



NUCLEAR ENERGY INSTITUTE

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October 3, 2003

Mr. John Hannon
Chief, Plant Systems Branch
Office of Nuclear Reactor Regulation
Mail Stop O11-A11
U. S. Nuclear Regulatory Commission
Washington, DC 20555-0001

SUBJECT: Fire Protection Self-Assessment Pilots

PROJECT NUMBER: 689

Dear Mr. Hannon:

It is our understanding that NRC plans to reinstate associated circuit inspections as part of the triennial fire protection inspections in the near future. Inspection guidance revisions, based on a public workshop sponsored by NRC earlier this year, are being prepared to support this activity. Following up on a recommendation at a recent public meeting, we propose a set of industry-sponsored self-assessment pilots to help improve the focus of these inspections and better manage this issue. Details of this proposal are provided in the enclosure.

We believe this proposal would provide improvements in the following areas:

- Inspection guidance
- Training for regional inspectors in evaluating associated circuits
- Regulatory understanding of licensee management of associated circuits
- Licensee self-assessments of associated circuits
- Management of triennial fire protection inspections and inspection issues
- Plant licensing and design bases
- Environment for continuous improvement

Self-assessment preparations by the pilot plants will require previously unplanned budgeting and coordination with other plant activities. We therefore request your early review of this proposal because it will take some time to implement. We will develop a detailed pilot plan following your response and industry management

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acceptance as well as that of the utilities participating in the pilots. Please contact me at (am@nei.org or 202-739-8080) or Fred Emerson (202-739-8086 or fae@nei.org) to arrange for further discussion.

Sincerely,

A handwritten signature in cursive script that reads "Alex Marion".

Alexander Marion

Enclosure

**Proposed Industry Plan
for Conducting Industry Pilots
for Self-Assessment of Associated Circuits**

Provisions for Conducting Pilots

1. At least four pilots are planned. Every effort will be made to achieve regional and NSSS diversity.
2. NRC staff could participate in the pilots as observers. The handling of potential generic issues and plant-specific enforcement issues related to findings (see # 7 through 9 below) should be agreed to by NRC, industry, and pilot participants prior to beginning the pilots. Industry should have the opportunity to address generic issues resulting from the pilots.
3. Industry should rapidly develop an associated circuit self-assessment plan for use in the pilots that reflects the guidance in the recently-proposed Regulatory Information Summary, the NRC training module for regional inspectors, NEI 00-01, and appropriate industry self-assessment guidelines related to associated circuits. Industry senior management and NRC agreement is needed before proceeding with the pilots.
4. NRC should continue its moratorium on associated circuit inspections (including provisions for evaluation of multiple simultaneous circuit faults) and resolution of prior unresolved associated circuit issues for all plants for one year following the beginning of the pilots. There should be an option for extending the moratorium for an additional year to allow additional participation, as discussed in #6 below. This continued moratorium provides the following benefits:
 - a. Allowing licensees the opportunity to review programs and make any needed improvements within the current regulations and guidance
 - b. Allowing licensees (both pilots and other licensees conducting self-assessments during and after the one-year moratorium) to consider adopting NFPA 805 prior to addressing any issues noted during the self-assessments
 - c. Allowing additional time for completing the fire protection SDP revisions for evaluation of the risk significance of any findings

- d. Allowing inspection program improvements in the complex area of associated circuits prior to beginning these inspections
 - e. Optimizing the expenditure of NRC and licensee resources for assessing associated circuit designs and bases
5. As an incentive for participating as a pilot plant, no inspection of associated circuits should be conducted at that plant for three years following the pilot.
 6. NRC and industry would evaluate lessons learned upon completion of this pilot program. NEI would disseminate lessons learned to all licensees, and provide a recommendation to NRC on whether to continue the moratorium for one more year to allow additional licensees to complete self-assessments in an extended pilot program.
 7. As noted in our letter of April 9, 2003, the approved plant licensing basis or NEI 00-01 deterministic methods and criteria should be the bases for evaluating compliance with the regulations and regulatory guidance related to associated circuits. The new inspection guidance coming from the recent draft Regulatory Information Summary would be used to evaluate potentially risk significant circuit failures beyond the licensing basis. Self-assessment findings should be clearly delineated as either issues of compliance with the current plant licensing basis (CLB), or potential safety issues beyond the CLB. The risk significance of self-assessment findings would be evaluated using the risk methods of NEI 00-01 pending completion of the revised SDP.
 8. Enforcement discretion would be applied to all findings involving potential compliance issues noted during the pilots, since they would be self-identified.
 9. The self-assessments would also address any open enforcement items (URIs, violations, etc.) related to associated circuit issues from prior inspections. The pilots should provide a vehicle for closing these issues at the pilot plants based on the pilot results. Non-pilot plants should also have a vehicle for closing open enforcement items, based on the pilot results.
 10. Associated circuit inspections following the moratorium should be integrated into the triennial inspections.