GT-MHR). GA requested to meet with the NRC staff regularly to discuss programmatic, licensing, and technical issues.
- issued an order on December 14, 2001, suspending the license of Advanced Medical Imaging and Nuclear Services, a nuclear medicine clinic located in Easton, Pennsylvania. The order was issued to the licensee for repeated failures to comply with NRC requirements, specifically, for administering patient doses over a significant period of time without a Radiation Safety Officer or Authorized User.
- partially deployed a newly designed website that is intended to improve the public's access to information, make navigation of the site easier, and give greater visibility to frequently accessed information. NRC will not fully deploy the new website until a comprehensive review of documents for sensitive information is completed. Additionally, one of its features will provide real-time broadcasts over the Internet of Commission meetings open to the public, beginning in mid-January.
- made a redacted version of the license application filed by the Private Fuel Storage, Limited Liability Corporation (PFS) to operate an Independent Spent Fuel Storage Installation on the Reservation of the Skull Valley Band of Goshute Indians publicly available on January 3, 2002.

- provided electronic copies of a redacted Final Environmental Impact Statement (FEIS) on the PFS project to the ASLB and the parties to the adjudicatory proceeding on January 2, 2002. The redacted version was made available to the public on January 3, 2002. On January 11, 2002, the NRC staff provided an unredacted version of the FEIS to the ASLB and lead parties. The unredacted version was subsequently made publicly available.
- issued three draft regulatory guides for comment that endorse ASME developed alternatives to the ASME codes for construction, inservice inspection, and inservice testing of nuclear power plant components. ASME codes are incorporated by reference in NRC regulation 10 CFR 50.55a, "Codes and Standards." The ASME develops these alternatives to receive user feedback on risk-informed standards or advanced testing methodologies prior to incorporating them into a code. By generically approving the alternatives in the regulatory guides, both NRC staff and licensee resources are saved that would otherwise be required to prepare, process, and review individual submittals to use such alternatives.
- issued a Confirmatory Action Letter to the Department of the Army at Fort McClellan, Alabama, on December 18, 2001, confirming their actions to secure licensed material excavated during decommissioning activities and to characterize and dispose of the material promptly. An inspection on December 13, 2001, had revealed that the contractor performing the decommissioning had declared bankruptcy and had ceased work, leaving materials without proper controls.
- sought public comment on the possible use of alternative dispute resolution (ADR) in Agency enforcement policy. ADR can involve a neutral third party to resolve conflicts using techniques including facilitated discussion, mediation, fact-finding, mini-trials and arbitration. The Environmental Protection Agency, the U.S. Navy and the Federal Energy Regulatory Commission have used these techniques effectively.
- issued a final policy statement establishing the existing license termination rule (LTR) as the decommissioning criteria for the West Valley Demonstration Project at the West Valley site in New York.
- conducted a meeting with the industry and members of the public on January 22-24, 2002 to discuss and resolve open issues from the December 12-13, 2001 Safety System Unavailability (SSU) planning meeting concerning the proposed replacement unavailability performance indicators (PIs) and the new unreliability PIs. The discussions focused on the level of detail that the plants would be reporting information, the coordination required to link the reported information to data already being provided by licensees, and the manner that the indicator thresholds would be risk-informed. The next meeting is scheduled for April 2002. Following that meeting, and a public workshop in June 2002, the staff intends to pilot test the replacement PIs for six months beginning July 2002.

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

cc: Senator James M. Inhofe

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

**DECEMBER 2001**

Enclosure 1

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<sup>1</sup>Note: The period of performance covered by this report includes activities occurring between the first and last day of December 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.

## **XVI. 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 significant risk-informed activities is included in the Chairman's Tasking Memorandum (Enclosure 2). The following activities have seen substantial progress since the last report.

### Proposed Rulemaking on Risk-Informing Special Treatment Requirements in 10 CFR Part 50

The staff continues to make progress in developing a risk-informed rule for special treatment requirements in 10 CFR Part 50 (Option 2). Based upon feedback from the public workshop conducted in November 2001, the NRC staff prepared draft language for the proposed rule and made that language publicly available for comment on the NRC web site. The comment period ended on December 31, 2001. The staff expects to provide the proposed rule to the Commission in the spring of 2002.

### Update of the Risk-Informed Regulation Implementation Plan

On December 5, 2001, the NRC staff provided the Commission with a revised version of the Risk-Informed Regulation Implementation Plan (SECY-01-0218). The plan describes the staff's ongoing efforts to improve the regulatory process by risk-informing regulatory activities in the reactor safety and nuclear waste and materials safety arenas, where appropriate.

## **XVII. Revised Reactor Oversight Process**

The NRC continues to implement the Revised Reactor Oversight Process (ROP) at all nuclear power plants. The NRC has continued meeting with interested stakeholders on a periodic basis to collect feedback on the efficacy of the process and to consider this feedback in making refinements to the ROP. Recent activities include:

- a. Office of Nuclear Reactor Regulation (NRR) staff conducted a Safety System Unavailability (SSU) planning meeting with the industry and members of the public on December 12-13, 2001, at the Hyatt Regency in Bethesda, Maryland. The meeting defined the objectives and success criteria for a pilot program for the proposed replacement unavailability performance indicators (PIs) and the new unreliability PIs. Discussions of the pilot implementation generated several open issues. In order to reach a decision on these and other issues, the NRC/industry working group decided to delay the start of a workshop until June 2002, which may also delay the actual start of the pilot to July 2002.
- b. NRR staff is continuing efforts to interface with internal stakeholders to improve and implement a more efficient and effective ROP. For example, NRR staff provided support at the Region III Reactor Inspector Counterpart meeting on December 12-13, 2001. At this meeting, NRR staff made a presentation regarding NRC Inspection Manual Chapter 0610\*, "Power Reactor Inspection Reports," Significance Determination Process improvement plan; inspector feedback process improvements; and other ROP related activities.

## **XVIII. Status of Issues in the Reactor Generic Issue Program**

The change in the status or resolution dates for Generic Safety Issues (GSI) since the November 2001 report is described below:

GSI Number:	173.A
TITLE:	Spent Fuel Storage Pool: Operating Facilities
STATUS:	This issue was closed on December 19, 2001, and will no longer be tracked as Generic Safety Issue. This issue involved the adequacy of regulatory requirements for a sustained loss of spent fuel pool cooling, after a loss of offsite power or a loss-of-coolant accident. In resolving the issue, the staff developed screening criteria for reactor accidents in NUREG-1738, "Technical Study of Spent Fuel Pool Accident Risk at Decommissioning Nuclear Power Plants." Plant-specific evaluations were then performed by estimating the frequency of a significant loss of coolant inventory or a sustained loss of cooling. These estimated frequencies were compared with the criteria of NUREG-1738 and the staff concluded that no new or revised requirements were warranted.

## **XIX. Licensing Actions and Other Licensing Tasks**

### Performance Summaries and Trends:

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 they can be implemented by the licensee. The fiscal year (FY) 2002 NRC Performance Plan incorporates two output measures related to licensing actions. These are: number of licensing action completions per year and age of the licensing action inventory. Although the size of the licensing action inventory is not a measure in the FY 2002 NRC Performance Plan, as it was in previous performance plans, it is still included in this report.

The FY 2001 NRC Performance Plan incorporated an output measure for "Other Licensing Tasks," which 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 final safety analysis report updates; or other licensee requests not requiring NRC review and approval before implementation by the licensee.

The actual FY 2000 and FY 2001 results, the FY 2002 goals, and the actual FY 2002 results, as of December 31, 2001, for licensing actions and other licensing tasks are shown in the following table and graphs:

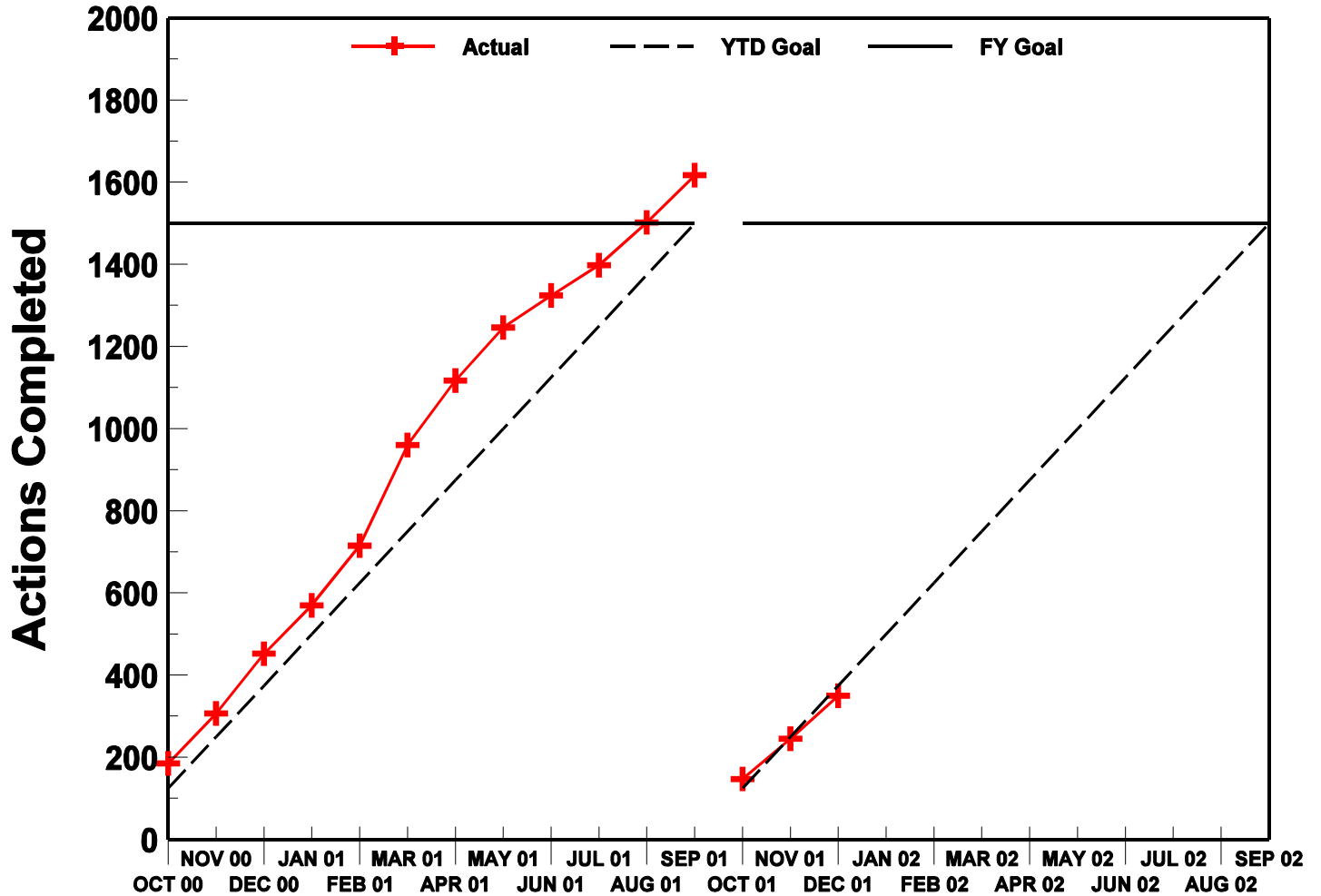


PERFORMANCE PLAN				
Output Measure	FY 2000 Actual	FY 2001 Actual	FY 2002 Goals	FY 2002 Actual (thru 12/31/2001)
Licensing actions completed/year	1574	1617	≥ 1500	350
Age of licensing action inventory	98.3% ≤ 1 year; 100% ≤ 2 years	96.9% ≤ 1 year; 100% ≤ 2 years	96% ≤ 1 year; 100% ≤ 2 years	90.4% ≤ 1 year; 100.0% ≤ 2 years
Size of licensing action inventory	962	877	≤ 1000	869
Other licensing tasks completed/year	1100	523	≥ 350	110

The following charts demonstrate NRC's FY 2002 trends for the four licensing action and other licensing task output measure goals.

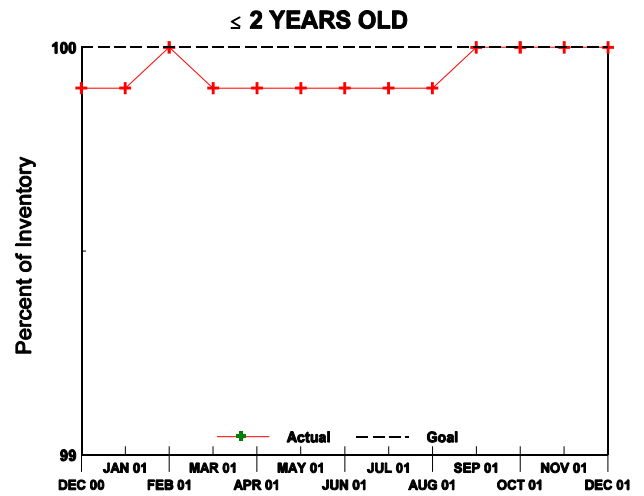
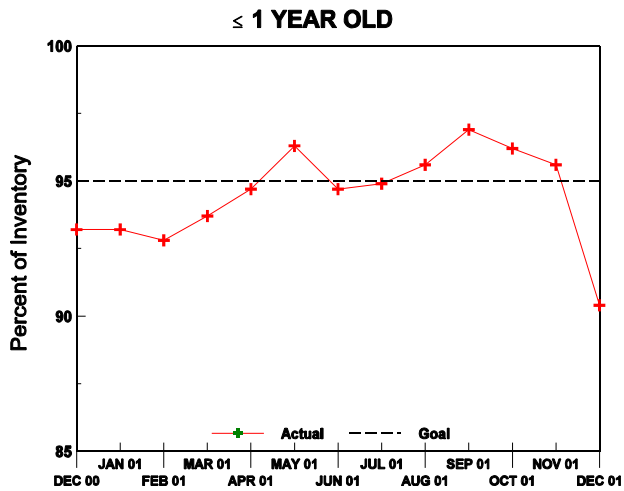
# Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Completed Licensing Actions



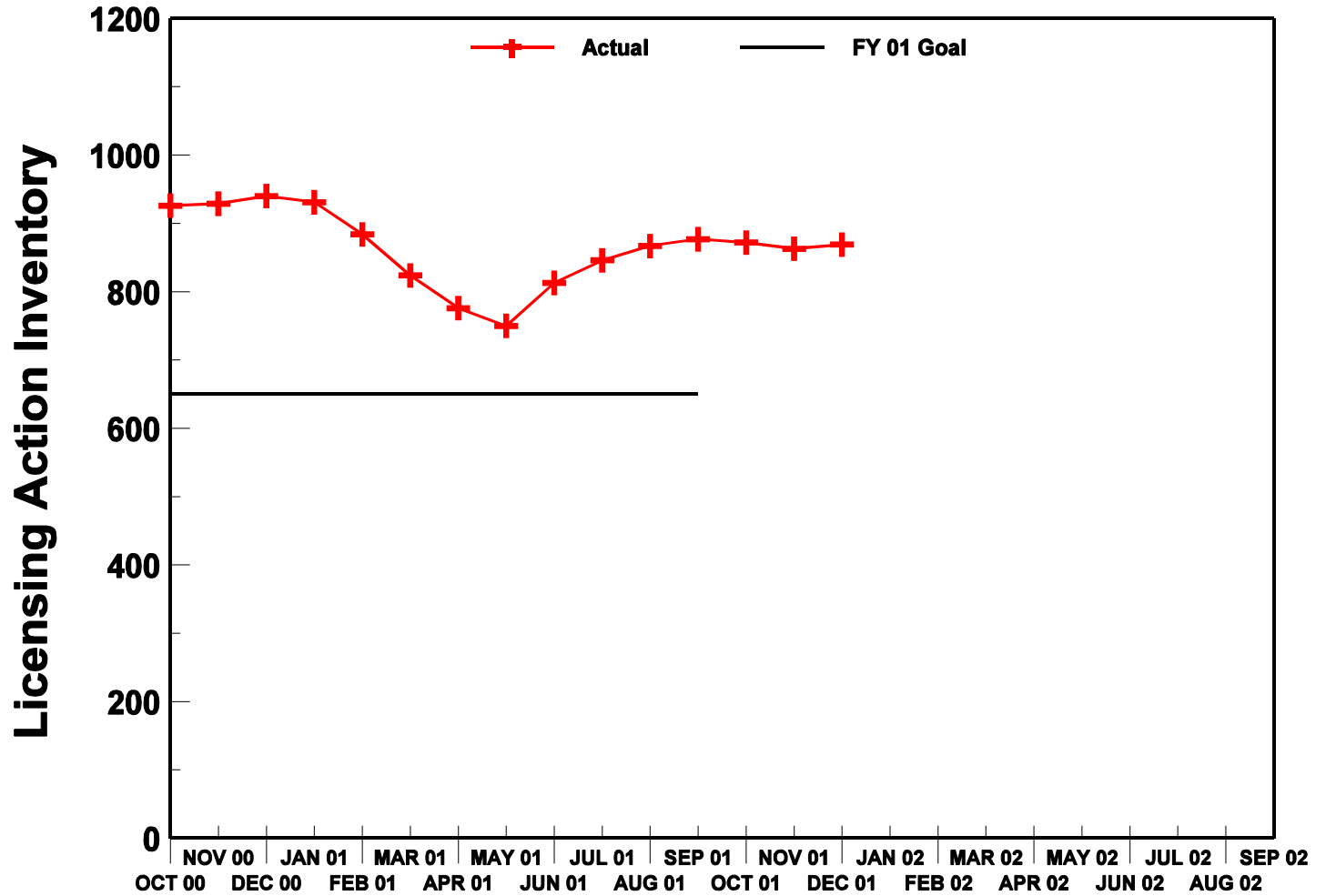
# Nuclear Reactor Safety - Reactor Licensing

## Performance Plan Target: Age of Licensing Action Inventory



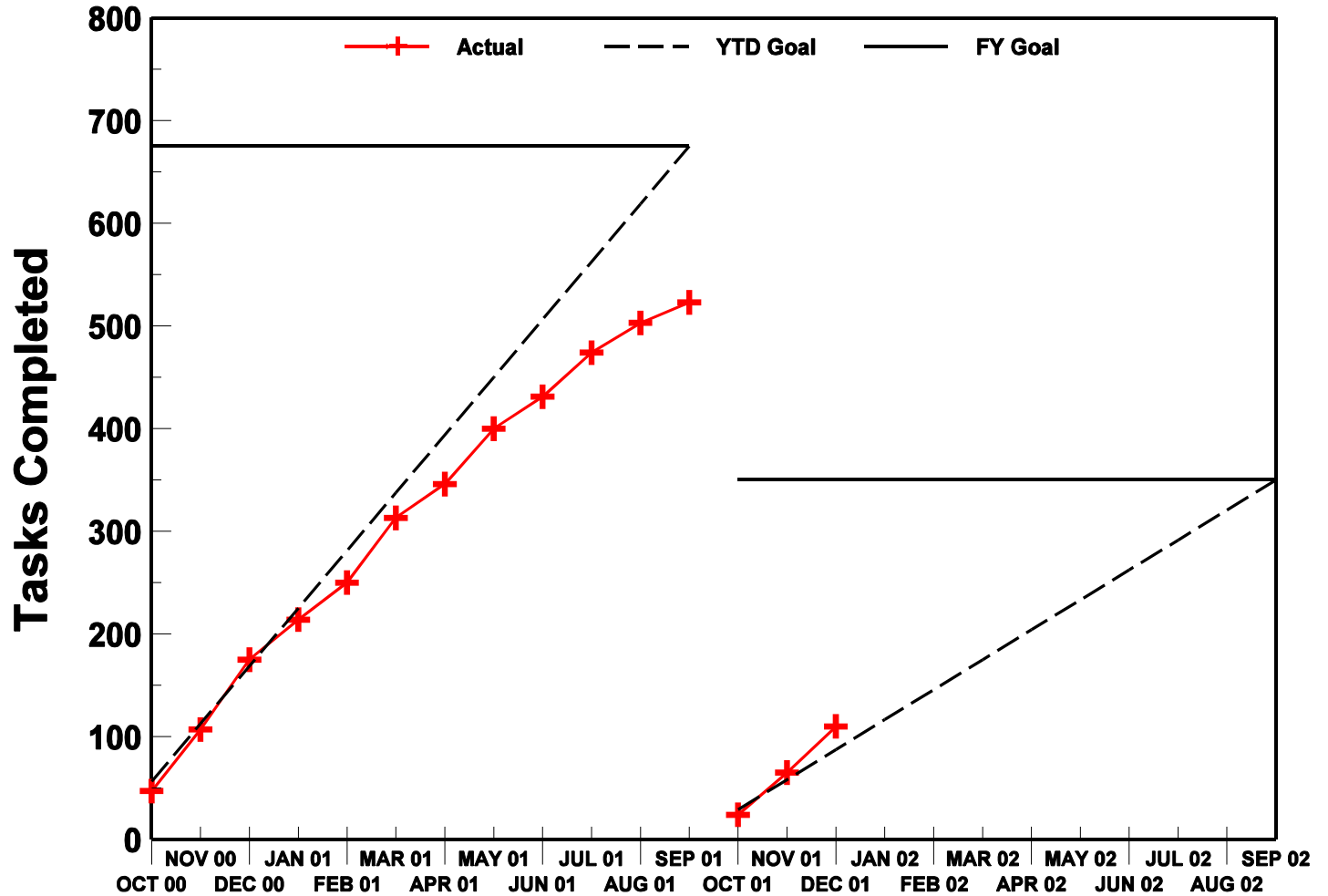
# Nuclear Reactor Safety - Reactor Licensing

## Licensing Action Inventory



# Nuclear Reactor Safety - Reactor Licensing

## Performance Plan Target: Completed Other Licensing Tasks



## **XX. Status of License Renewal Activities**

### Turkey Point, Units 3 and 4, Renewal Application

The staff is working to resolve comments and open items. The final SEIS is scheduled to be issued in January 2002, and the completed safety evaluation report in February 2002. The Commission's decision on issuing the renewed license is scheduled for July 2002.

### Surry, Units 1 and 2, and North Anna, Units 1 and 2, Combined Renewal Applications

The Surry and North Anna renewal applications are currently under review. Environmental and safety requests for additional information were issued in November 2001. Applicant responses to the environmental and safety requests for information are due by January 2002 and by February 2002, respectively.

### McGuire, Units 1 and 2, and Catawba, Units 1 and 2, Combined Renewal Applications

The McGuire and Catawba renewal applications are currently under review and the staff is issuing requests for additional information. All environmental requests for additional information were issued in November 2001 and December 2001 for McGuire and Catawba, respectively. All safety requests for additional information for both plants are scheduled to be issued in January 2002.

Two petitions were received requesting a hearing on the renewal of the McGuire and Catawba licenses and by Commission order, an Atomic Safety and Licensing Board (ASLB) has been established. A pre-hearing conference was held on December 18 and 19, 2001, and the ASLB's decision on the petitioners' standing and contentions is scheduled to be made in January 2002.

### Peach Bottom, Units 2 and 3, Renewal Application

The Peach Bottom renewal application is currently under review. All environmental requests for additional information were issued by December 2001. All safety requests for additional information are scheduled to be issued by March 2002.

### St. Lucie, Units 1 and 2, Renewal Application

On November 30, 2001, the NRC received an application for renewal of the St. Lucie, Units 1 and 2, 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.

**XXI. 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 this reporting period, the NRC staff completed its review of the geotechnical license application amendment submitted in March of 2001, by Private Fuel Storage, Limited Liability Corporation (PFS). A supplement to the NRC staff's September 2000 safety evaluation report (SER) for the proposed PFS facility was issued on December 21, 2001. This supplement documented the staff's evaluation of the geotechnical license application amendment. The supplement revised parts of Chapters 2, 4, 5, 6, 7, 11, and 15 of the PFS SER. In the supplement, the NRC staff confirmed that PFS continued to demonstrate compliance with all applicable regulatory requirements. Because NRC is currently reconsidering its policy on the release of information to the public, this SER was only released to the NRC ASLB, to the applicant, and to the State of Utah, who are adjudicating a contention regarding certain geotechnical aspects of license application.

The NRC staff (as lead Federal agency) and the cooperating Federal agencies (the Surface Transportation Board and the U.S. Department of Interior's Bureau of Indian Affairs and Bureau of Land Management) completed the Final Environmental Impact Statement (FEIS) on the PFS project December 31, 2001.

Litigation in the adjudicatory proceeding on the PFS application continued during this reporting period: (1) the parties responded to PFS's motion for summary disposition of Contention Utah L, Part B, concerning its request for an exemption from certain seismic regulations; (2) the period for discovery against the NRC Staff concerning aircraft crash hazards concluded; (3) the Licensing Board denied the applicant's motion for summary disposition of contention Utah L Part A (geotechnical issues), granted the State of Utah's request for admission of Contention Utah QQ (seismic design), and granted in part and denied in part the applicant's motion for summary disposition of Contention Utah O (hydrology); (4) the Licensing Board denied admission of Contention Utah RR (terrorism) and referred the question to the Commission; and (5) the Commission denied the State of Utah's request to suspend the proceeding, in light of the terrorist attacks of September 11.

## XXII. 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	Nov 2001	0	0	0	0	0
	FY 2002 YTD	0	0	0	0	0
	FY 01 Total	0	0	0	0	0
	FY 00 Total	0	0	0	0	0
Severity Level II	Nov 2001	0	0	0	0	0
	FY 2002 YTD	0	0	0	0	0
	FY 01 Total	0	1	0	0	1
	FY 00 Total	1	2	0	0	3
Severity Level III	Nov 2001	0	0	0	0	0
	FY 2002 YTD	2	0	0	0	2
	FY 01 Total	1	1	1	1	4
	FY 00 Total	5	0	4	4	13
Severity Level IV	Nov 2001	0	0	1	0	1
	FY 2002 YTD	0	0	2	0	2
	FY 01 Total	1	0	2	1	4
	FY 00 Total	4	1	3	5	13
Non-Cited Severity Level IV & Green	Nov 2001	20	3	13	10	46
	FY 2002 YTD	35	37	29	35	136
	FY 01 Total	279	105	201	139	724
	FY 00 Total	313	190	289	258	1050

\*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.



<b>Escalated Reactor Enforcement Actions Associated with the Revised Reactor Oversight Process</b>						
		Region I	Region II	Region III	Region IV	Total
NOVs related to white, yellow or red findings	Nov 2001 -Red	0	0	0	0	0
	-Yellow	0	0	0	0	0
	-White	0	0	0	0	0
	FY 2002 YTD	0	0	1	0	1
	FY 01 Total	8	4	4	3	19
	FY 00 Total	6	1	0	0	7

No Significant Enforcement Actions were taken in November 2001

### **XXIII. Power Reactor Security Regulations**

In response to the terrorist attacks on September 11, 2001, the NRC and the nuclear industry have taken a number of actions to ensure the security at nuclear power plants. Immediately following the terrorist attacks on the World Trade Center and the Pentagon, the NRC advised nuclear power plant licensees to go to the highest level of security (i.e., Level 3), and all promptly did so. The Nation's nuclear power plants remain at the highest level of security and the NRC continues to monitor the situation.

For the longer term, the Chairman with the full support of the Commission has directed the NRC staff to thoroughly reevaluate the NRC safeguards and physical protection programs. This reevaluation will be a top-to-bottom analysis involving all aspects of the agency's safeguards and physical protection programs. The NRC staff submitted a report to the Commission that outlined a proposed course of action and schedule for conducting the review and identified preliminary policy issues which the Commission is reviewing.

Given the nature of the attacks on September 11, the identification of any necessary adjustments to the safeguards and physical security measures for civilians must involve other U.S. national security organizations. The NRC is currently interacting with the FBI, other intelligence and law enforcement agencies, the Department of Defense, and the recently established Office of Homeland Security to ensure that all pertinent input from relevant U.S. agencies is considered before any changes are made to the NRC's programs.

### **XXIV. Power Upgrades**

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 since then and to date, has completed 72 such reviews. Approximately 9800 MWt (3250 MWe) or an equivalent of about three nuclear power plant units has been gained through implementation of power uprates at existing plants. During the month of December, the staff completed reviews of four extended power uprate applications. These included the Dresden, Units 2 and 3, applications for 17 percent each and the Quad Cities, Units 1 and 2, applications for 17.8 percent each. The staff's reviews for these applications were completed in less than a year from the date the applications were submitted by the licensee. This was a significant accomplishment for the staff because these power uprates were reviewed in parallel with the Duane Arnold power uprate of 15.3 percent which was the first of its kind with respect to the requested increase in power level. Because the five applications were being reviewed in parallel, the staff considered all five as first-of-a-kind. During the month of December, the staff received one application for a stretch power uprate of 2.9 percent. The staff currently has 11 plant-specific applications and two General Electric Nuclear Energy topical reports for power uprates under review.

On the basis of the licensees' voluntary responses to NRC Regulatory Issue Summary (RIS) 2001-08, "Operating Reactor Licensing Action Estimates," and the results of a June 2001 staff survey of all licensees to obtain information regarding the industry's future plans related to power uprate applications, the staff estimates that licensees plan to submit 35 additional power uprate applications in the next 5 years. Based on the information provided, planned power uprates are expected to result in an increase of over 3500 MWt (1170 MWe) (equivalent to approximately one large nuclear power plant unit). The staff will utilize the information provided in response to the RIS and the June survey for planning and allocating 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.

Identical letter sent to:

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  
Washington, D.C. 20510  
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