NUCLEAR ENERGY INSTITUTE

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July 14, 2006

Ms. Catherine Haney
Director, Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
Mail Code O-8 E1A
Washington, DC 20555-0001

SUBJECT: Draft Regulatory Issue Summary 2006-xx, "NRC Staff Position on the Requirements of 10 CFR 50.36, 'Technical Specifications,' Regarding Limiting Safety System Settings During Periodic Testing and Calibration of Instrument Channels"

PROJECT NUMBER: 689

Dear Ms. Haney:

This letter is addressed to you in your capacity as Chairman of the NRC Licensing Action Task Force.

NEI met with NRC on July 11, 2006, to discuss the subject Regulatory Issue Summary (RIS). Enclosure 1 is our summary of the meeting. Enclosure 2 recommends changes to the RIS in accordance with comments provided at the meeting.

NEI recommends that NRC defer publication of the RIS pending resolution of NRC comments on Technical Specification Task Force (TSTF) traveler TSTF-493, "Clarify Application of Setpoint Methodology for LSSS Functions." The TSTF anticipates that NRC comments will be resolved by TSTF-493 revision 1, which is targeted for submittal to NRC on or before September 30, 2006.

The simplest resolution pathway is a single document, which in this case is a Federal Register notice of availability of a model safety evaluation based on TSTF-493 Revision 1 and published in accordance with the consolidated line item improvement process (CLIIP). This would avoid the need for a supplemental RIS to

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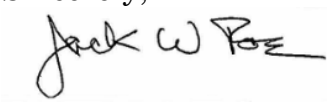
resolve any conflicts between the initial RIS and a model safety evaluation based on the TSTF-493 traveler. However, if NRC decides to publish the RIS before reviewing TSTF-493 Revision 1, we request that it include the changes recommended in Enclosure 2.

If you have questions or require additional information, please contact me at 202.739.8138 (jwr@nei.org) or Mike Schoppman at 202.739.8011 (mas@nei.org).

Sincerely,



Jack W. Roe

Enclosures

c: Mr. M. E. Mayfield, NRC
Mr. C. F. Holden, NRC
Mr. P. L. Hiland, NRC
Mr. C. P. Jackson, NRC
Mr. T. J. Kobetz, NRC
Mr. A. G. Howe, NRC
Mr. C. S. Schulten, NRC
NEI Licensing Action Task Force Steering Group
NEI Setpoint Methods Task Force

NEI Summary of July 11, 2006
Public Meeting
Draft Regulatory Issue Summary on Instrumentation Settings

NRC explained the background of the draft RIS. NRC believes a RIS is needed to assist in developing the generic basis for TSTF-493 Rev 1.

NRC discussed the range of acceptable tolerance around a setpoint. NRC can accept nominal setpoints under certain conditions (listed in the draft RIS). Although NRC prefers an as-found acceptance tolerance based on the last as-left value, they also recognize (based on industry input) that this could be a significant burden. As a result, NRC has identified an acceptable tolerance-band around a nominal value.

NEI suggested clarifications to the tolerance-band discussion in the draft RIS to be consistent with pending revision 1 of TSTF-493.

NRC is considering incorporating the RIS terminology, diagrams, and calculations into a revision to Regulatory Guide 1.105, "Setpoints for Safety-Related Information." A firm schedule for the revision has not been established.

Digital systems were discussed briefly. It was pointed out that updated regulatory guidance is needed to support digital submittals and NRC reviews.

NRC estimates publication of a CLIIP safety evaluation for comment in the spring of 2007, assuming revision 1 to TSTF-493 addresses NRC comments on revision 0 and is submitted no later than the early fall of 2006.

NEI distributed a handout and thanked the NRC for setting up the meeting. Public meetings are useful, and often necessary, steps in resolving regulatory issues.

The open issues with respect to TSTF-493 are (1) scope and (2) instrument functionality. With respect to scope, NEI recommended that NRC revise the final RIS to clarify that the minimum set for issue resolution is instrumentation that protects fuel boundary and RCS pressure boundary safety limits. NRC said it would consider revising the RIS to make that clear. With respect to instrument functionality, NRC confirmed that the staff will work with the TSTF to develop practical requirements and implementation guidance.

NEI presented the schedule for TSTF-493 Rev 1. The target submittal date is September 30, 2006, and includes scope definition for all the reactor types.

NEI concluding remarks stressed the importance of public comments to inform generic communications before they are published in final form. In this case, NEI is concerned that the draft RIS defines scope and instrument functionality in a way that constrains what we can propose in TSTF-493 Rev 1. NEI recommends that NRC defer publication of the RIS until these issues are resolved. Furthermore, publishing a RIS carries with it additional review fees that could be reallocated to other projects. Finally, publication now will likely require a supplemental RIS later. The most efficient approach would be to resolve the setpoints issue with one complete and integrated TSTF/CLIIP package rather than a series of NRC and NEI documents.

NEI also noted that, even though Regulatory Issue Summaries cannot establish new or different regulatory positions (unless accompanied by a formal regulatory analysis), they can have a significant impact on plant operations. In practice, licensees must spend time and resources to either confirm the plant is operated consistent with the regulatory positions in a RIS, or justify an alternate approach.

All parties recognized the joint NRC and Industry efforts that have brought the setpoints issue close to resolution.

NEI Comments on RIS 2006-xx

Page 4 of 6, first full paragraph:

> 10 CFR 50.36(c)(1)(ii)(A) also contains requirements for a general class of LSSSs; LSSSs related to variables having significant safety functions but which do not protect SLs. All plant operating licenses have TS LSSSs that are not related to SLs. For these LSSSs, 10 CFR 50.36(c)(1)(ii)(A) also requires that a licensee to take appropriate action if it is determined that the automatic safety system does not function as required. Additionally, 10 CFR Part 50, Appendix B, "Quality Assurance Criteria for Nuclear Power Plants and Fuel Reprocessing Plants," requires safety-related structures, systems, and components (i.e., instrument LSSSs not related to SLs) must also perform satisfactorily in service, i.e., the settings must be chosen to initiate automatic protective action to correct abnormal situations. Therefore, to ensure that LSSSs for instrument functions not related to SLs perform their specified safety functions, the NRC staff recommends that these instruments also should be reset to the limiting TSP or more conservative than the limiting TSP. In addition, operability should be determined based on the plant-specific setpoint methodology (including consideration of the expected uncertainties in the instrument setpoint determination) when evaluating the as-found trip setpoint.

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Page 5 of 6, second full paragraph (this comment is intended to preclude double-counting when establishing a predefined as-found tolerance band):

> Additionally, the TSTF did not sufficiently address the NRC staff concern with the practice of using NSPs for establishing the test acceptance criteria band for as-found instrument values. The NRC staff concern was that excessive changes in the TSP could go undetected and also that a high incidence of false detections could result from such a practice. Subsequently, the NRC staff investigated the acceptability of basing operability determinations for as-found instrument values on NSP values. The NRC staff review concluded that if specific conditions are met, then the NRC staff would find a NSP-based assessment of as-found values acceptable. Those conditions are: (1) the setting tolerance band is less than or equal to the square root of the sum of the squares of reference accuracy, measurement and test equipment, and readability uncertainties; (2) the setting tolerance must be included in the total loop uncertainty, and (3) the predefined as-found band may include either the setting tolerance band or the errors associated with the setting tolerance band.

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