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FINAL REPLY:

Kenneth Hughey

Entergy Nuclear, Inc.

TO:

Chairman Meserve

FOR SIGNATURE OF :

** PRI **

CRC NO: 03-0380

Chairman Meserve

DESC:

ROUTING:

Combined Licenses ITAAC on Operational Programs

(SECY-02-0067)

Travers Paperiello

Kane

Norry

Craig Burns

Cyr, OGC

DATE: 05/30/02

ASSIGNED TO:

CONTACT:

NRR

Collins

SPECIAL INSTRUCTIONS OR REMARKS:

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AUTHOR:

Kenneth Hughey

AFFILIATION:

MS

ADDRESSEE:

Richard Meserve

SUBJECT:

Concerns SECY 02-0067, Part 52 combined licenses (COLs) contain ITAAC on operational

programs -- References NEI letter to the Chairman

ACTION:

Appropriate [HZM'S SignaTule

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May 24, 2002

The Honorable Richard A. Meserve Chairman U.S. Nuclear Regulatory Commission Mail Stop O-16 C1 Washington, DC 20555-0001

Subject:

SECY-02-0067

Reference: Letter from J. Colvin to R. Meserve dated 5/13/02

CNRO-2002-00035

Dear Chairman Meserve:

The purpose of this letter is to convey Entergy's strong concern with the proposal in SECY-02-0067 that Part 52 combined licenses (COLs) contain ITAAC on operational programs. Entergy fully supports the industry views presented by NEI in the above referenced letter.

Entergy has participated in the Part 52 NEI Task Force in its efforts to develop a regulatory environment which will provide the necessary predictability for new nuclear licensing and construction. Entergy believes SECY-02-0067 presents a polarized view which may provide less predictability than existed with the past licensing of nuclear facilities.

The concept of Inspections, Tests, Analyses, and Acceptance Criteria (ITAAC) as discussed in the Energy Policy Act of 1992 can be a good concept if it is implemented appropriately. The ITAAC process was created in part because of the differences (e.g. license issuance timing and hearing opportunities) between the new Part 52 licensing process and the old Part 50 licensing process. ITAAC are only a subset of the requirements that a licensee must meet. While ITAAC are necessary to provide reasonable assurance that a plant has been constructed and will be operated in conformity with the license, ITAAC are not intended to duplicate the inspections the NRC performs to verify appropriate implementation of various regulations. We believe the proposed "programmatic ITAAC" in SECY-02-0067 represent a duplication of the program inspections the NRC performed prior to plant operation as part of their Inspection Program in the past, and intends to conduct during future new plant construction.

It is our belief that the SECY-02-0067 presentation of ITAAC has described a process that does not have a defined purpose or scope. It is not clear which regulations the staff wants to define as "programmatic" in need of ITAAC; it appears the staff is recommending ITAAC for all regulations applicable to a COL applicant (see SECY-02-0067, pg 12, "List of Programmatic ITAAC). Likewise there has been no clear explanation as to how ITAAC will fit in with other processes the staff intends to use in verifying compliance with regulations. If ITAAC were established on programs, does the NRC staff intend that the ITAAC Verification program would replace its normal inspection program? If not, why not, given the staff view that ITAAC are "necessary and sufficient to provide reasonable assurance..." under \$52.97(b)(1)? We are very concerned that ITAAC on programs would be needlessly duplicative of existing requirements and normal inspection activities – or worse, conflict with them.

SECY-02-0067 presents the Design Reliability Assurance Program (DRAP) ITAAC for the AP600 certified design as an example of "programmatic ITAAC." The example given for the DRAP ITAAC is "inspection will be performed for the existence of a report ..." with acceptance criteria of "a report exists ..." We believe the staff's example clearly shows the difficulty in applying the ITAAC process in any meaningful way to areas that it was not intended for. Moreover, the essence of the DRAP ITAAC is actually analysis of hardware reliability.

As stated in the above referenced NEI comments, whatever the Commission determines to be the appropriate scope of COL ITAAC, the Commission should ensure that the policy objectives of Part 52 are not compromised, including establishment of a predictable, efficient and workable licensing process and the early resolution of safety issues.

In conclusion, Entergy's efforts are focused in part on reducing uncertainties associated with new nuclear plant deployment. The proper scope and use of ITAAC are key to a predictable and stable Part 52 licensing process. In this regard, Entergy endorses the views as presented by NEI and further encourages the Commission to give careful consideration to the industry views in its decision.

Kenneth Hughey

Sr. Manager, Business Development

GAZ/WKH/

cc: The Honorable Greta J. Dicus

The Honorable Nils J. Diaz

The Honorable Edward McGaffigan, Jr.

The Honorable Jeffrey S. Merrifield

Dr. William D. Travers

Mr. William F. Kane

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