

May 30, 2002

Mr. Gary Van Middlesworth  
Site General Manager  
Suane Arnold Energy Center  
Nuclear Management Company, LLC  
3277 DAEC Road  
Palo, IA 52324-0351

SUBJECT: DUANE ARNOLD ENERGY CENTER - ISSUANCE OF AMENDMENT RE:  
MISSED SURVEILLANCE, CONSOLIDATED LINE ITEM IMPROVEMENT  
(TAC NO. MB4786)

Dear Mr. Van Middlesworth:

The Commission has issued the enclosed Amendment No. 246 to Facility Operating License No. DPR-49 for the Duane Arnold Energy Center. The amendment consists of changes to the Technical Specifications (TSs) in response to your application dated March 28, 2002.

The amendment revises TS Surveillance Requirement (SR) 3.0.3 to allow a longer period of time before entering a limiting condition for operation in the event of a missed surveillance. The time is extended from the current limit of "... up to 24 hours or up to the limit of the specified Frequency, whichever is less" to "...up to 24 hours or up to the limit of the specified Frequency, whichever is greater." In addition, the following requirement is added to SR 3.0.3: "A risk evaluation shall be performed for any Surveillance delayed greater than 24 hours and the risk impact shall be managed."

A copy of our safety evaluation is also enclosed. The Notice of Issuance will be included in the Commission's biweekly *Federal Register* notice.

Sincerely,

**/RA/**

Darl S. Hood, Senior Project Manager, Section 1  
Project Directorate III  
Division of Licensing Project Management  
Office of Nuclear Reactor Regulation

Docket No. 50-331

Enclosures: 1. Amendment No. 246 to DPR-49  
2. Safety Evaluation

cc w/ encls: See next page

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Duane Arnold Energy Center

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NUCLEAR MANAGEMENT COMPANY, LLC

DOCKET NO. 50-331

DUANE ARNOLD ENERGY CENTER

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 246  
License No. DPR-49

1. The Nuclear Regulatory Commission (the Commission) has found that:
  - A. The application for amendment by the Nuclear Management Company, LLC, dated March 28, 2002, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I;
  - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
  - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
  - D. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public; and
  - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

2. Accordingly, the license is amended by changes to the Technical Specifications as indicated in the attachment to this license amendment and paragraph 2.C.(2) of Facility Operating License No. DPR-49 is hereby amended to read as follows:

Technical Specifications and Environmental Protection Plan

The Technical Specifications contained in Appendix A, as revised through Amendment No. 246, and the Environmental Protection Plan contained in Appendix B, are hereby incorporated in the license. NMC shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan.

3. This license amendment is effective as of its date of issuance and shall be implemented within 60 days.

FOR THE NUCLEAR REGULATORY COMMISSION

*/RA/*

Lakshminaras Raghavan, Chief, Section 1  
Project Directorate III  
Division of Licensing Project Management  
Office of Nuclear Reactor Regulation

Attachment: Changes to the Technical Specifications

Date of Issuance: May 30, 2002

ATTACHMENT TO LICENSE AMENDMENT NO. 246

FACILITY OPERATING LICENSE NO. DPR-49

DOCKET NO. 50-331

Replace the following page of the Appendix A Technical Specifications with the attached revised page. The revised page is identified by amendment number and contain marginal lines indicating the areas of change.

REMOVE

3.0.4  
B 3.0-14  
B 3.0-15  
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INSERT

3.0.4  
B 3.0-14  
B 3.0-15  
B 3.0-15a (new)

### 3.0 SURVEILLANCE REQUIREMENT (SR) APPLICABILITY

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SR 3.0.1 SRs shall be met during the MODES or other specified conditions in the Applicability for individual LCOs, unless otherwise stated in the SR. Failure to meet a Surveillance, whether such failure is experienced during the performance of the Surveillance or between performances of the Surveillance, shall be failure to meet the LCO. Failure to perform a Surveillance within the specified Frequency shall be failure to meet the LCO except as provided in SR 3.0.3. Surveillances do not have to be performed on inoperable equipment or variables outside specified limits.

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SR 3.0.2 The specified Frequency for each SR is met if the Surveillance is performed within 1.25 times the interval specified in the Frequency, as measured from the previous performance or as measured from the time a specified condition of the Frequency is met.

For Frequencies specified as “once,” the above interval extension does not apply.

If a Completion Time requires periodic performance on a “once per . . .” basis, the above Frequency extension applies to each performance after the initial performance.

Exceptions to this Specification are stated in the individual Specifications.

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SR 3.0.3 If it is discovered that a Surveillance was not performed within its specified Frequency, then compliance with the requirement to declare the LCO not met may be delayed, from the time of discovery, up to 24 hours or up to the limit of the specified Frequency, whichever is greater. This delay period is permitted to allow performance of the Surveillance. A risk evaluation shall be performed for any Surveillance delayed greater than 24 hours and the risk impact shall be managed.

If the Surveillance is not performed within the delay period, the LCO must immediately be declared not met, and the applicable Condition(s) must be entered.

When the Surveillance is performed within the delay period and the Surveillance is not met, the LCO must immediately be declared not met, and the applicable Condition(s) must be entered.

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(continued)

Bases

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SR 3.0.2  
(continued)

transient conditions or other ongoing Surveillance or maintenance activities.

The 25% extension does not significantly degrade the reliability that results from performing the Surveillance at its specified Frequency. This is based on the recognition that the most probable result of any particular Surveillance being performed is the verification of conformance with the SRs. The exceptions to SR 3.0.2 are those Surveillances for which the 25% extension of the interval specified in the Frequency does not apply. These exceptions are stated in the individual Specifications. The requirements of regulations take precedence over the TS. Therefore, when a test interval is specified in the regulations, the test interval cannot be extended by TS, and the SR includes a Note in the Frequency stating, "SR 3.0.2 is not applicable."

As stated in SR 3.0.2, the 25% extension also does not apply to the initial portion of a periodic Completion Time that requires performance on a "once per . . ." basis. The 25% extension applies to each performance after the initial performance. The initial performance of the Required Action, whether it is a particular Surveillance or some other remedial action, is considered a single action with a single Completion Time. One reason for not allowing the 25% extension to this Completion Time is that such an action usually verifies that no loss of function has occurred by checking the status of redundant or diverse components or accomplishes the function of the inoperable equipment in an alternative manner.

The provisions of SR 3.0.2 are not intended to be used repeatedly merely as an operational convenience to extend Surveillance intervals (other than those consistent with refueling intervals) or periodic Completion Time intervals beyond those specified.

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SR 3.0.3

SR 3.0.3 establishes the flexibility to defer declaring affected equipment inoperable or an affected variable outside the specified limits when a Surveillance has not been completed within the specified Frequency. A delay period of up to 24 hours or up to the limit of the specified Frequency, whichever is greater, applies from the point in time that it is discovered that the Surveillance has not been

(continued)

BASES

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SR 3.0.3  
(continued)

performed in accordance with SR 3.0.2, and not at the time that the specified Frequency was not met.

This delay period provides adequate time to complete Surveillances that have been missed. This delay period permits the completion of a Surveillance before complying with Required Actions or other remedial measures that might preclude completion of the Surveillance.

The basis for this delay period includes consideration of unit conditions, adequate planning, availability of personnel, the time required to perform the Surveillance, the safety significance of the delay in completing the required Surveillance, and the recognition that the most probable result of any particular Surveillance being performed is the verification of conformance with the requirements.

When a Surveillance with a Frequency based not on time intervals, but upon specified unit conditions, operating situations, or requirements of regulations (e.g., prior to entering MODE 1 after each fuel loading, or in accordance with 10 CFR 50, Appendix J, as modified by approved exemptions, etc.) is discovered to not have been performed when specified, SR 3.0.3 allows for the full delay period of up to the specified Frequency to perform the Surveillance. However, since there is not a time interval specified, the missed Surveillance should be performed at the first reasonable opportunity. SR 3.0.3 provides a time limit for, and allowances for the performance of, Surveillances that become applicable as a consequence of MODE changes imposed by Required Actions.

Failure to comply with specified Frequencies for SRs is expected to be an infrequent occurrence. Use of the delay period established by SR 3.0.3 is a flexibility which is not intended to be used as an operational convenience to extend Surveillance intervals. While up to 24 hours or the limit of the specified Frequency is provided to perform the missed Surveillance, it is expected that the missed Surveillance will be performed at the first reasonable opportunity. The determination of the first reasonable opportunity should include consideration of the impact on plant risk (from delaying the Surveillance as well as any plant configuration changes required or shutting the plant down to perform the Surveillance) and impact on any analysis assumptions, in addition to unit conditions, planning, availability of personnel, and the time required to perform the Surveillance. This risk impact should be managed through the program in place to implement 10 CFR 50.65(a)(4) and its implementation guidance, NRC Regulatory Guide 1.182, "Assessing and Managing Risk Before Maintenance Activities at Nuclear Power Plants." This Regulatory Guide addresses consideration of temporary and aggregate risk impacts, determination of risk management action thresholds, and risk management action up to and including plant shutdown. The missed Surveillance should be treated as an emergent condition as discussed in the Regulatory Guide. The risk evaluation may use quantitative, qualitative, or blended methods. The degree of depth and rigor of the evaluation should be commensurate with the importance of the component.

(continued)

**BASES**

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SR 3.0.3  
(continued)

Missed Surveillances for important components should be analyzed quantitatively. If the results of the risk evaluation determine the risk increase is significant, this evaluation should be used to determine the safest course of action. All missed Surveillances will be placed in the licensee's Corrective Action Program.

If a Surveillance is not completed within the allowed delay period, then the equipment is considered inoperable or the variable is considered outside the specified limits and the Completion Times of the Required Actions for the applicable LCO Conditions begin immediately upon expiration of the delay period. If a Surveillance is failed within the delay period, then the equipment is inoperable, or the variable is outside the specified limits and the Completion Times of the Required Actions for the applicable LCO Conditions begin immediately upon the failure of the Surveillance.

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION  
RELATED TO AMENDMENT NO. 246 FACILITY OPERATING LICENSE NO. DPR-49

NUCLEAR MANAGEMENT COMPANY, LLC

DUANE ARNOLD ENERGY CENTER

DOCKET NO. 50-331

## 1.0 INTRODUCTION

By application dated March 28, 2002, the Nuclear Management Company, LLC (NMC or the licensee) requested changes to the Technical Specifications (TSs) for the Duane Arnold Energy Center. The proposed changes would revise TS Surveillance Requirement (SR) 3.0.3 to allow a longer period of time before entering a limiting condition for operation (LCO) in the event of a missed surveillance. The time would be extended from the current limit of "... up to 24 hours or up to the limit of the specified Frequency, whichever is less" to "...up to 24 hours or up to the limit of the specified Frequency, whichever is greater." In addition, the following requirement would be added to SR 3.0.3: "A risk evaluation shall be performed for any Surveillance delayed greater than 24 hours and the risk impact shall be managed." NMC's application also identified related changes to the TS Bases. This proposal is one of the industry's initiatives under the Risk-Informed Technical Specifications Program.

In response to Nuclear Regulatory Commission (NRC) staff's comments of February 14, 2000, the Nuclear Energy Institute (NEI) Technical Specification Task Force (TSTF) submitted Revision 5 to TSTF-358, "Missed Surveillance Requirements," to the NRC for review and approval on September 15, 2000, (Revisions 2 - 4 were only reviewed by the industry and were never submitted for NRC review). The NRC staff published a "Notice of Opportunity to Comment on Model Safety Evaluation on Technical Specification Improvement to Modify Requirements Regarding Missed Surveillances Using the Consolidated Line Item Improvement Process" (66 FR 32400, June 14, 2001) in the *Federal Register* for public comment. In response to public comments received, the NEI TSTF submitted Revision 6 to TSTF-358 to the NRC for review and approval on September 14, 2001, and it was approved by the NRC staff on October 1, 2001.

The NRC staff has since made minor editorial changes to the safety evaluation.

## 2.0 BACKGROUND

The regulations contained in 10 CFR 50.36, "Technical Specifications," require that TSs include SRs. SRs are requirements relating to test, calibration, or inspection to ensure that the necessary quality of systems and components is maintained, that facility operation will be within safety limits, and that the LCOs will be met. TSs require surveillance tests to be performed periodically (e.g., weekly or monthly). The periodic test interval defined in the TSs is called the

surveillance frequency or surveillance interval. The majority of surveillance tests included in the TSs are designed to ensure that standby safety systems will be operable when they are needed to mitigate an accident. By testing these components, failures that may have occurred since the previous test can be detected and corrected.

Standard TS (STS) SR 3.0.1 states that SRs shall be met during the MODES or other specified conditions in the applicability for individual LCOs and that failure to perform a surveillance within the specified frequency shall be a failure to meet the LCO, except as provided in SR 3.0.3.

The current STS SR 3.0.3 requires that, if it is found that a surveillance test was not performed within its specified frequency, the associated LCO be declared not met (e.g., equipment be declared inoperable) unless the missed surveillance test is completed successfully within 24 hours or within the limit of the specified frequency, whichever is less, from the time it was discovered that the test was not performed. The requirements in STS SR 3.0.3 are based on NRC Generic Letter 87-09, "Sections 3.0 and 4.0 of the Standard Technical Specifications (STS) of the Applicability of Limiting Conditions for Operation and Surveillance Requirements," dated June 4, 1987.

Generic Letter 87-09 was published to address three specific issues with the application of TSs. One of those issues was missed surveillances. The Generic Letter states, "The second problem involves unnecessary shutdowns caused by Specification 4.0.3 when surveillance intervals are inadvertently exceeded. The solution is to clarify the applicability of the Action Requirements, to specify a specific acceptable time limit for completing a missed surveillance in certain circumstances, and to clarify when a missed surveillance constitutes a violation of the Operability Requirements of an LCO. It is overly conservative to assume that systems or components are inoperable when a surveillance has not been performed because the vast majority of surveillances do in fact demonstrate that systems or components are OPERABLE. When a surveillance is missed, it is primarily a question of operability that has not been verified by the performance of a Surveillance Requirement. Because the allowable outage time limits of some Action Requirements do not provide an appropriate time for performing a missed surveillance before Shutdown Requirements apply, the TS[s] should include a time limit that allows a delay of required actions to permit the performance of the missed surveillance based on consideration of plant conditions, adequate planning, availability of personnel, the time required to perform the surveillance, and, of course, the safety significance of the delay in completing the surveillance. The staff has concluded that 24 hours is an acceptable time limit for completing a missed surveillance when the allowable outage times of the Action Requirements are less than this limit, or when time is needed to obtain a temporary waiver<sup>1</sup> of the Surveillance Requirement." [emphasis added]

The proposed change would extend the delay time for declaring the LCO not met and entering the required actions by allowing more time to perform the missed surveillance test. This will be achieved by modifying SR 3.0.3 to allow a delay period from 24 hours up to the surveillance frequency, whichever is greater, to perform a missed surveillance prior to having to declare the LCO not met. The change will add a sentence to SR 3.0.3 that states, "A risk evaluation shall

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<sup>1</sup>The terminology "temporary waiver" was subsequently revised to refer to the practice as "enforcement discretion."

be performed for any surveillance delayed greater than 24 hours, and the risk impact shall be managed.”

The objective of the proposed change is to minimize the impact on plant risk resulting from the performance of a missed surveillance test by allowing flexibility in considering the plant conditions and other plant activities without compromising plant safety. In addition, implementation of the proposed change would reduce the need for the licensee to apply for regulatory relief to delay the performance of missed surveillances.

The basis for establishing the changes to requirements for missed surveillances in Generic Letter 87-09 continues to apply to the current proposed change to SR 3.0.3. As evidenced by the discussion in Generic Letter 87-09, the intent of the change proposed in the Generic Letter was to reduce the impact on plant risk resulting from the performance of a missed surveillance test by allowing some flexibility in the performance of missed tests. The delay time of 24 hours was selected using engineering judgement in the absence of suitable tools to determine a delay period on a case-by-case basis. In addition, the staff recognized in Generic Letter 87-09 that even a 24-hour delay period would not be sufficient in some cases and licensees would need to seek regulatory relief in those cases.

The recent revision to the Maintenance Rule to establish the requirement in 10 CFR 50.65(a)(4) to assess and manage the increase in risk that may result from maintenance activities provides a framework to allow a more risk-informed approach to addressing missed surveillances. This approach is consistent with the Commission’s policy to increase the use of probabilistic risk assessment (PRA) technology in all regulatory matters to the extent supported by the state-of-the-art in PRA methods and data, and continues to support the objectives outlined by the staff in Generic Letter 87-09.

The staff believes that the proposed change to SR 3.0.3 is appropriate because: (1) the number of missed surveillance tests is a very small fraction of the total number of such tests performed at a nuclear plant each year; (2) the change applies to unintentionally missed surveillance tests and is not intended to be used as an operational convenience to extend surveillance frequencies (as stated in the existing SR 3.0.3 Bases); and (3) missed surveillances will be placed in the licensee’s corrective action program.

The staff has determined that the proposed change is applicable to all licensees. In Generic Letter 87-09, the staff concluded that the proposed modifications would result in improved TSs for all plants and no limitations were put on the applicability of the proposed changes. Because the basis for this proposed change is largely the same as for the change proposed in Generic Letter 87-09, the staff believes the same broad applicability is appropriate. In addition, every licensee is required to comply with the Maintenance Rule and, therefore, will have implemented programs to comply with 10 CFR 50.65(a)(4) to assess and manage risk associated with maintenance and other operational activities.

### 3.0 EVALUATION

The proposed change would modify SR 3.0.3 to allow a delay period from 24 hours up to the surveillance frequency, whichever is greater, to perform a missed surveillance prior to having to declare the LCO not met. The change would add a sentence to SR 3.0.3 that states, “A risk

evaluation shall be performed for any surveillance delayed greater than 24 hours, and the risk impact shall be managed.”

The proposed change would not allow equipment known to be inoperable to be considered operable until the missed surveillance is performed. If it is known that the missed surveillance could not be met, SR 3.0.1 would require that the LCO be declared not met and the appropriate condition(s) entered. In addition, the Bases for SR 3.0.3 state that the use of the delay period established by SR 3.0.3 is a flexibility which is not intended to be used as an operational convenience to extend surveillance intervals, but only for the performance of missed surveillances.

The modification will also include changes to the Bases for SR 3.0.3 that provide details on how to implement the new requirements. The Bases changes provide guidance for surveillance frequencies that are not based on time intervals but are based on specified unit conditions, operating situations, or requirements of regulations. In addition, the Bases changes state that the licensee is expected to perform any missed surveillance test at the first reasonable opportunity, taking into account appropriate considerations, such as the impact on plant risk and accident analysis assumptions, consideration of unit conditions, planning, availability of personnel, and the time required to perform the surveillance. The Bases also state that the risk impact should be managed through the program in place to implement 10 CFR 50.65(a)(4) and its implementation guidance, NRC Regulatory Guide 1.182, “Assessing and Managing Risk Before Maintenance Activities at Nuclear Power Plants,” dated May 2000, and that the missed surveillance should be treated as an emergent condition as discussed in Regulatory Guide 1.182. In addition, the Bases state that the degree of depth and rigor of the evaluation should be commensurate with the importance of the component and that missed surveillances for important components should be analyzed quantitatively. The Bases also state that, if the results of the risk evaluation determine that the risk increase is significant, the evaluation should be used to determine the safest course of action. Finally, the Bases state that all missed surveillances will be placed in the licensee’s Corrective Action Program.

Key elements provided by the licensee to justify the proposed TS change are listed below. These elements were built into the process to ensure that every time a surveillance is missed, the risk will be properly assessed and managed. In addition, such elements facilitate regulatory oversight.

- A risk evaluation shall be performed for any surveillance test delayed longer than 24 hours and the risk impact shall be managed.
- Although the proposed change to SR 3.0.3 allows an increase of the delay time, the missed surveillance test should be performed at the “first reasonable opportunity.”
- The “first reasonable opportunity” will be determined by taking into consideration the risk impact from delaying the surveillance test (including risk from changing plant configurations or shutting the plant down to perform the surveillance, whenever applicable) as well as the impact on any analysis assumptions, in addition to unit conditions, planning, availability of personnel, and the time required to perform the surveillance.
- A missed surveillance will be treated as an emergent condition in the same fashion as other unplanned maintenance activities. The risk impact of the condition will be managed through

the program in place to implement 10 CFR 50.65(a)(4) and its implementation guidance, Regulatory Guide 1.182.

- A missed surveillance will be placed in the licensee's corrective action program, thus providing the staff with a means to verify that the number of missed surveillances continues to be very low.
- The NRC's operating reactor oversight process will provide the framework for inspectors and other staff to review missed surveillances and assess the licensee's actions and performance.

The staff finds that a process containing these key elements is appropriate in this case for the following reasons:

- 10 CFR 50.65(a)(4) requires licensees to implement programs to assess and manage increases in risk that may result from planned maintenance activities. This program is suitable to assess and manage the risk impact of missed surveillances because missed surveillances can be treated as emergent conditions and their risk impact will be assessed and managed in an integrated fashion with concurrent maintenance activities.
- Inspection procedures are in place which will allow the NRC staff to oversee the implementation of Maintenance Rule requirements, including the adequacy of risk assessments performed by licensees for maintenance configurations.
- The number of missed surveillance tests is a very small fraction of the total number of such tests performed at a nuclear plant each year. The proposed change is not intended to be used as an operational convenience to extend surveillance frequencies.
- This process is similar to other improvements that have been made to the TS that allow the use of a controlled decision making process by licensees when the process has some high-level regulatory oversight. Two examples of this are the adoption of the Core Operating Limits Report and the Pressure/Temperature Limits Report. In each of these cases, the staff approved the methodology behind the calculation of certain TS parameter limits and then allowed the specific limits to be removed from TSs and controlled by the licensee using the approved methodology. Similarly, for this proposed change, the staff has already approved guidance that outlines a process for complying with 10 CFR 50.65(a)(4) and, therefore, can allow the licensee to use that guidance to determine the most prudent course of action in the case of a missed surveillance.

The guidance outlining an acceptable process for licensees to assess and manage increases in risk that may result from planned maintenance activities is found in Regulatory Guide 1.182. Regulatory Guide 1.182 endorses a revised Section 11 to NUMARC 93-01, "Industry Guideline for Monitoring the Effectiveness of Maintenance at Nuclear Power Plants," Revision 2, dated February 22, 2000, updated by NEI.

Section 11 of NUMARC 93-01 provides guidance for assessing and managing risk impact resulting from performance of maintenance activities, including guidance for establishing action thresholds based on qualitative and quantitative considerations as well as risk management actions. The objective of risk management is to control the temporary and aggregate risk

increases from maintenance activities such that the plant's average baseline risk is maintained within a minimal range. This is accomplished by using the results of the risk assessment to plan and schedule maintenance such that the risk increases are limited, and to take additional actions beyond routine work controls to address situations where the temporary risk increase is above a certain threshold.

In order to gain additional insights into the proposed change, the staff referred to the regulatory guidance provided in Regulatory Guide 1.174, "An Approach for Using Probabilistic Risk Assessment in Risk-Informed Decisions on Plant-Specific Changes to the Licensing Basis," dated July 1998, and in Regulatory Guide 1.177, "An Approach for Plant-Specific, Risk-Informed Decisionmaking: Technical Specifications," dated August 1998, although these Regulatory Guides do not specifically address the type of change in this proposal. Regulatory Guide 1.177 provides the staff's recommendations for utilizing risk information to evaluate changes to nuclear power plant TSs by assessing the impact of such proposed changes on the risk associated with plant operation. The approach documented in Regulatory Guide 1.177 was taken into consideration by the staff in evaluating the risk information provided in support of the proposed changes in SR 3.0.3 to increase the time allowed to perform a missed surveillance.

One portion of the guidance in Regulatory Guide 1.177 includes the assessment of the risk impact of the proposed change for comparison to acceptance guidelines consistent with the Commission's Safety Goal Policy Statement, as documented in Regulatory Guide 1.174. In addition, the approach outlined in the guidance aims at ensuring that the plant risk does not increase unacceptably at any time during the implementation of the proposed change (i.e., during the extended surveillance interval).

Another portion of the guidance addresses the need for identifying risk-significant configurations resulting from maintenance or other operational activities and taking appropriate compensatory measures to avoid such configurations. This type of evaluation is directly addressed by the requirement to perform a risk assessment for missed surveillances delayed longer than 24 hours.

The staff believes that insights from the guidance provided in Regulatory Guides 1.174 and 1.177 can be used to show how the proposed change is expected to result in, at most, an increase in risk which is small and consistent with the Commission's Safety Goal Policy Statement. The staff believes that in the majority of the cases of missed surveillances, implementation of the proposed change will result in a risk benefit due to the proposed requirement for the licensee to evaluate the risk impact for missed surveillances that would require a delay of longer than 24 hours.

### 3.1 Risk Impact of the Proposed Change

The staff made a qualitative assessment of the risk impact of the proposed change for comparison with the intent of the acceptance guidelines documented in Regulatory Guide 1.174, consistent with the Commission's Safety Goal Policy Statement. Such risk impact is measured by the average (yearly) risk change. In addition, the staff took into consideration guidance in Regulatory Guide 1.177 aimed at ensuring that the plant risk does not increase unacceptably at any time during the implementation of the proposed change (i.e., during an extended surveillance interval in this case). The staff's qualitative assessment is summarized below.

### 3.1.1 Average Risk Impact

The probability that a standby active component, such as a pump or a circuit breaker, will fail when demanded during an accident is based on the assumption that the component fails due to “standby” stresses (i.e., stresses which are present while the component is in standby, such as corrosion, dirt, lack of lubrication). This probability, also called the component’s average “unavailability,” is used in PRAs and is most frequently calculated by the following equation:

$$q = \frac{1}{2} * \lambda * T \quad (1)$$

where:

- q = the component’s average unavailability,
- λ = the component’s failure rate (assumed constant) while in standby, and
- T = the interval at which the component is tested for operability.

The average unavailability of a structure, system, or component (SSC), calculated by using the above equation, reflects the potential vulnerability of the component to “standby” stresses. Such vulnerability increases with time between operability checks (tests) assuming corrective action is taken to restore failed components identified by the test. Thus, the risk impact of a missed surveillance is reflected by the increased unavailability of the related SSCs due to the increase of the interval between surveillance tests. If the missed surveillance affects two or more components, some “standby” stresses may impact multiple components. In such a case, the missed surveillance would also increase the average common cause failure (CCF) unavailability of two or more components and this should be addressed in the risk assessment (CCF unavailabilities are calculated by adjusting the single component failure unavailability using standard PRA techniques, such as the beta factor or the Multiple Greek Letter method).

The thresholds of the aggregate risk impacts are based on the permanent change guidelines discussed in Regulatory Guide 1.174. The licensee will be expected to manage the risk from the proposed technical specification change in conjunction with the risk from other concurrent plant activities to ensure that any risk increase, in terms of core damage frequency (CDF) and large early release frequency (LERF), will be small and consistent with the Commission’s Safety Goal Policy Statement.

Risk insights from existing PRAs and the low frequency of missed surveillances indicate that the proposed TS change is highly unlikely to lead to a significant increase in the average (yearly) risk, in terms of CDF or LERF. Significant risk increases can occur only under the following conditions:

- The number of missed surveillances is allowed to increase significantly;
- High risk configurations are allowed (e.g., by allowing certain combinations of multiple missed surveillances and/or outages); and
- Poor risk management of plant operational activities is allowed.

Any of these conditions would be in violation of the intent of the proposed SR 3.0.3 and could trigger a review by the NRC of the licensee's actions and performance. The implementation guidance found in the proposed SR 3.0.3 Bases is intended to ensure that such conditions would not occur. Licensees are already required to manage risk associated with online maintenance activities. Furthermore, the addition of missed surveillances (rather rare plant conditions) to the maintenance activities is not expected to increase risk. On the contrary, insights from existing risk assessments indicate that there are plant conditions during which it is preferable and safer not to have to complete missed surveillance tests for some SSCs. Therefore, the proposed TS change will allow the licensee to make informed decisions and take appropriate actions to control risk.

### 3.1.2 Temporary Risk Impact

In addition to changes in the mean values of CDF and LERF, the incremental conditional core damage probability (ICCDP) and the incremental conditional large early release probability (ICLERP) are proposed by Regulatory Guide 1.177 as appropriate measures of the increase in probability of core damage and large early release, respectively, during the period of implementation of a proposed TS change (i.e., during the extended surveillance period in the case of a missed surveillance). Regulatory Guide 1.182 provides guidance for controlling temporary risk increases resulting from maintenance activities. Such guidance, which is consistent with guidance provided in Regulatory Guide 1.177, establishes action thresholds based on qualitative and quantitative considerations as well as risk management actions. The staff expects that the licensee will implement this guidance for assessing temporary risk increases from missed surveillances concurrently with maintenance and other operational activities.

Instantaneous and temporary risk increases from a missed surveillance are assessed by considering the time-dependent unavailability, most often calculated by the following equation:

$$q(t) = \lambda * t$$

where:

- q(t) = the component's unavailability at time t
- $\lambda$  = the component's failure rate (assumed constant) while in standby, and
- t = time from end of surveillance frequency of a missed surveillance test.

If the missed surveillance affects two or more components, some "standby" stresses may impact multiple components. In such a case, the missed surveillance would increase also the time-dependent CCF unavailability of two or more components and this should be addressed in the risk assessment.

Significant temporary risk increases following a missed surveillance can occur only under the following conditions:

- High risk configurations are allowed (e.g., by allowing certain combinations of multiple missed surveillances and/or outages), and
- Poor risk management of plant operation activities is allowed.

Any of these conditions would be in violation of the intent of the proposed SR 3.0.3 and could trigger an NRC review of the licensee's actions and performance. The requirements associated with the proposed change are intended to ensure that such conditions would not occur. Thus, the proposed TS change is not expected to lead to significant temporary risk increases. Following the discovery of an unintentionally missed surveillance, the licensee will have to assess temporary risk increases, qualitatively or quantitatively depending on the importance of the component affected by the missed surveillance, if the surveillance cannot be performed within 24 hours from the time it has been discovered.

### 3.2 Risk-Informed Configuration Risk Management

Regulatory Guide 1.177 addressed the need for identifying risk-significant configurations resulting from maintenance or other operational activities and taking appropriate compensatory measures to avoid such configurations. The objective of such guidance for this review is to ensure that plant safety will be maintained and monitored during the period of an extended surveillance testing interval (associated with an unintentionally missed surveillance). The licensee proposes to use the program in place to implement the Maintenance Rule to identify "high-risk" configurations resulting from missed surveillance tests in conjunction with outages associated with maintenance activities. It is worth noting that the guidance provided in Regulatory Guide 1.177 with regard to the Configuration Risk Management Program was used as the basis for developing the guidance contained in Regulatory Guide 1.182 for the 10 CFR 50.65(a)(4) provisions of the Maintenance Rule. This provides additional assurance that the proposed process for evaluating the risk impact of missed surveillances is consistent with guidance provided in Regulatory Guide 1.177.

### 3.3 Quality of PRA

Once a missed surveillance is discovered and the licensee determines that the surveillance cannot be performed within 24 hours, the licensee will have to use a risk assessment to determine the most prudent course of action. The risk assessment can be done qualitatively or quantitatively depending on the importance of the component affected by the missed surveillance (missed surveillances for risk-important components should be analyzed quantitatively). Such a risk assessment will be consistent with the program to implement the Maintenance Rule guidance to assess and account for both aggregate and temporary risk increases associated with "emergent" plant conditions as well as before undertaking online maintenance or other operational activities.

All licensees must have the capability to assess and manage increases in risk from maintenance activities as required by the Maintenance Rule. Risk assessments performed pursuant to 10 CFR 50.65(a)(4) may use qualitative, quantitative, or blended methods. The degree of depth and rigor of the evaluation should be commensurate with the complexity of the proposed configuration to be assessed. Section 11 of NUMARC 93-01 provides guidance for using qualitative, quantitative, or blended methods to assess risk. Current inspection programs allow the NRC staff to oversee licensee implementation of 10 CFR 50.65(a)(4) requirements, including the adequacy of pre-maintenance risk assessments performed by licensees.

For the reasons listed below, the staff finds that the same "quality" of PRA or PRA insights used to perform risk assessments pursuant to 10 CFR 50.65(a)(4) is also appropriate when assessing the impact of missed surveillances.

- The number of “emergent” conditions resulting from missed surveillances is very small (in both absolute terms and in comparison to the frequency of “emergent” conditions resulting from equipment failures). The licensee is expected to implement the proposed change to SR 3.0.3 in a manner that ensures that this statement remains valid.
- A missed surveillance is equivalent to a one-time surveillance frequency extension. Therefore, the risk exposure is limited to the duration of the surveillance frequency extension. Risk increases are small compared to similar increases associated with equipment failures. The average (conditional) risk increase, given a missed surveillance, may be comparable to the risk increase from equipment failures. However, due to the rarity of missed surveillances, the average (yearly) risk increase from missed surveillances is expected to be small compared to the risk increase from equipment failures.
- PRA insights indicate that the risk impact from missed surveillances is significant only for a relatively small set of standby equipment. This equipment, such as auxiliary feedwater, high pressure injection pumps, and emergency diesel generators, is located outside containment and generally can be easily tested in a short time, if necessary.
- NRC inspection programs allow the NRC staff to oversee the implementation of 10 CFR 50.65(a)(4) requirements, including the adequacy of pre-maintenance risk assessments performed by licensees.

### 3.4 Summary

The staff review finds that the process proposed by the licensee for addressing missed surveillance requirements meets Commission guidance for allowing TS SR changes. Key elements of the proposed change are listed below.

- A risk evaluation shall be performed for any surveillance delayed longer than 24 hours, and the risk impact shall be managed.
- The missed surveillance test should be performed at “the first reasonable opportunity.”
- The “first reasonable opportunity” will be determined by taking into consideration the risk impact from delaying the surveillance test as well as the impact on any analysis assumptions, in addition to unit conditions, planning, availability of personnel, and the time required to perform the surveillance.
- A missed surveillance will be treated as an “emergent” condition in the same fashion as other unplanned maintenance activities. The risk impact of the condition will be managed through the program in place to implement 10 CFR 50.65(a)(4) and its implementation guidance (NRC Regulatory Guide 1.182). Rescheduling of missed surveillances pursuant to Regulatory Guide 1.182 will ensure the necessary provisions for managing the risk impact of performing the surveillance in conjunction with other ongoing plant configuration changes.

- The NRC's operating reactor oversight process will provide the framework for inspectors and other staff to review missed surveillances and assess the licensee's actions and performance. Inspection procedures are in place which will allow NRC staff to oversee the implementation of Maintenance Rule requirements, including the adequacy of pre-maintenance risk assessments performed by licensees.
- A missed surveillance will be placed in the licensee's corrective action program, thus providing the staff with a means to verify that the number of missed surveillances continues to be very low.
- The number of missed surveillance tests is a very small fraction of the total number of such tests performed at a nuclear plant each year. The proposed change is not intended to be used as an operational convenience to extend surveillance frequencies.
- This process is similar to other improvements that have been made to the TSs that allow the use of a controlled decision making process by licensees when the process has some high-level regulatory oversight. Two examples of this are the adoption of the Core Operating Limits Report and the Pressure/Temperature Limits Report. In each of these cases, the staff approved the methodology behind the calculation of certain TS parameter limits and then allowed the specific limits to be removed from TSs and controlled by the licensee using the approved methodology. Similarly, for this proposed change, the staff has already approved guidance that outlines a process for complying with 10 CFR 50.65(a)(4) and, therefore, can allow the licensee to use that guidance to determine the most prudent course of action in the case of a missed surveillance.

For these reasons, the staff finds that the proposed TS change, to be implemented in accordance with the above listed key elements, is acceptable.

#### 4.0 STATE CONSULTATION

In accordance with the Commission's regulations, the Iowa State official was notified of the proposed issuance of the amendment. The State official had no comments.

#### 5.0 ENVIRONMENTAL CONSIDERATION

The amendment changes a requirement with respect to the installation or use of a facility component located within the restricted area as defined in 10 CFR Part 20 or changes a surveillance requirement. The staff has determined that the amendment involves no significant increase in the amounts, and no significant change in the types, of any effluents that may be released offsite, and that there is no significant increase in individual or cumulative occupational radiation exposure. The Commission has previously issued a proposed finding that the amendment involves no significant hazards consideration and there has been no public comment on such finding (67 FR 21290). Accordingly, the amendment meets the eligibility criteria for categorical exclusion set forth in 10 CFR 51.22(c)(9). Pursuant to 10 CFR 51.22(b), no environmental impact statement or environmental assessment need be prepared in connection with the issuance of the amendment.

## 6.0 CONCLUSION

The Commission has concluded, based on the considerations discussed above, that: (1) there is reasonable assurance that the health and safety of the public will not be endangered by operation in the proposed manner, (2) such activities will be conducted in compliance with the Commission's regulations, and (3) the issuance of the amendment will not be inimical to the common defense and security or to the health and safety of the public.

Principal Contributor: CLIP Safety Evaluation for Missed Surveillance (66 FR 32400)

Date: May 30, 2002