

August 27, 2004

Mr. R. T. Ridenoure
Division Manager - Nuclear Operations
Omaha Public Power District
Fort Calhoun Station FC-2-4 Adm.
Post Office Box 550
Fort Calhoun, NE 68023-0550

Dear Mr. Ridenoure:

I am responding to your May 14, 2004 letter in which Omaha Public Power District (OPPD) requested that the Fort Calhoun Station (FCS), Unit 1, become a pilot plant for the development of Risk Management Technical Specifications (RMTS) Initiative 4b, "Flexible Completion Times." The letter also requested a fee waiver under 10 CFR 170.11 for the submittals directly related to Initiative 4b. Specifically, these submittals include the license amendment request, supporting probabilistic risk assessment (PRA), and development of regulatory guidance. For the reasons below, the NRC staff approves your request to be a pilot plant, and I am granting a fee waiver for the staff's review of the above submittals in accordance with the applicable provisions of 10 CFR 170.11.

OPPD requested, in accordance with 10 CFR 170.11(a)(1)(ii) and (iii), a waiver of fees for the FCS pilot application of the Combustion Engineering Owner's Group (CEOG) proposed RMTS Initiative 4b for the High Pressure Safety Injection (HPSI) System. The CEOG proposed this RMTS generically in WCAP-15773-P, "Joint Application Report for the Implementation of a Risk-Managed Technical Specification for the HPSI System," and in Technical Specification Task Force (TSTF) - 424. Initiative 4b would permit, contingent upon the results of a plant configuration risk assessment, temporary extension of the existing completion time within a limiting condition for operation using a quantitative implementation of 10 CFR 50.65(a)(4).

Consistent with Commission policy statements on both technical specifications (TS) and use of PRA, the staff and the industry are developing risk-informed improvements to TS as part of the RMTS program. These improvements are intended to maintain or improve safety while improving alignment between the TS and other NRC risk-informed regulatory requirements, in particular, the risk management requirements associated with 10 CFR 50.65(a)(4) of the maintenance rule. The staff intends to utilize the pilot proposal to evaluate the industry's proposed risk management guidance, develop generic TS improvements, and develop additional NRC risk management guidance. Specifically, these submittals will assist in the development of guidance for Initiative 4b which will be used by the NRC in risk-informing completion time (also called allowed outage time). In accordance with 10 CFR 170.11(a)(1)(iii), the Office of Nuclear Reactor Regulation has determined that this pilot plant submittal supports the NRC's generic regulatory improvement program (i.e., risk informing certain portions of TS), and therefore I am granting the fee waiver as requested.

R. Ridenoure

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If you have any technical questions related to this matter, please contact Alan Wang at (301) 415-1445. 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

R. Ridenoure

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If you have any technical questions related to this matter, please contact Alan Wang at (301) 415-1445. 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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