

August 16, 2004

Mr. John Carlin
Vice President, Nuclear Assessments
Public Service Enterprise Group (PSEG) Nuclear LLC
P.O. Box 236
Hancocks Bridge, NJ 08038-0236

Dear Mr. Carlin:

I am responding to your March 17, 2004, letter in which Public Service Enterprise Group Nuclear LLC volunteered Hope Creek Nuclear Generating Station, Unit 1, as a pilot plant requesting a fee waiver under 10 CFR 170.11 for the license amendment request (LAR) and the supporting probabilistic risk analysis (PRA) directly related to Risk Management Technical Specifications (RMTS) Initiative 4b, "Risk-informed Completion Times," and Initiative 6, "Extending Entry Time into LCO [limiting condition for operation] 3.0.3 for Selected Systems." For the reasons stated below, I am granting a fee waiver for the NRC staff's review of the above submittals related to Initiatives 4b and 6 in accordance with the applicable provisions of 10 CFR 170.11, contingent upon the following:

- 1) Your PRA scope must be found by the U.S. Nuclear Regulatory Commission (NRC) staff to be acceptable for application to RMTS Initiative 4b. Specifically, the staff believes that implementation of RMTS Initiative 4b relies on a full-scope PRA that exceeds current Regulatory Guide 1.200 standards. The staff will make this determination as part of the LAR acceptance review. Should the NRC staff determine that the Hope Creek Generating Station PRA is inadequate to support the Initiative 4b efforts without substantial upgrade, the fee waiver approval will be rescinded, and you would then be responsible for fees associated with further review of the Hope Creek PRA.
- 2) There must not be significant slippage of your current schedule to submit an LAR in the last quarter of 2005. We request that you inform us of any changes in your schedule for making this submittal. The staff will evaluate any slippage in the schedule for implications on the pilot plant program and resources dedicated to this effort. Should the NRC staff determine that significant slippage has occurred, the fee waiver approval will be rescinded.

During its initial acceptance review and provided that these conditions for being a pilot plant are met, I have determined that these submittals support NRC's generic regulatory improvement program (i.e., risk informing certain portions of Technical Specifications) in accordance with 10 CFR 170.11(a)(1)(ii) and (iii). Specifically, these submittals will assist in the development of guidance for Initiatives 4b and 6, which will be used by the NRC in risk-informing completion time (also called allowed outage time). Initiative 4b would permit, contingent upon the results of a plant configuration risk assessment, temporary extension of the existing completion time

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within an LCO using a quantitative implementation of 10 CFR 50.65(a)(4). Initiative 6 would convert default or explicit entry into the LCO 3.0.3 shutdown track into a completion time for corrective action prior to beginning shutdown.

The fee waiver for the review of your related submittals will become effective upon acceptance of the LAR package associated with the RMTS initiatives. In addition, the staff does not expect to review the proposed technical specifications and associated bases until receipt of the LAR submittals at the end of 2005. Please reference this fee waiver approval letter in your submittals related to these RMTS Initiatives.

If you have any technical questions, please contact Dan Collins at (301) 415-1427. If you have any fee-related questions, please contact Quynh Nguyen of my staff at (301) 415-3373.

Sincerely,

/RA/

Jesse L. Funches
Chief Financial Officer

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Sincerely,

/RA/

Jesse L. Funches
Chief Financial Officer

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