



NUCLEAR ENERGY INSTITUTE

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Dr. P. T. Kuo
Program Director, License Renewal and Environmental Impacts
Division of Regulatory Improvement Programs
Office of Nuclear Reactor Regulation
U. S. Nuclear Regulatory Commission
Washington, DC 20555-0001

PROJECT NUMBER: 690

Dear Dr. Kuo:

On December 12, 2003, NRC provided by letter its final guidance document related to the ISG (Interim Staff Guidance) process for license renewal. While the transmittal letter did not seek comments, we viewed this transmittal as a significant enough change to the process (from that outlined in your letter of July 30, 2002) to warrant additional discussion with your stakeholders. As a result, we are enclosing a set of questions and supporting issues for your review. Responses to these questions should help clarify the use of ISGs. We would be happy to meet with you to discuss these questions further.

Question 5 in the enclosure addresses the use of 10 CFR 50.37(b). Industry believes that the term "newly identified" in this paragraph is not clear, and this has led to significantly different interpretations. We propose to provide the NRC by February 27 a working definition of this term that reflects industry experience to-date. We will recommend that this definition be used in NRC and industry guidance documents.

Please contact me at 202-739-8080; am@nei.org or Fred Emerson at 202-739-8086; fae@nei.org, with any questions about this information.

Sincerely yours,

Alex Marion

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Enclosure

c: Document Control Desk
Mr. K. Steven West, NRC
Mr. Ram Subbaratnam, NRC

DO42

*Rec'd 3/30/05
Add: Steve Hoffman*

Industry Questions on the NRC ISG Process Document
December 12, 2003

1. Please indicate the status of this process document as the current plans for GALL update are carried forward.

Issue 1: Current plans for updating the GALL report, as discussed at a January 21, 2003, meeting, would appear to replace the ISG process with a database of GALL update information. The need for this process document revision is therefore not clear, especially in the light of the other questions and concerns discussed below.

2. Please indicate whether the letter dated December 12, 2003, was intended to be a final staff position or was a process revision intended for comment.

Issue 2: The December 12, 2003, letter included significant changes from the version of the ISG process issued for comment in July 2002, without the opportunity for stakeholder comment.

3. Please indicate the staff's current intent for the application of the backfit process to ISGs (see also Question 4 below).

Issue 3a: References to 10 CFR 50.109, NRR Office Letter No. 500, Revision 2, *Procedures for Controlling the Development of New and Revised Generic Requirements for Power Reactor Licensees*, and Revision 7 to *The Charter for the Committee to Review Generic Requirements (CRGR)*, were provided in the version of the ISG process issued for comment in July, 2002. The December 12, 2003, version of the ISG process made no references to these documents, thereby creating confusion as to the intended application of the backfit process to plants with renewed licenses. These references added guidance, credibility, and accountability to the proposed ISG process.

Issue 3b: The provisions of 10 CFR 50.109(a)(4) clearly allow for such backfit of LR scope basis following a new or different interpretation by the staff involving a "compliance" issue. The reason for not taking advantage of this process is not apparent.

4. Please indicate the proper application of 10 CFR 54.37(b) versus the use of the backfit process (10 CFR 50.109).

Issue 4: According to Section 4.2.5 of the December 12, 2003, ISG process document, "ISGs that do not involve newly identified SSCs would...be subject to the requirements of the 10 CFR 50.109, the backfit rule." This implies that ISGs that do involve newly identified SSCs are not subject to the backfit rule, but apparently only subject to 10 CFR 54.37(b). It is not apparent how they can represent a compliance issue and therefore be applicable to renewed licensees if they are not subject to the backfit rule.

5. Please indicate where ISGs currently undergoing comment can be found on the NRC website.

Issue 5: Section 4.2.4 states that ISGs out for comment are "published on the NRC license renewal Web site." The five approved ISGs are available, but not the ISGs currently undergoing comment.

6. How are the existing approved and draft ISGs going to be handled with respect to the process defined in the NRC letter?

Issue 6: It is not clear whether approved ISGs are to be incorporated into the LR guidance documents, or whether the draft ISGs will be noticed in the Federal Register.

7. What are the criteria for issuing a new ISG?

Issue 7: It appears that the only criterion for a new ISG is "an issue that would cause a current or future applicant to revise their LRA." Other criteria may be appropriate as well.

8. Of the existing approved and draft ISGs, which ones are considered "clarifications" and which ones are "compliance?"

Issue 8: A clearer definition of these terms and their applicability to current ISGs would be helpful.

9. If the ISG process remains useful (see Question 1), can earlier industry input to the development process be provided?

Issue 9a: Earlier in the license renewal process (prior to 2001), it appeared that having generic guidance (ISGs) on certain issues like concrete aging, (a)(2) scoping, fire protection scoping, aging management program attributes, etc. would simplify the NRC review

process. The reality has been that licensees take exception to many ISGs since NRC may not reflect positions already accepted on a plant-specific basis. This creates more RAIs and discussion than before the ISG existed. The screening of ISGs before significant time is spent developing them would alleviate this unnecessary use of NRC and licensee resources.

Issue 9b: Before ISGs are issued for comment there has been extensive internal NRC review, and staff positions are well established. It therefore is more difficult (challenging) to reflect external stakeholder comments. Earlier industry input is an appropriate way to reflect valid views into the ISGs.

10. What is the effective date of this document?

Issue 10: Section 9.0 states the effective date of the document as August 15, 2003. It would seem more appropriate that this process be applied in 2004 and not retroactively.

11. Why did the NRC eliminate the one iterative loop for comment on an ISG after the NRC issues a revised draft ISG?

Issue 11: The first draft of the ISG process included one opportunity for comment and dialog after the NRC issues Revision 1 of the draft in response to stakeholder comment. The revised process allows the NRC to make significant changes to the ISG and issue as final without stakeholder comment. This is a significant concern if the NRC did not correctly interpret the comment and made changes that do not address the comment, or if the changes are so significant that the intent of the ISG is changed.

12. Has the NRC considered the impact of ISGs on the current licensing basis of plants that have not renewed their license? This could apply to plants that are not going to renew, or won't be renewing for a long time.

Issue 12: The NRC has considered the impact of scoping changes that the NRC considers to be under the purview of 10 CFR 50.54.37(b) as being "newly identified." The NRC has not addressed the impact of these positions on other plants that are not pursuing license renewal. For example, what is the impact of the ISG on Station Blackout (SBO) scoping that either redefines or clarifies the extent of off site power sources that are part of equipment credited

for SBO? Should this clarification / change to the NRC position be communicated to all licensees so that they can include this equipment properly in Maintenance Rule scoping or other programs?

13. How will the NRC implement the ISG process when plants have entered the period of extended operation?

Issue 13: As currently written the ISG process assumes plants with renewed licenses have not entered the period of extended operation. This allows the NRC to wait until ISGs are incorporated in guidance documents to notify licensees with renewed licenses. This process will not be timely if there are long periods of time between updates of guidance documents, especially after plants have entered the period of extended operation. A plant with a renewed license could wait five years or more to be notified of the requirement to add SSCs into the scope and perform aging management. If these issues are significant to bypass the backfit process, then they should be implemented in a timely fashion.