

June 9, 2005

Mr. L. M. Stinson
Vice President - Farley Project
Southern Nuclear Operating
Company, Inc.
P.O. Box 1295
Birmingham, AL 35201-1295

SUBJECT: JOSEPH M. FARLEY NUCLEAR PLANT, UNITS 1 AND 2 RE: AUDIT OF THE
LICENSEE'S MANAGEMENT OF REGULATORY COMMITMENTS
(TAC NOS. MC3949 AND MC3950)

Dear Mr. Stinson:

On May 27, 2003, the Nuclear Regulatory Commission (NRC) staff published the Office of Nuclear Reactor Regulation Office Instruction LIC-105, "Managing Regulatory Commitments Made by Licensees to the NRC." LIC-105, which is publicly available electronically from the Agencywide Documents Access and Management Systems (ADAMS) Public Electronic Reading Room on the Internet at the NRC web site (Accession Number ML022750041), provides the NRC staff and its stakeholders with a common reference for handling regulatory commitments made by licensees for commercial nuclear reactors to the NRC staff. The guidance is consistent with the industry guidance prepared by the Nuclear Energy Institute (NEI), NEI 99-04, "Guidance for Managing NRC Commitment Changes." LIC-105 specifies that once every 3 years, the NRC staff will audit a licensee's commitment management program.

An audit of the Joseph M. Farley Nuclear Plant (FNP) commitment management program was performed on August 16th and 17th 2004. The NRC staff concludes that, based on the audit (1) FNP had implemented NRC commitments on a timely basis; and (2) FNP had implemented an effective program for managing NRC commitment changes. Details of the audit are set forth in the Enclosed audit report.

Sincerely,

/RA/

Sean E. Peters, Project Manager, Section 1
Project Directorate II
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-348 and 50-364

Enclosure: As stated

cc w/encl: See next page

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Amendment Number: ML051570075

NRR-106

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AUDIT REPORT BY THE OFFICE OF NUCLEAR REACTOR REGULATION (NRR)

REGULATORY COMMITMENTS MADE BY THE LICENSEE TO

THE NUCLEAR REGULATORY COMMISSION (NRC)

SOUTHERN NUCLEAR OPERATING COMPANY, INC.

JOSEPH M. FARLEY NUCLEAR PLANT (FNP), UNITS 1 AND 2

DOCKET NOS. 50-348 AND 50-364

1.0 INTRODUCTION

On May 27, 2003, the NRC staff published NRR Office Instruction LIC-105, "Managing Regulatory Commitments Made by Licensees to the NRC." LIC-105, which is publicly available electronically from the Agencywide Documents Access and Management Systems (ADAMS) Public Electronic Reading Room on the Internet at the NRC web site (Accession Number ML022750041), provides the NRC staff and its stakeholders with a common reference for handling regulatory commitments made by licensees for commercial nuclear reactors to the NRC staff. The guidance is consistent with the industry guidance prepared by the Nuclear Energy Institute (NEI), NEI 99-04, "Guidance for Managing NRC Commitment Changes."

According to LIC-105, which cites the definition from NEI-99-04, a "regulatory commitment" is an explicit statement to take a specific action agreed to, or volunteered by, a licensee and submitted in writing on the docket to the NRC. LIC-105 further directs the NRR Project Manager to "audit the licensee's commitment management program by assessing the adequacy of the licensee's implementation of a sample of commitments made to the NRC in past licensing actions (amendments, reliefs, exemptions, etc.) and activities (bulletins, generic letters, etc.)." The audit is to be performed every 3 years.

2.0 AUDIT PROCEDURE AND RESULTS

Since no such audit was performed before issuance of LIC-105, the NRC staff defined the period covered by this audit to go back approximately 3 years from the date of the audit. The audit was performed at the FNP on August 16th and 17th 2004.

2.1 Verification of Licensee's Implementation of NRC Commitments

The primary focus of this part of the audit is to confirm that the licensee has implemented those commitments made to the NRC as part of past licensing actions/activities. For commitments that had not yet been implemented, the NRC staff aimed to ascertain that they have been captured in an effective program for future implementation.

Enclosure

2.1.1 Audit Scope

Before the audit, the NRC staff searched ADAMS for the licensee's licensing action and licensing activity submittals dated in the last 3 years. Some of these submittals contain regulatory commitments, but the NRC staff found that commitments meeting the definition in LIC-105 are few in number. Table 1 lists most, if not all, of the licensee's commitments.

The FNP Commitment Tracking System (CTS) is the system used for handling NRC correspondence and tracking NRC commitments and CTS action items. This tracking system is described in FNP Engineering Support Procedure FNP-0-SYP-21.0, "NRC Commitment Management." The FNP procedure FNP-0-AP-98, Appendix 1, "Methods for Changing NRC Commitments," provides a method for changing NRC commitments and provides documentation of the basis for the changes. During the audit, the NRC staff reviewed reports generated by the tracking program and other documents related to the commitments.

LIC-105 limits the audit of commitments to those made in writing to the NRC as a result of past licensing actions (amendments, exemptions, etc.) or licensing activities (bulletins, generic letters, etc.). Accordingly, the audit excluded the following types of commitments:

- (1) Commitments as a result of Licensee Event Reports (LERs) - These commitments are controlled by the licensee's LER process, which is imposed by Title 10 of the *Code of Federal Regulations* (10 CFR) Section 50.73.
- (2) Commitments made on the licensee's own initiative among internal organizational components.
- (3) Commitments that pertain to milestones of licensing actions/activities (e.g., respond to an NRC request for additional information by a certain date). Fulfillment of these commitments was indicated by the fact that the subject licensing action/activity was completed.
- (4) Commitments made as an internal reminder to take actions to comply with existing regulatory requirements such as regulations, Technical Specifications, and Updated Final Safety Analysis Reports. Fulfillment of these commitments was indicated by the licensee having taken timely action in accordance with the subject requirements.

2.1.2 Audit Results

The NRC staff reviewed reports generated by the CTS for the commitments listed in Table 1 to evaluate the status of completion. The NRC staff found that the licensee's commitment tracking programs had captured all the regulatory commitments that were identified by the NRC staff before the audit.

The NRC staff also reviewed plant procedures that had been revised as a result of commitments made by the licensee to NRC. These procedures are identified in the right-hand column of Table 1. The NRC staff noted that some of the revised procedures have annotations

to refer to commitments. These annotations would serve to prevent future procedure writers from inadvertently deleting or altering an item without having gone through the commitment change process. The NRC staff also noted that some revised procedures had not been annotated.

Table 1 summarizes what the NRC staff observed as the current status of licensee commitments.

2.2 Verification of the Licensee's Program for Managing NRC Commitment Changes

FNP procedure entitled FNP-0-SYP-21.0, "NRC Commitment Management," implements the information system that manages NRC commitments, including the identification, tracking, reporting, closure, recordkeeping, and change controls of the commitments. FNP-0-AP-98, Appendix 1, "Methods for Changing NRC Commitments," on the other hand, provides a method for changing commitments and provides for documentation of the basis for the change. The NRC staff reviewed these procedures against NEI 99-04, in particular, with regards to managing a change or deviation from a previously completed commitment. These procedures follow the guidance of NEI-99-04 by setting forth the need for identifying, tracking and reporting commitments and by providing a mechanism for commitment changes.

The effectiveness of a procedure can be indicated by the products that are produced by the procedure. As set forth in Section 2.1 above, the NRC staff found that the licensee had properly addressed each regulatory commitment selected for this audit. As a result of review of the licensee's information, as well as information from other sources, the NRC staff found no reason to differ from the licensee's reported status of the audited commitments. Thus, the NRC staff surmises that the procedure used by the licensee to manage commitments is appropriate and effective.

3.0 CONCLUSION

The NRC staff concludes that, based on the above audit, (1) the licensee had implemented or is tracking for future implementation regulatory commitments; and (2) the licensee had implemented an effective program to manage regulatory commitment changes.

4.0 LICENSEE PERSONNEL CONTACTED FOR THIS AUDIT

W. Marlar

Principal Contributor: Sean E. Peters

Date: June 9, 2005

TABLE 1 (page 1 of 2)

AUDITED: WRITTEN COMMITMENTS AND RELATED INFORMATION
(2001 THROUGH 2004)

FNP Submittal	NRC TAC No.	NRC Issuance	Licensee's Tracking Number and Summary of Commitment	Licensee Implementation Status
1/24/02, NEL-02-0022	MB4089 MB4090	Amend. Nos. 156 to NPF-2 and 148 to NPF-8, 5/22/02	CMT # 10587 Develop contingency plans for obtaining and analyzing highly radioactive samples of reactor coolant, containment sump, and containment atmosphere. Place into plant procedures.	Complete* Procedures FNP-0-EIP-30.0 FNP-0-CCP-1300
1/24/02, NEL-02-0022	MB4089 MB4090	Amend. Nos. 156 to NPF-2 and 148 to NPF-8, 5/22/02	CMT # 10588 Establish the capability to classify fuel damage events at the Alert Level threshold. Place into plant procedures.	Complete* Procedure FNP-0-EIP-9.0
1/24/02, NEL-02-0022	MB4089 MB4090	Amend. Nos. 156 to NPF-2 and 148 to NPF-8, 5/22/02	CMT # 10589 Establish and maintain the capability to monitor radioactive iodines that have been released to offsite environs.	Complete* Procedure FNP-0-EIP-9.0
1/17/03, NL-03-0088		NRC Bulletin 2002-01	CMT # 10609 Perform a semi-annual sample and analysis of containment atmosphere for iron concentration to detect low level RCS leakage.	Complete Procedure FNP-0-CCP-201
8/31/03 NEL-01-0206	MA9495 MA9496	Amend. Nos. 150 to NPF-2 and 142 to NPF-8	CMT # 10529 Add description to FSAR of methodology used to determine which systems and components require protection from tornado missiles by 12/31/04.	Complete FSAR Sections 3.3 and 3.5
7/16/03, NL-03-1511	MB6406 MB6407 MB9092 MB9093	Amend. Nos. 161 to NPF-2 and 154 to NPF-8	CMT # 10595 When penetration room filtration (PRF), spent fuel pool room, or control room pressure boundary is opened for other than normal entry, with a breach of size to make boundary inoperable, station adedicated person area with continuous control room communication. Implement Admin controls for rapid restoration of pressure boundary/filter system if needed. Also ensure physical security.	Complete FNP-0-SOP-0.0

TABLE 1 (page 2 of 2)

FNP Submittal	NRC TAC No.	NRC Issuance	Licensee's Tracking Number and Summary of Commitment	Licensee Implementation Status
7/16/03, NL-03-1511	MB6406 MB6407 MB9092 MB9093	Amend. Nos. 161 to NPF-2 and 154 to NPF-8	CMT # 10596 When control room pressure boundary is inoperable, consider providing temporary closure. Prohibit core alterations and movement of irradiated fuel and loads over irradiated fuel. Implement compensatory measures to require both control room emergency filtration system trains to be operable and make self-contained breathing apparatus or iodine filters for the operators available	Complete FNP-0-SOP-0.0
7/16/03, NL-03-1511	MB6406 MB6407 MB9092 MB9093	Amend. Nos. 161 to NPF-2 and 154 to NPF-8	CMT # 10597 Prohibit movement of irradiated fuel when spent fuel pool room pressure boundary is inoperable. Also, prevent movement of loads over the irradiated fuel. Give consideration to provide a temporary closure barrier should an accident occur.	Complete FNP-0-SOP-0.0
7/16/03, NL-03-1511	MB6406 MB6407 MB9092 MB9093	Amend. Nos. 161 to NPF-2 and 154 to NPF-8	CMT # 10598 When the PRF boundary is inoperable, give consideration to provide a temporary closure barrier. Additionally, implement compensatory measures to require both PRF trains to be operable and require availability of self-contained breathing apparatus or iodine filters for the control room operators.	Complete FNP-0-SOP-0.0
11/07/01 NEL-01-0137	MB3817 MB3818	Amend. Nos. 158 to NPF-2 and 149 to NPF-8	CMT # 10584 Update FSAR with commitment for special lift devices to comply with ANSI N14.6, as clarified by NUREG-0612 without exception.	Complete FSAR Section 9.1.4.2.2.5

*Except that the cited procedures will need to be annotated (i.e., marked with commitment number) such that future procedure writers would not inadvertently delete or alter items covered by commitments without going thru the commitment change process.

Joseph M. Farley Nuclear Plant, Units 1 & 2

cc:

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