



NUCLEAR ENERGY INSTITUTE

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December 18, 2001

Mr. Ashok Thadani
Director, Office of Research
U. S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Dear Mr. Thadani:

Our letter of April 24, 2000, forwarded the industry PRA peer review process guidance (NEI-00-02) to NRC, and requested review and approval of the process to support industry implementation of the Option 2 regulatory reform effort. Subsequently, NRC has observed the peer review process, and additional dialogue has occurred relative to its use in support of risk-informed applications. During a December 12, 2001 meeting with NRC, the staff stated their understanding of our previous letter was that industry's use of the peer review process would be limited to Option 2 implementation. We wish to clarify our previous letter as follows:

We believe the industry peer review process can be used to support NRC review and approval of any current or planned risk-informed regulatory application. Our intent in limiting our previous NRC review request to Option 2 was to facilitate a more timely and focused review, in conjunction with NRC review of the industry Option 2 categorization guidance (NEI-00-04). Therefore, our request for NRC review and approval of the process should not be limited to Option 2, but rather should be general to all applications. We would note that the Option 2 categorization process is an application that relies on the adequacy of the entire level one internal events PRA, so NRC's review effort should not be substantially affected by this clarification to our previous letter.

PRA standards and peer review provide useful information in assessing the capability of a PRA to support regulatory applications. However, the use of the PRA insights in the integrated decisionmaking process may vary in each application. Thus, the adequacy of the PRA cannot generally be expected to rely solely on standards or peer review. We believe the most pragmatic approach involves a focused NRC review based on those PRA attributes that are important to

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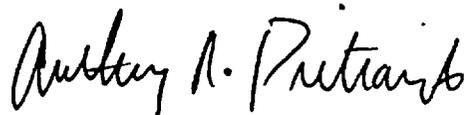
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the regulatory decision. PRA standards and peer review can be used to support this process.

We appreciate your consideration of this clarification. Please contact me if you need any further information.

Sincerely,

A handwritten signature in black ink, reading "Anthony R. Pietrangelo". The signature is written in a cursive style with a large initial 'A' and 'P'.

Anthony R. Pietrangelo

C: Mr. Sam Collins, NRC
Mr. Scott Newberry, NRC