

Dominion Nuclear Connecticut, Inc.
Millstone Power Station
Rope Ferry Road
Waterford, CT 06385



Dominion™

DEC 13 2002

Docket No. 50-423
B18781

RE: 10 CFR 54
10 CFR 50.12, 54.15

U.S. Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, DC 20555

Millstone Power Station, Unit No. 3
License Renewal - Request for Exemption
From the Requirements of 10 CFR 54.17(c)

In a letter dated March 5, 2002,⁽¹⁾ Dominion Nuclear Connecticut, Inc. (DNC) notified the Nuclear Regulatory Commission (NRC) of its plans relating to the renewal of Operating Licenses DPR-65 and NPF-49 for Millstone Unit Nos. 2 and 3, respectively. As noted in that letter, the license renewal applications for Millstone Unit Nos. 2 and 3 are anticipated to be submitted in January of 2004. Since the application for Millstone Unit No. 3 is scheduled to be submitted on a date which is prior to 20 years before the expiration of the Millstone Unit No. 3 operating license (i.e., November 25, 2025), an exemption from the schedular requirements of 10 CFR 54.17(c) is necessary.

Accordingly, pursuant to 10 CFR 54.15 and 50.12, DNC is requesting an exemption for Millstone Unit No. 3 from the schedular requirements of 10 CFR 54.17(c), which specifies that, "An application for a renewed license may not be submitted to the Commission earlier than 20 years before the expiration of the operating license currently in effect."

DNC currently plans to submit concurrent applications for the renewal of the operating licenses for Millstone Unit Nos. 2 and 3 to the NRC in January 2004. By January 2004, Millstone Unit No. 2 will have 29 years operating experience and Millstone Unit No. 3 will have in excess of 18 years operating experience. Although Millstone Unit No. 3 will have operated for a substantial period of time, it will be 21 months short of meeting the 20-year requirement of 10 CFR 54.17(c). Without an exemption, concurrent applications for Millstone Unit Nos. 2 and 3 cannot be filed.

⁽¹⁾ J. A. Price letter to U.S. Nuclear Regulatory Commission, "Response to Regulatory Issue Summary, 2000-20," dated March 5, 2002.

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10 CFR 50.12 allows the NRC to grant exemptions if application of the regulation is not necessary to satisfy the underlying purpose of the rule. The underlying purpose of 10 CFR 54.17(c) as identified in the Statement of Considerations (SOC) for the current License Renewal Rule,⁽²⁾ is to ensure that substantial operating experience is accumulated by a licensee before it submits a renewal application. By the date of submission, January 2004, Millstone Unit Nos. 2 and 3 will have collective nuclear operating experience of over 47 years, and will have over 20 years of experience with the materials, environment, and many of the programs subject to review. This experience base is sufficient to satisfy the underlying purpose of the rule. Further, assuming a two-year NRC review, Millstone Unit No. 3 will likely have operated for more than 20 years by the time its license is renewed.

This exemption request is similar in nature to the exemptions requested previously by the Duke Energy Corporation,⁽³⁾ the Florida Power and Light Company,⁽⁴⁾ First Energy Nuclear Operating Company,⁽⁵⁾ and Constellation Nuclear.⁽⁶⁾ The Duke, Florida Power and Light Company, and Constellation exemption requests were subsequently approved by the NRC in 1999,⁽⁷⁾ 2001,⁽⁸⁾ and 2002⁽⁹⁾ respectively.

Attachment 1 to this letter provides the basis for DNC's exemption request.

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- ⁽²⁾ Statement of Considerations, Nuclear Power Plant License Renewal, 56 FR 64943, dated December 13, 1991, and 60 FR 22461, dated May 8, 1995.
- ⁽³⁾ Duke Energy Corporation letter to the NRC, "Request for Exemption Pursuant to 10 CFR 54.15 and 50.12 - Exemption to the Scheduling Requirements of CFR 54.17(c)," dated June 22, 1999.
- ⁽⁴⁾ Florida Power and Light Company letter to the NRC, "Request for Exemption from the Scheduling Requirements of 10 CFR 54.17(c)," dated October 30, 2000.
- ⁽⁵⁾ First Energy Nuclear Operating Company letter to the NRC, "Request for Exemption from the Requirements of 10 CFR 54.17(c)," dated December 17, 2001.
- ⁽⁶⁾ Constellation Nuclear letter to the NRC, "Request for Exemption from the Requirements of 10 CFR 54.17(c) (TAC No. MB3532)," dated January 4, 2002.
- ⁽⁷⁾ NRC letter to Duke Energy Corporation, "Issuance of Exemption to 10 CFR 54.17(c) Regarding Schedule for License Renewal Application (TAC No. MA5914)," dated October 1, 1999.
- ⁽⁸⁾ NRC letter to Florida Power & Light Company, "Exemption from the Requirements of 10 CFR Part 54, Section 54.17(c) Regarding Schedule for License Renewal Application (TAC No. MBO418)," dated February 27, 2001.
- ⁽⁹⁾ NRC letter to Nine Mile Point Nuclear Station, LLC, "Nine Mile Point Nuclear Station, Unit No. 2 - Scheduling Exemption from the Requirements of 10 CFR Part 54, Section 54.17(c) (TAC No. MB3532)," dated October 8, 2002.

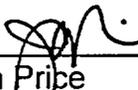
The license renewal applications for Millstone Unit Nos. 2 and 3 are anticipated to be submitted in January 2004. Therefore, we request issuance of this exemption by November 30, 2003.

The regulatory commitments contained in this letter are located in Attachment 2.

If you should have any questions regarding this exemption request, please contact Mr. J. E. Wroniewicz at (804) 273-2186.

Very truly yours,

DOMINION NUCLEAR CONNECTICUT, INC.



J. Alan Price
Site Vice President - Millstone

Attachments: (2)

cc: H. J. Miller, Region 1 Administrator
V. Nerses, NRC Senior Project Manager, Millstone Unit No. 3
Millstone Senior Resident Inspector

Docket No. 50-423
B18781

Attachment 1

Millstone Power Station, Unit No. 3

License Renewal

Request for Exemption from the Requirements of 10 CFR 54.17(c)

**Millstone Unit No. 3
Request For Exemption
From The Requirements Of 10 CFR 54.17(c)**

I. Executive Summary

10 CFR Part 54 sets forth the requirements for the renewal of operating licenses for nuclear power plants. 10 CFR 54.17(c) requires that an application for a renewed license "not be submitted to the Commission earlier than 20 years before the expiration of the operating license currently in effect." Based on this limitation, Millstone Unit No. 3 would not be able to submit an application for license renewal prior to November 25, 2005. The underlying purpose of this regulation is to ensure that an applicant for license renewal has accumulated sufficient operating experience such that an adequate assessment of age-related degradation of plant structures, systems, and components may be made. 10 CFR 54.15 authorizes exemptions to 10 CFR Part 54 in accordance with 10 CFR 50.12.

Dominion Nuclear Connecticut Inc., (DNC), hereby requests an exemption from the requirement of 10 CFR 54.17(c) pursuant to 10 CFR 54.15 and 10 CFR 50.12. DNC requests this exemption in order to process and submit the Millstone Unit No. 3 License Renewal Application (LRA) concurrent with the Millstone Unit No. 2 LRA. Currently, DNC plans to submit the Millstone Unit Nos. 2 and 3 LRAs in January 2004. Without this exemption, the LRA for Millstone Unit No. 3 cannot be filed prior to November 25, 2005. The following sections of this request demonstrate, pursuant to 10 CFR 50.12, that special circumstances exist to warrant the approval of this request; namely, that the application of 10 CFR 54.17(c) to Millstone Unit No. 3 is not necessary to achieve the underlying purpose of the rule.

As discussed further below, application of 10 CFR 54.17(c) is not necessary to satisfy the underlying purpose of the rule because Millstone Unit Nos. 2 and 3 will have over 47 years of collective operating experience by the time the license renewal applications will be ready to be filed. Additionally, because the two Millstone units are similar in materials of construction and operating environments, many of the aging analyses to be performed for the structures, systems, and components of Millstone Unit No. 2 will be directly applicable to the structures, systems, and components of Millstone Unit No. 3. Thus, submitting concurrent LRAs will result in a substantial cost savings as opposed to the cost of preparing and submitting separate applications at different times. NRC resources would also be more effectively utilized given the efficiencies gained from reviewing concurrent applications for these two similar plants since: 1) the Integrated Plant Assessments (IPA) methodologies and many of the aging management programs will be common to both units, 2) there would only be one Supplemental Environmental Impact Statement (which would also serve the purposes of the National Environmental Policy Act (NEPA) by avoiding segmentation), 3) and only one series of public environmental scoping meetings would have to be conducted.

This exemption request seeks schedular relief only. DNC does not seek an exemption from any of the substantive requirements of 10 CFR Part 54 in connection with the preparation of the Millstone Unit Nos. 2 and 3 LRAs. DNC will satisfy the pertinent requirements of 10 CFR Part 54 when preparing and submitting the Millstone Unit Nos. 2 and 3 LRAs. Public health and safety will not be adversely affected by the granting of this exemption.

II. Background

Millstone Unit Nos. 2 and 3 are both pressurized water reactor units with recirculating U-tube type steam generators that produce saturated steam to drive turbine-generators. The nuclear steam supply system (NSSS) for Millstone Unit No. 2 was supplied by Combustion Engineering, Inc. and the systems and structures design and construction was provided by the architect-engineer, Bechtel Corporation. The NSSS supplier for Millstone Unit No. 3 was Westinghouse Electric Corporation and the architect-engineer was Stone & Webster Engineering Corporation (SWEC). Both reactor units are on a common plant site located on Long Island Sound in Waterford, Connecticut.

Construction of Millstone Unit No. 2 was authorized by the United States Atomic Energy Commission (AEC) when it issued Construction Permit CPPR-76 on December 11, 1970. The full power operating license was issued on September 26, 1975. The operating license for Unit No. 2 expires on July 31, 2015.

Millstone Unit No. 3 was issued a Construction Permit on August 4, 1974 and a low power license by the NRC on November 25, 1985. The full power license was issued on January 31, 1986 and expires on November 25, 2025.

III. Basis for Exemption Request Pursuant to 10 CFR 50.12

10 CFR Part 54 governs the issuance of renewed operating licenses for nuclear power plants. The filing of LRAs is addressed in 10 CFR 54.17. 10 CFR 54.17(c) states: "An application for a renewed license may not be submitted to the Commission earlier than 20 years before the expiration of the operating license currently in effect." Since DNC desires to file a LRA for Millstone Unit No. 3 prior to November 25, 2005 (the date after which the 20-year requirement would be satisfied), an exemption from the requirements of 10 CFR 54.17(c) is necessary.

10 CFR 54.15 of the license renewal rule states: "Exemptions from the requirements of this part may be granted by the Commission in accordance with 10 CFR 50.12."

10 CFR 50.12(a) states, in pertinent part:

"The Commission may, upon application by any interested person or upon its own initiative, grant exemptions from the requirements of the regulations of this part, which are:

- (1) Authorized by law, will not present an undue risk to the public health and safety, and are consistent with the common defense and security.
- (2) The Commission will not consider granting an exemption unless special circumstances are present. Special circumstances are present whenever...
 - (ii) Application of the regulation in the particular circumstances would not serve the underlying purpose of the rule or is not necessary to achieve the underlying purpose of the rule..."

The following analysis demonstrates that the requirements of 10 CFR 50.12(a)(1) are satisfied and that the special circumstances of 10 CFR 50.12(a)(2)(ii) are applicable.

A. 10 CFR 50.12(a)(1)

This paragraph of the regulation requires an exemption request to satisfy three requirements: (1) the request must be authorized by law, (2) the request must not present an undue risk to public health and safety, and (3) the request must be consistent with the common defense and security. How this exemption request satisfies these three requirements is discussed below.

1. Authorized By Law

10 CFR 54.17(c) is a schedular requirement and was adopted solely at the discretion of the NRC in the exercise of its rulemaking authority under Section 161 of the Atomic Energy Act, 42 U.S.C. 2201. No statute required the NRC to adopt this provision. No other regulation of either the NRC or another agency required the NRC to adopt this provision. The NRC has authority under 10 CFR 50.12 to grant exemptions from the requirements of NRC regulations. Therefore, no statutory or regulatory provision precludes the Commission from granting the requested exemption upon a proper showing. Specifically, 10 CFR 54.15 states that the NRC may grant exemptions from the requirements of 10 CFR Part 54 in accordance with 10 CFR 50.12. Accordingly, this requested exemption is "authorized by law," as required by 10 CFR 50.12(a)(1).

Further, when the current license renewal rule was promulgated in 10 CFR Part 54, the NRC indicated that it would consider an exemption from 10 CFR 54.17(c) if sufficient information is available on a plant-specific basis to justify submission of an application to renew a license before completion of 20 years of operation.⁽¹⁾

⁽¹⁾ 60 Federal Register at 22488, May 8, 1995

The NRC has granted similar exemptions to Duke Energy Corporation,⁽²⁾ Florida Power and Light Company⁽³⁾ and Constellation Nuclear.⁽⁴⁾

2. No Undue Risk to Public Health & Safety

The granting of this exemption poses no risk to public health and safety. This exemption is for schedular relief only, and in and of itself does not constitute NRC authorization to operate either unit beyond the current license expiration date. Granting an exemption from the requirements of 10 CFR 54.17(c) only relieves DNC of the requirement to wait until at least November 25, 2005, before submitting an application for renewal of the Millstone Unit No. 3 operating license. The substantive requirements of the license renewal process as provided for in 10 CFR Part 54 still apply to any LRA to be submitted for Millstone Unit No. 3. The intent of 10 CFR 54.17(c) is to ensure that sufficient plant operating experience is accrued prior to any application for license renewal. The 10 CFR 50.12(a)(2)(ii) discussion below provides the details and basis for why sufficient operating experience is currently available to support a LRA for Millstone Unit No. 3.

3. Common Defense and Security

The granting of this exemption request has no impact on the common defense and security. As noted above, this exemption request is for schedular relief only and by itself does not institute NRC authorization to operate beyond the expiration dates of the current licenses. Other NRC requirements pertaining to the renewal of the Millstone Unit No. 3 operating license will be satisfied in the Millstone Unit Nos. 2 and 3 LRAs. Further, there are no security or safeguards issues raised by this proposed exemption.

B. 10 CFR 50.12(a)(2)(ii)

10 CFR 50.12(a)(2) lists six "special circumstances" for which an exemption may be granted. Pursuant to the regulation, it is necessary for at least one of these special circumstances to be present in order for the NRC to consider granting an

⁽²⁾ NRC (Frank Rinald) letter to Duke Energy Corporation (H. B. Barron), "McGuire Nuclear Station, Unit 2 - Issuance of Exemption to 10 CFR 54.17(c) Regarding Schedule for License Renewal Application," dated October 1, 1999.

⁽³⁾ NRC (Kahtan N. Jabbour) letter to Florida Power & Light Company (T. F. Plunket), "St. Lucie Plant, Unit No. 2, Exemption from the Requirements of 10 CFR Part 50, Section 54.17(c) Regarding Schedule for License Renewal Application," dated February 27, 2001.

⁽⁴⁾ NRC letter to Nine Mile Point Nuclear Station, LLC, "Nine Mile Point Nuclear Station, Unit No. 2 - Schedular Exemption from the Requirements of 10 CFR Part 54, Section 54.17(c) (TAC No. MB3532)," dated October 8, 2002.

exemption request. The special circumstance that is applicable to this exemption request is found in 10 CFR 50.12(a)(2)(ii), which states:

“Application of the regulation in the particular circumstances would not serve the underlying purpose of the rule or is not necessary to achieve the underlying purpose of the rule.”

The 20-year requirement of 10 CFR 54.17(c) was a part of the original Part 54 rule as published in 1991. When this rule was first issued the NRC stated that its purpose was “to ensure that substantial operating experience is accumulated by a licensee before it submits a renewal application.”⁽⁵⁾

This purpose was reiterated in the Safety Evaluation accompanying the 10 CFR 54.17(c) exemption granted to Duke Energy Corporation, wherein the NRC stated:

“The Commission’s basis for establishing the 20-year limit contained in Section 54.17(c) is discussed in the 1991 Statements of Consideration for Part 54 (56 FR 64963). The limit was established to ensure that substantial operating experience was accumulated by a licensee before a renewal application is submitted such that any plant-specific concerns regarding aging would be disclosed⁽⁶⁾...”

When developing the Part 54 rule change issued in 1995, the NRC considered revising the 20-year requirement and solicited public comments on the subject. Two commenters, the Nuclear Energy Institute and the U.S. Department of Energy, concluded that some plants might have sufficient operating history and plant experience to provide reasonable assurance that aging concerns can be identified with less than 20 years of operation.⁽⁷⁾ In response to the public comments, the NRC noted that it would not revise the 20-year requirement, but the Commission recognized that some license renewal applicants might have sufficient basis for an exemption:

⁽⁵⁾ 56 Federal Register at 64963, December 13, 1991

⁽⁶⁾ Safety Evaluation by the Office of Nuclear Reactor Regulation Exemption from 10 CFR 54.17(c) Regarding Schedule to Apply for a Renewed Operating License - Catawba Nuclear Station, Units 1 and 2 Docket Nos. 50-413 and 50-414 and McGuire Nuclear Station, Unit 2 Docket No. 50-370, dated October 1, 1999.

⁽⁷⁾ Although the 20-year requirement of 10 CFR 54.17(c) is written with respect to years remaining until expiration of a plant’s operating license, the focus of this provision is on actual years of operation under the current operating license. Since an operating license is typically issued for a 40-year period (the maximum period allowed by 10 CFR 50.51), the rule effectively requires applicants to have accumulated at least 20-years of operating experience prior to the submittal of a license renewal application.

“The Commission is willing to consider, however, plant-specific exemption requests by those applicants who believe they may have sufficient information available to justify applying for a renewal license prior to 20 years from the expiration date of the current license.”⁽⁸⁾

Although the 20-year requirement of 10 CFR 54.17(c) is specifically applicable to the plant applying for a renewed operating license, the operating experience available to a license renewal applicant is not limited solely to the operating experience accumulated by that plant. In the Supplementary Information accompanying the 1991 publication of the rule, the NRC clearly endorsed the use of operating experience available from industry sources when it made the following comment with respect to the 20-year rule:

“...both renewal applicants and the NRC will have the benefit of operational experience from the nuclear industry and are not limited to information developed solely by the utility seeking a renewed license.”

Based on this background, the NRC may grant the requested exemption if sufficient operational experience is available for use in the license renewal process for Millstone Unit No. 3. As indicated above, this operational experience is not limited to that accumulated by Millstone Unit No. 3; it may also include operational experience gained from Millstone Unit No. 2 and from the nuclear industry as well. The discussion that follows outlines how sufficient operating experience and history is available to support an exemption from 10 CFR 54.17(c) for Millstone Unit No. 3.

1. Plant Design and Maintenance

In considering the technical development of concurrent license renewal applications for Millstone Unit Nos. 2 and 3, common attributes between the two units contribute to determining suitable license renewal analyses and assessments. Use of these common attributes in the license renewal process allows crediting the total site operational experience base in satisfaction of the underlying purpose of 10 CFR 54.17(c).

Both Millstone Unit Nos. 2 and 3 are pressurized water reactor units that utilize recirculating, U-tube type steam generators that produce saturated steam to drive turbine-generators. Millstone Unit Nos. 2 and 3 are located on a common power plant site that occupies the southern tip of Millstone Point

⁽⁸⁾ 60 Federal Register at 22488, May 8, 1995.

The reactor containments, and most major plant Category I structures, for both units are founded on bedrock. Additionally, the Category I structures for both units are similar in design and materials of construction. Since the units are located on a common site, the environmental conditions are similar for each unit's civil structures. With the described similarity in construction materials and operating environments, age-related degradation experience at the site is applicable to both units. Therefore, with consideration of the applicable operating experience accumulated for Millstone Unit No. 2, at the time of submittal of the license renewal application, DNC will have accumulated substantial amounts of information relevant to age-related degradation of Millstone Unit No. 3 structures.

Electrical equipment that is required to be reviewed for the effects of aging for license renewal typically consists of cables, connectors, cabinets, panels, etc. These types of electrical equipment are similar in nuclear power plants, including Millstone Unit Nos. 2 and 3, regardless of the NSSS design or plant architect-engineer. The operating environment for electrical equipment is also similar for both Millstone units and other nuclear units. With similar equipment and operating environments, operating experience related to aging of electrical equipment at Millstone Unit No. 2 and other nuclear units is applicable to Millstone Unit No. 3. Therefore, with consideration of the applicable operating experience accumulated for Millstone Unit No. 2, at the time of submittal of the license renewal application DNC will have accumulated substantial amounts of information relevant to age-related degradation of Millstone Unit No. 3 electrical equipment.

The balance of plant systems are similar in design and materials of construction, although the systems were designed and constructed by different architect-engineering firms. The source of water to both units steam and power conversion systems is demineralized water. The fluid environment for secondary cycle components is maintained to common industry standards utilizing similar controlled procedures at both units. Long Island Sound provides the source of raw cooling water to circulating and service water systems for both Millstone Unit Nos. 2 and 3. With the similarity of materials and environments for balance of plant systems between the two units, there is a direct applicability of Millstone Unit No. 2 aging-related operating experience to Millstone Unit No. 3. Therefore, with consideration of the applicable operating experience accumulated for Millstone Unit No. 2, at the time of submittal of the license renewal application DNC will have accumulated substantial amounts of information relevant to age-related degradation of Millstone Unit No. 3 balance of plant equipment.

As previously described, the Millstone Unit Nos. 2 and 3 NSSSs both consist of a pressurized water reactor with recirculating, U-tube steam generators that produce saturated steam to drive the main turbine-generator. Although the

NSSS-suppliers were different for Millstone Unit No. 2 and Millstone Unit No. 3, and there are distinct differences in design of certain systems within the NSSS vendor scope of supply, there are substantial similarities in operating conditions and materials of construction for NSSS equipment that are pertinent to age-related degradation. For example, the primary system fluid chemistry requirements are consistent with industry standards and controlled by similar programs at both units. In addition, for both Millstone Unit No. 2 and Millstone Unit No. 3, NSSS equipment is primarily constructed of, or clad with, stainless steel (or other corrosion-resistant materials) since both units utilize a borated water moderator in the reactor coolant system. Other similarities in operating conditions between the two units include reactor coolant system and auxiliary systems operating pressures, temperatures, and flowrates. Although NSSS suppliers were different between the units, the similar operating conditions and materials of construction for NSSS equipment provide substantial applicability of Millstone Unit No. 2 operating experience to Millstone Unit No. 3. Therefore, with consideration of the applicable operating experience accumulated for Millstone Unit No. 2, at the time of submittal of the license renewal application DNC will have accumulated substantial amounts of information relevant to age-related degradation of Millstone Unit No. 3 NSSS equipment.

Virginia Electric and Power Company (VEPCO), a corporate affiliate of DNC, also has significant operating experience with Westinghouse-supplied NSSS equipment and SWEC plant designs with its Surry and North Anna Power Stations. Similarities between these units and the Millstone Unit No. 3 design includes Containment Building design features and analyses, reactor coolant system materials of construction and operating parameters, safety injection system equipment design and operating conditions, and spray systems design. Integrated plant assessments (IPA) and LRAs, including a review of industry and in-house operating experience, have been completed for the Surry and North Anna units and have been submitted to the NRC for approval in accordance with the requirements of Part 54. The staff that prepared the Surry and North Anna IPA and LRA is preparing the Millstone IPA and LRA, thereby sharing the operating experience with Millstone Unit No. 3.

2. Plant Organization and Use of Operating Experience

The Millstone site organization utilizes a multi-faceted process for the review of industry and internal operating experience and for sharing that information between units.

The site organization includes a common operating experience review department such that both internal and external operating experience and corrective action information is shared between Millstone Unit Nos. 2 and 3. Operating experience is used to identify plant-specific concerns including those

that are associated with age-related degradation and to initiate appropriate corrective actions.

As part of the Millstone Corrective Action Program, a multi-disciplinary team reviews Condition Reports (CRs) to ensure that they are appropriately addressed. As part of this review, the team identifies CRs that could affect other operating units and that need to be evaluated for both units.

The direct exchange of operating experience by this common operating experience review and by the Corrective Actions Program ensures the evaluation of Millstone Unit No. 2 aging issues that could be applicable to Millstone Unit No. 3.

Additionally, an expectation of the Millstone system engineering program requires the sharing of system operating experience between Millstone Unit No. 2 and Millstone Unit No. 3. In some cases, the same System Engineer is responsible for equivalent systems on both units, which provides a direct link for evaluating Millstone Unit No. 2 operating experience to Millstone Unit No. 3. The shared operating experience and dedicated system engineering responsibilities also result in a continual evaluation of the effectiveness of plant programs used to manage the effects of aging of plant equipment for both units.

Millstone Unit Nos. 2 and 3 utilize many common basis programs including in-service inspections, erosion-corrosion management and inspection, tank inspections, structures monitoring program, and service water system inspections. The aging-related operating experience gained from application of these programs is directly applicable between units. Therefore, the experience gained from operation of Millstone Unit No. 2 is applicable to Millstone Unit No. 3 as it relates to aging degradation of systems and structures.

Additionally, as part of the annual review of the license renewal application required by 10 CFR 54.21(b), operating experience will be reviewed to identify plant-specific concerns with regard to age-related degradation.

3. License Renewal Application

At the expected time of submittal of the license renewal application, Millstone Unit No. 2 will have accumulated over 29 years of operation and Millstone Unit No. 3 will have accumulated 18.25 years of operation. The similarities between Millstone Unit Nos. 2 and 3 described above, as well as VEPCO's extensive experience with the operation of the Surry and North Anna Power Stations (over 101 years combined), provides a significant operating experience base for the evaluation of aging effects for Millstone Unit No. 3. The unit similarities, and substantial operating time for the VEPCO plants sufficiently compensates for the

amount of operating time (1.75 years) remaining in order for Millstone Unit No. 3 to meet the letter of the rule. At the time of submittal of the license renewal application, DNC will have accumulated substantial amounts of information and operating experience relevant to age-related degradation of Millstone Unit No. 3 systems, structures, and components.

The license renewal applications for Surry and North Anna Power Stations were submitted recently and the team of individuals used to prepare these applications remains intact. As discussed above, DNC would like the NRC to grant the requested scheduler exemption to submit concurrent license renewal applications for Millstone Unit Nos. 2 and 3. This would allow DNC to prepare the Millstone license renewal applications with the same team of qualified license renewal personnel and would avoid the costs that would arise if it were necessary to reassemble and train a new team to prepare a license renewal application several years from now.

The ability to use the same team currently assembled for the Surry and North Anna license renewal applications to prepare the Millstone application would benefit the public health and safety. That team has substantial knowledge of aging experience, effects and management that more than compensates for the difference between 18.25 and 20 years plant operating experience for Millstone Unit No. 3.

In the preparation of the Surry and North Anna applications, the team has extensively reviewed industry operating experience on aging and aging management. Further, through their work on the Surry and North Anna applications, they have an extensive understanding of the aging effects applicable to materials and environments, and knowledge of the programs that are most effective in managing these aging effects. All of this knowledge and experience is directly applicable to any nuclear plant, including the Millstone Units. Granting the exemption to allow this assembled team to apply its acquired and current knowledge to applications for both operating units at Millstone, rather than disassembling the team with the risk that individuals may no longer be available at a later date, would result, in effect, in greater knowledge and consideration of operating experience, benefiting public health and safety.

Additionally, the license renewal analyses of substantially similar equipment could be utilized if the NRC were to allow concurrent applications, thus avoiding duplicating efforts at a later date.

The scheduler exemption would allow similar benefits to be realized from the NRC's review of the IPA for both units since the IPA methodologies and many of the aging management programs will be common to both units. NRC resources would also be more effectively utilized from the efficiencies gained from

reviewing concurrent applications since it would allow the NRC to perform only one environmental review (instead of two), and conduct one series of public environmental scoping meetings (instead of two). Preparing a single Environmental Impact Statement would also fully integrate the consideration of the environmental impacts for the two units, avoiding segmentation and furthering the purposes of the National Environmental Policy Act (NEPA).

IV Conclusion

This exemption request provides sufficient basis to support the issuance of an exemption from the schedular requirements of 10 CFR 54.17(c). As required by 10 CFR 50.12, this exemption is: 1) authorized by law, 2) will not present an undue risk to the health and safety of the public, 3) is consistent with the common defense and security, and 4) special circumstances as defined in 10 CFR 50.12(a)(2) are present.

By the date of submission, January 2004, Millstone Unit Nos. 2 and 3 will have collective nuclear operating experience of over 47 years, and will have over 20 years of experience with the materials, environment, and many of the programs subject to review. This accumulated operating experience is more than adequate to satisfy the underlying purpose of the license renewal schedular requirement. In addition operating experience gained from Surry and North Anna Power Stations and industry sources is used to the extent it is available and applicable.

DNC hereby requests NRC authorization to permit the submittal of a license renewal application for Millstone Unit No. 3, concurrently with Millstone Unit No. 2, prior to meeting the 10 CFR 54.17(c) schedular requirement. Delaying the submittal of the license renewal application for Millstone Unit No. 3 until November 2005 would provide minimal gain in operating experience and would not significantly alter the technical results of the integrated plant assessment presented in the LRA.

This request is similar to, and consistent with, the exemption requests made by Duke Energy Corporation, Florida Power and Light Company, and Constellation Nuclear which were granted by the NRC.

Docket No. 50-423
B18781

Attachment 2

Millstone Power Station, Unit No. 3

License Renewal

Request for Exemption From the Requirements of 10 CFR 54.17(c)

List of Regulatory Commitments

List of Regulatory Commitments

The following table identifies action committed to by Dominion Nuclear Connecticut, Inc. in this document.

Number	Commitment	Due
B18781-01	Operating experience will be reviewed during the annual review required by 10 CFR 54.21 (b) to identify plant-specific concerns with regard to age-related degradation.	12/31/2005