

**NRC/NEI Meeting
Setpoint Methods Task Force
July 26, 2004**

I. INTRODUCTION

The SMTF has reviewed the NRC staff's written Problem Statement dated June 17, 2004 and the presentation provided by the NRC staff at an NRC/NEI meeting on June 23, 2004. To enhance the efficiency of today's meeting, the following comments are being provided at the onset of the meeting.

The NRC presentation introduces new positions and definitions which conflict with current technical specifications, standards, and regulatory guidance. The presentation also makes certain assumptions regarding the meaning of "as found" test results with which we strongly disagree. As a result, we believe the conclusions based on those assumptions are incorrect. The SMTF will provide a written response containing the bases for our concerns.

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II. TECHNICAL COMMENTS

Based on a review of the NRC Problem Statement (6/17/04) and the NRC Presentation (6/23/04), the SMTF strongly disagrees with the following two fundamental assumptions made by NRC:

- Problem Statement – “It is the NRC staff’s position that once a COT/CFT is performed, the instrument uncertainties are a measured value and cannot be treated as a random variable of instrument uncertainty. Licensees should consider the results of the COT/CFT as a bias and should add the results to uncertainties not measured by COT/CFT.”
- Presentation Slide 26 – “setpoint is assumed to be at the postulated limiting acceptable value”
- Additional concerns will be addressed in our written response.
- The SMTF believes the first two assumptions listed above are fundamentally flawed, and as a result the conclusions drawn in the NRC presentation are incorrect. The conclusions of the SMTF with respect to this issue remain as stated in Section 5.0 of our December 5, 2003 technical white paper:
 - The protection system instrument setpoint uncertainty calculations demonstrate the TSP, not the AV, provides reasonable assurance that protective action is initiated before the respective process parameter variable reaches the AL.
 - 10 CFR 50.36 defines the LSSS as a setting associated with automatic initiation of a protective action. This definition is consistent with ISA-S67.04-1994 Part I TSP definition.
 - The AV is a surveillance test acceptance criterion that defines the limits on the expected results of the periodic surveillance test, beyond which the instrument loop is inoperable.
 - ISA-RP67.04-1994 Part II Method 3 is an appropriate methodology for determining an AV and predicting instrument loop performance during a surveillance test.

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III. PROCESS CONCERNS

- **Absent a safety or compliance concern, NRC should use the process for resolving generic issues that is described in NRR Operating Instruction LIC-400, "Procedures for Controlling the Development of New and Revised Generic Requirements for Power Reactor Licensees," February 12, 2004.**

- **Pending resolution of any generic issue, NRC should consider each plant-specific licensing basis when reviewing plant-specific License Amendment Requests (LARs).**

- **It is not appropriate for NRC staff to pursue resolution of a generic issue by means of Requests for Additional Information (RAIs) on plant-specific LARs based on Method 3.**