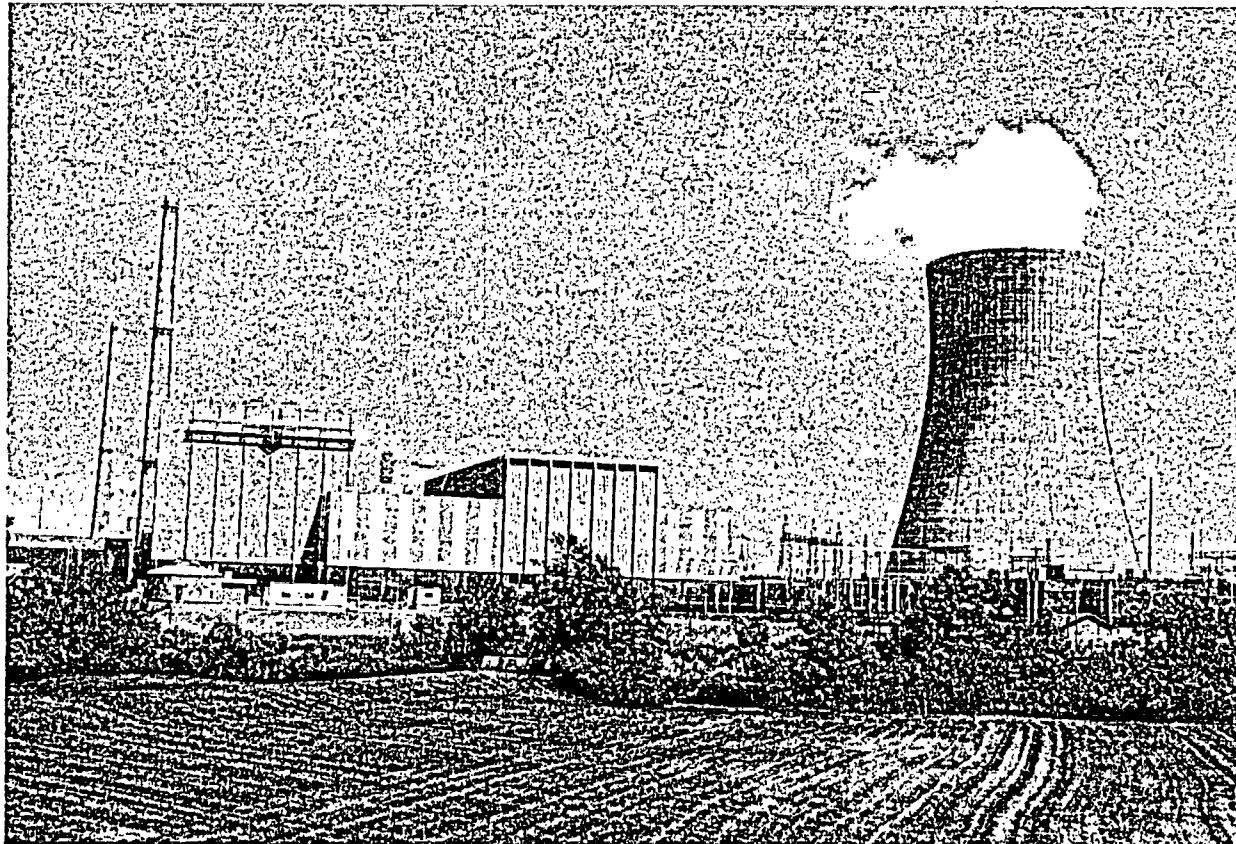


Nine Mile Point Units 1 and 2 LRA Status Update



3/30/2005

Agenda

- + ■ Introductions Flaherty
- Objectives Flaherty
- Opening Remarks Spina/Hosmer
- Recovery Plan Overview Flaherty
 - Focus Areas Dellario
- Schedule Flaherty
- Summary Flaherty
- Action Items Flaherty

Constellation Attendees

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<u>NAME</u>	<u>TITLE</u>
John Hosmer	VP - Technical Services
Jim Spina	Site VP - NMP
Mark Flaherty	Mgr Fleet Licensing
David Dellario	License Renewal Project Mgr
Jeff Jeffries	Sr. Licensing Consultant
Keith Cunningham	Director – Generation Communications

Objectives



- Explain causes of the quality issues
- Outline the recovery plan
- Establish communications protocol with the NRC
- Identify schedule and actions items going forward

Opening Remarks

- Constellation management views
 - Acknowledge quality issues
 - In response:
 - Direct engagement of senior management in the project
 - Assigned significantly more resources
 - Established checks and balances
 - Clearly delineate roles and responsibilities
 - Establishing Site Champions (active site engagement)

Opening Remarks

How did we get here?	
<u>Cause</u>	<u>Corrective Action</u>
Culture of minimal compliance	Reorganized under Fleet Licensing; benchmarking; outside experts
Lack of questioning attitude and over reliance on CCNPP LR experience	Same
Project roles, responsibilities, and accountability not clearly established	Reorganized under Fleet Licensing; clear roles and responsibilities; written expectations; direct senior management involvement
Poor internal and external communications	Use of communications plan

Recovery Plan Overview



- Methodology
- Resources
- Project Controls
- Communication Plan
- Focus Areas
 - NSR Scoping
 - Licensing
 - Programs

Recovery Plan Overview

Methodology



- Completed
 - Identified gaps
 - Benchmarking (will include review of Beaver Valley issues)
 - Developed a plan
- Going Forward
 - Capture plan in project procedures
 - Conduct work per procedures including use of pilots
 - Extensive use of Challenge Boards
 - Critical and independent review of product
 - Members include affected site organizations, SMEs, licensing, etc
 - Strong constructive interface with the NRC
 - Utilize project controls to ensure quality goals are met
 - Continue to identify gaps through benchmarking, industry forums, etc.

Recovery Plan Overview

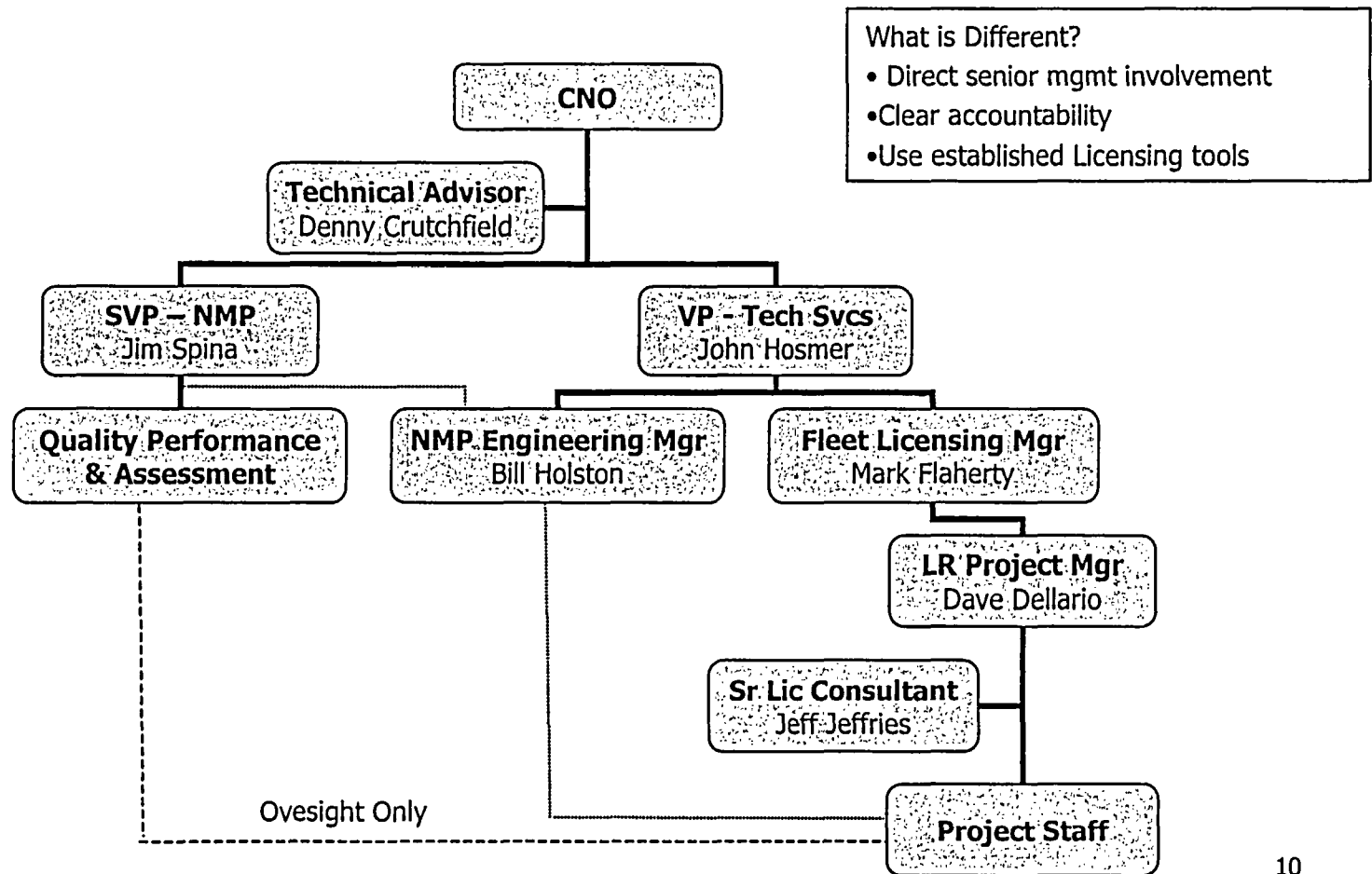
Resources



- Project relocated under Fleet Licensing
- Project resources significantly increased
 - ~ 30 personnel now working on project
 - Senior Licensing Consultant added
 - Hired outside LR experience (DC Cook and Brunswick)
 - Site Champions (Operations, Maintenance, Work Control, Training, Engineering, and Chemistry)
- Relocated project personnel to NMP
- Independent project advisor assigned to CNO
- Accountability clearly established for project personnel

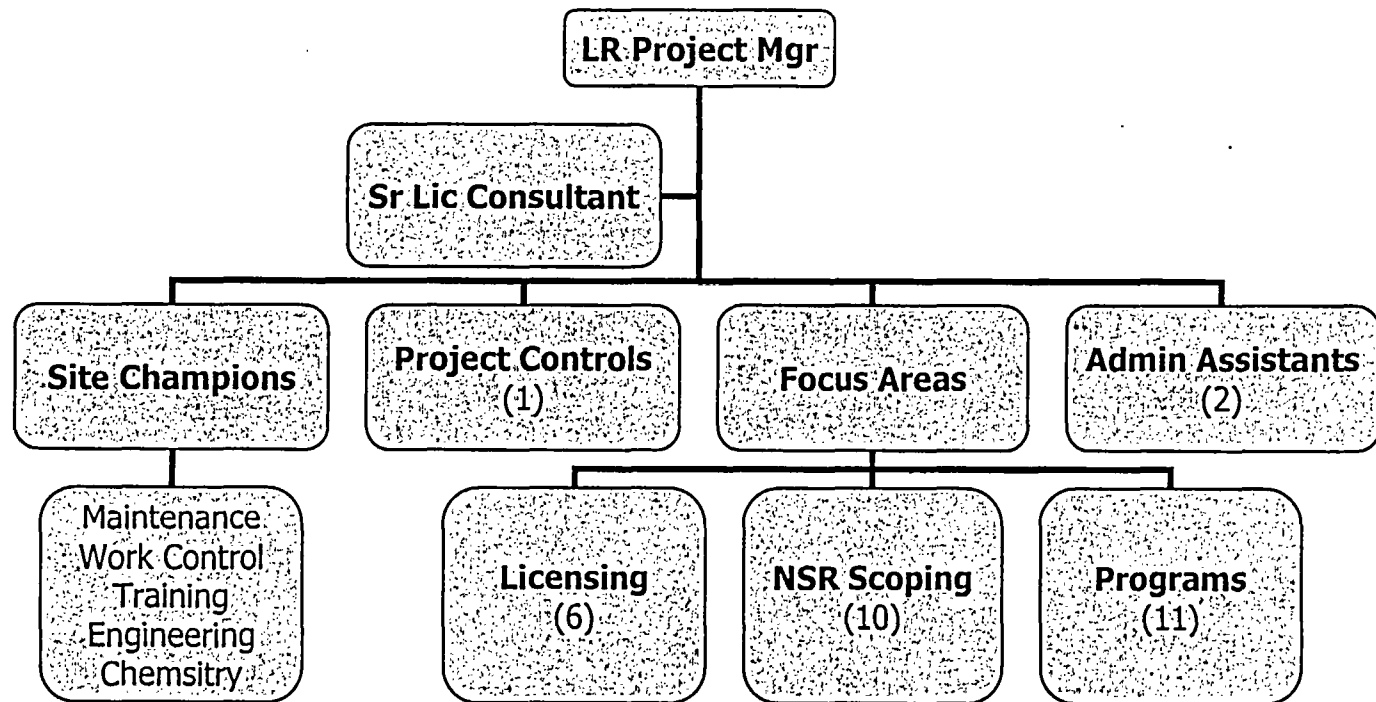
Recovery Plan Overview

Resources



Recovery Plan Overview

Resources



Recovery Plan Overview

Project Controls



- Developing Key Performance Indicators (KPIs) to communicate progress
 - Schedule compliance
 - Quality
- Continuous quality assessments
 - External
 - CNO Technical Advisor
 - NRC feedback
 - Internal
 - Weekly internal self-assessments
 - QPA assessments
 - Senior Licensing Consultant

Recovery Plan Overview Communication Plan



- Proposed NRC interaction
 - Frequent calls to NRC LR PM from NMP PM
 - Bi-weekly meetings with NRC LR Program Director
 - Constellation VP or Manager attends
- Internal communications
 - Daily project call with corporate and site management
 - Weekly status calls with:
 - CNO
 - NMP Site VP
 - Weekly updates at NMP “Plan of Day” meeting
- Make available lessons learned to industry via NEI

Recovery Plan Overview

Focus Areas



- Benchmarking identified 3 recovery focus areas
 - (a)(2) Scoping - (NSR)
 - Licensing/RAI
 - Programs
- Detailed recovery plans created for each focus area
- Similar themes for each focus area
 - Benchmarking
 - Challenge and confirm results
 - Strong constructive interface with the NRC

Recovery Plan Overview

Focus Areas – NSR Scoping



- Re-performing NSR Scoping evaluation
 - Will use most current standards and expectations in new evaluation
 - Benchmarked most recent applications
 - Will use NUREG-1800, Draft 1 and NEI 95-10, Rev 5 as basis documents
 - Represent the latest standards
 - Will not use the 'exclusion' provisions in NEI 95-10
 - Result to be reflected in LRA

Recovery Plan Overview

Focus Areas – NSR Scoping



- LRA update includes:
 - Methodology section to be expanded to provide details of evaluation
 - Description of NSR portions in-scope will be clarified
 - NSR component types to be included with SR component types
 - Component functions will be the same as those defined in NUREG-1800, Draft 1, Table 2.1-4(a) & (b)
 - AMR tables will be revised to reflect the component types and functions
 - Assigned AMPs will be consistently applied for the appropriate material/environment combination

Recovery Plan Overview

Focus Areas – Licensing/RAIs



- RAI response effort is composed of 4 tasks:
 - Review and update previously answered RAIs and Audit / Inspection questions
 - Ensure extent of condition is appropriate for previously identified changes to the LRA
 - Review RAI responses by 6 most recent LRAs to self-identify and resolve potential NRC questions
 - Generate responses for existing unanswered RAIs

Recovery Plan Overview

Focus Areas – Licensing/RAIs



- All RAIs will:
 - Be reviewed against industry data base for RAI responses and NRC acceptance
 - Require a Challenge Board to review all responses
 - LR Team meeting with NRC to discuss draft responses
- Revision and control of the LRA:
 - Changes to be controlled by LRA Owner and lone editor
 - Markups to be used similar to TS change process
 - Ensure extent of condition is addressed

Recovery Plan Overview

Focus Areas – Programs

- Program Basis Documents (PBDs) upgrade
 - Benchmarked most recent LRAs to identify gaps:
 - More consistent and detailed documentation to support GALL assessments
 - Identification of specific implementing site documents
 - Improved document basis capture
 - Address both known and anticipated NRC concerns related to AMPs
 - Create “audit trail” from the AMR to implementing activity
 - Will create new PBD template and pilot
 - Incorporate lessons learned, train team, and fully implement

Recovery Plan Overview

Focus Areas – Programs



- Implementation will include:
 - Review and update site implementing documents for 21 of 38 LR programs
 - Completely finish 4-5 programs and implement new programs
 - Demonstrates an established process for updating and establishing new plant procedures and programs

Schedule

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- Quality product is highest priority
- Plan to update LRA by mid-July 2005
- Technical work has begun, remainder will begin by 4/4/05
- Anticipate/desire interaction with NRC prior to update submittal, e.g.,
 - Discuss proposed RAI responses
 - Discuss changes to NSR Scoping

Summary



- What is different?
 - Direct engagement of senior management
 - Clear focus on quality
 - New organization
 - Clear roles and responsibilities
 - Accountable to Fleet Licensing Manager
 - Relocated to NMP site
 - More resources added, including use of Site Champions
 - Use aggressive independent oversight
 - Use established licensing tools and processes

Action Items

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- Schedule next meeting
 - Review sample products
 - Method of marking up LRA
 - RAI resolution
 - Review schedule