POLICY ISSUE
(Notation Vote)

February 27, 2002 SECY-02-0033

FOR: The Commissioners

FROM: William D. Travers
Executive Director for Operations

SUBJECT: AMERGEN'S REQUEST TO CONSOLIDATE THE CLINTON POWER STATION EMERGENCY OPERATIONS FACILITY (EOF) INTO THE CENTRALIZED EOF OPERATED BY EXELON GENERATION CO.

PURPOSE:

To obtain the Commission's approval of the proposal of AmerGen Energy Company, LLC (AmerGen), to integrate the Clinton Power Station (CPS) emergency operations facility (EOF) into the centralized EOF operated by Exelon Generation Co., LLC (EGC).

BACKGROUND:

Industry Trends

In the past 3 years, a major consolidation has occurred in the electric generating industry in Illinois. PECO Energy Company and British Energy, Inc., formed a new company called AmerGen with each partner owning 50 percent. The NRC approved the transfer of the CPS license to AmerGen in November 1999, and in December 1999 AmerGen purchased CPS. Unicom Corporation (the parent company of Commonwealth Edison Co.) merged with PECO to form Exelon Corporation, which is the parent of EGC. EGC owns 50 percent of AmerGen, and British Energy, Inc., owns the remaining 50 percent. AmerGen operates CPS.

Industry consolidation is continuing throughout the United States. The staff expects other licensees to request the consolidation of EOFs to increase efficiencies. Based on ongoing interactions with the licensee, the staff anticipates that EGC will formally request the consolidation of its Pennsylvania plants' EOFs.

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Centralized EOF

As part of their corporate strategy, AmerGen and EGC intend to integrate the CPS EOF with the other Illinois plants that EGC owns and operates. Toward that end, AmerGen and EGC plan to standardize the emergency plans, emergency action levels (EALs), and shift staffing for all these plants. A key part of this plan is to consolidate the CPS EOF into EGC's centralized EOF (CEOF) for the Midwest Regional Operating Group. The senior managers for AmerGen are also the senior managers for EGC. The CEOF is located at the EGC's corporate headquarters in Warrenville, Illinois. The concept of a centralized EOF and this particular CEOF in Illinois were approved by the Commission in January 1998 in response to SECY-98-274, "Commonwealth Edison Company's Proposal to Centralize its Emergency Operations Facilities at its Corporate Offices," dated November 23, 1998 (included as Attachment 1 for background information).

The Licensee's Request and the Pertinent Regulations

On April 5, 2001, AmerGen requested NRC approval to consolidate the CPS EOF into the CEOF. Under Section 50.54(q) of Title 10 of the Code of Federal Regulations (10 CFR 50.54(q)), licensees can change their emergency plans without prior NRC approval, provided that the change does not decrease the effectiveness of the plan and the plan continues to meet the requirements of 10 CFR 50.47 and Appendix E to 10 CFR Part 50. AmerGen's request could be seen as decreasing the effectiveness of the emergency plan since the CEOF will be 136 miles from CPS. By comparison, Quad Cities, the plant currently farthest from the CEOF, is 116 miles away. The closest, Dresden, is 32 miles away. Furthermore, Commission approval is required for an EOF relocated more than 25 miles from the nuclear plant. (The original distance of 20 miles, specified in Supplement 1 to NUREG-0737, was changed to 25 miles in SECY-96-170, dated September 18, 1996).

DISCUSSION:

The issue for Commission consideration is whether integrating the CPS EOF into the CEOF would decrease the effectiveness of the CPS emergency response capability. EGC's CEOF has been in operation since May 1999. It is currently used for the 12 former Commonwealth Edison plants in Illinois. The Region III staff observed the operation of this CEOF in several exercises, and concluded that the facility's staff properly followed the established emergency plan and the CEOF adequately performed its function. The CEOF was tested most recently on July 5, 2001, when the CEOF was activated following the declaration of an Alert at Dresden Nuclear Power Station.

The staff considered the following factors in determining whether AmerGen's proposal to consolidate EOFs would decrease the effectiveness of the emergency plan.

State and Local Agreement: AmerGen has obtained letters from the affected State and local jurisdictions approving the proposed consolidation of the CPS EOF.

The Site-Specific Role of the EOF: An EOF has several key emergency response functions. One function is coordinating the offsite response with State and local authorities. The State and local authorities usually send representatives to the EOF to meet face to face with licensee personnel and Federal officials. In Illinois, the State and local authorities operate from their own emergency centers and do not travel to the licensee's EOF.

Staffing and Training: To successfully integrate two companies, it is important to retrain the staffs to understand the differences between the old and new organizations' philosophies, procedures, and processes. To facilitate the transition, AmerGen has replaced some CPS managers with managers who were previously assigned to EGC plants. The licensee stated in its request that it would provide training both on the equipment differences between CPS and the EGC plants in the Midwest Regional Operating Group and on the differences in the operating philosophies, procedures, and processes of the two organizations. Training will be required at all staff levels.

Communication: Effective communication among site personnel, responders, and offsite support agencies is a key to the success of the CEOF. AmerGen has committed to provide the same level of communication with CPS that the EGC has with the other 12 sites and the State and local jurisdictions.

Potential Overloading of the CEOF If Emergencies Occur Simultaneously at Two or More Facilities: This issue was discussed in SECY-98-274, dated November 23, 1998. The CEOF was originally planned for 12 nuclear plants. However, since the CEOF began operating, the two Zion plants have been shut down and are being decommissioned. Therefore, the potential for two or more simultaneous emergencies has not increased. Furthermore, during the original review of the CEOF, the staff observed a scenario at one of the licensee's exercises in which two sites simultaneously experienced an emergency. The licensee adequately handled the simultaneous emergencies.

CONCLUSION:

The proposal to consolidate the CPS EOF into the CEOF is a reasonable action and a logical move for AmerGen and EGC, since the CEOF is already operating. Furthermore, the staff concludes that the consolidation of the CPS EOF into Exelon's CEOF does not reduce the effectiveness of the CPS emergency response capability. Through the inspection program, the NRC staff has found that the use of the EGC CEOF provides reasonable assurance that the public will be protected in the event of an emergency at the EGC plants in the Midwest Regional Operating Group.

RESOURCES

No NRC resources are associated with this paper.

COORDINATION:

The Office of the General Counsel has reviewed this Commission paper and has no legal objection to its content. The Office of the Chief Financial Officer has reviewed this paper for resource implications and has no objection. The Federal Emergency Management Agency has reviewed this Commission paper and has no objection.

RECOMMENDATIONS:

The staff recommends that the Commission approve the integration of the CPS EOF into the EGC CEOF.

/RA/

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Executive Director
for Operations

Attachment: SECY 98-274

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Attachment: SECY 98-274

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