

December 7, 2006

Mr. John T. Conway
Site Vice President
Monticello Nuclear Generating Plant
Nuclear Management Company, LLC
2807 West County Road 75
Monticello, MN 55362-9637

SUBJECT: MONTICELLO NUCLEAR GENERATING PLANT - ISSUANCE OF EXEMPTION
TO CERTAIN 10 CFR PART 50, APPENDIX J, REQUIREMENTS
(TAC NO. MD2395)

Dear Mr. Conway:

In response to your application dated September 15, 2005, the U.S. Nuclear Regulatory Commission (NRC) has issued the enclosed exemption from the requirements of Title 10, *Code of Federal Regulations*, Part 50 (10 CFR 50), Appendix J. Specifically, this action permits Nuclear Management Company to exclude main steam isolation valve leakage from the overall integrated leakage rate test measurements required by Section III.A of Appendix J, Option B, and from the sum of local leak rate test measurements required by Section III.B of Appendix J, Option B.

As is set forth in the exemption, the NRC staff finds that granting an exemption from the requirements of 10 CFR Part 50, Appendix J, is authorized by law, will not present an undue risk to public health and safety, and is consistent with the common defense and security, and that special circumstances described in 10 CFR 50.12 are present.

A copy of the exemption has been forwarded to the Office of the *Federal Register* for publication.

Sincerely,

/RA/

Peter S. Tam, Senior Project Manager
Plant Licensing Branch III-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-263

Enclosure:
Exemption

cc w/encls: See next page

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*Safety evaluation transmitted by memo on the date indicated.

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION
NUCLEAR MANAGEMENT COMPANY, LLC
MONTICELLO NUCLEAR GENERATING PLANT
DOCKET NO. 50-263
EXEMPTION

1.0 BACKGROUND

Nuclear Management Company, LLC (the licensee), is the holder of Facility Operating License No. DPR-22 which authorizes operation of Monticello Nuclear Generating Plant (MNGP). The license provides, among other things, that the facility is subject to all rules, regulations, and orders of the U.S. Nuclear Regulatory Commission (NRC, the Commission) now or hereafter in effect.

The facility consists of a boiling-water reactor located in Wright County in Minnesota.

2.0 REQUEST/ACTION

Appendix J to Title 10 of the *Code of Federal Regulations* (10 CFR) specifies the leakage rate test requirements, schedules, and acceptance criteria for tests of the leak-tight integrity of the primary reactor containment and systems and components that penetrate the containment. Option B, Paragraph III.A, of Appendix J requires that the overall integrated leakage rate must not exceed the allowable leakage (L_a) with margin, as specified in the plant's Technical Specifications. The overall integrated leakage rate, as specified in Appendix J, includes the contribution from main steam pathway leakage (i.e., through the four main steam lines and the main steam drain line at MNGP). Option B, Paragraph III.B requires that the sum of the leakage rates of Type B and Type C local leakage rate tests be less than the performance criterion (L_a) with margin, as specified in the Technical Specifications.

By letter dated September 15, 2005, the licensee requested exemption from Option B, Section III.A, requirements to exclude main steam isolation valve (MSIV) leakage from the overall integrated leak rate test measurement, and exemption from Section III.B requirements to exclude the MSIV leakage from the sum of the Type B and Type C tests. The licensee stated that the MNGP MSIV leakage effluent has a different pathway to the environment when compared to a typical containment penetration, i.e., it is not directed into the secondary containment and filtered through the standby gas treatment system. Instead, the main steam leakage is collected and treated via an alternative leakage treatment pathway, having different mitigation characteristics.

In performing accident analyses, it is appropriate to group various leakage effluents according to the treatment they receive before being released to the environment (e.g., from main steam pathways). Accordingly, the licensee's proposed exemption from the Appendix J requirements would more appropriately reflect the MNGP design which employs an alternative leakage treatment pathway. The calculated radiological consequences of the combined leakages were found to be within the criteria of 10 CFR 50.67 and GDC-19. The NRC staff reviewed the licensee's analyses and found them acceptable as described in a safety analysis accompanying an amendment regarding alternative source term methodology to be issued concurrently with this exemption. By separating the MSIV leakage acceptance criteria from the overall integrated leak rate test criteria, and from the Type B and C leakage sum limitation, the MNGP containment leakage testing program will be made more consistent with the limiting assumptions used in the associated accident consequences analyses. The amendment associated with this exemption will revise Technical Specification Surveillance Requirement 3.6.1.3.13 to limit the maximum allowable combined MSIV leakage to 200 standard cubic feet per hour, which is the analytical limit.

Based on the foregoing, the separation of the main steam pathways from the other containment leakage pathways is warranted because a separate radiological consequence term has been provided for these pathways. The revised design basis radiological consequence analyses address these pathways as individual factors, exclusive of the primary containment leakage.

3.0 DISCUSSION

Pursuant to 10 CFR 50.12, the Commission may, upon application by any interested person or upon its own initiative, grant exemptions from the requirements of 10 CFR Part 50 when (1) the exemptions are authorized by law, will not present an undue risk to public health or safety, and are consistent with the common defense and security; and (2) when special circumstances are present. The licensee's exemption request was submitted in conjunction with an amendment application to employ the alternative source term (AST) methodology for design-basis accidents. The NRC staff had completed its review and is issuing the proposed amendment on the same date as this exemption. The exemption and amendment together would implement the AST methodology. The special circumstances associated with MSIV leakage testing are fully described in the licensee's September 15, 2005, application for amendment and exemption.

Authorized by Law

This exemption would exempt Nuclear Management Company from requirements in 10 CFR Part 50, Appendix J, thus (1) excluding MSIV leakage in the overall integrated leakage rate test measurement required by Section III. A of Appendix J, Option B; and (2) excluding the sum of local leak rate test measurements required by Section III.B of Appendix J, Option B. As stated above, 10 CFR 50.12 allows the NRC to grant exemptions from the requirements of 10 CFR Part 50. The NRC staff has determined that granting of the licensee's proposed

exemption will not result in a violation of the Atomic Energy Act of 1954, as amended, or the Commission's regulations. Therefore, the exemption is authorized by law.

No Undue Risk to Public Health and Safety

The proposed exemption affects only the radiological dose analysis models and the way containment leak-tightness is measured. No new accident precursors are created by the exemption; accordingly, the probability of postulated accidents is not increased and the consequences of postulated accidents are not increased. Therefore, there is no undue risk to public health and safety as a result of the exemption.

Consistent with Common Defense and Security

The proposed exemption, as set forth above, would only affect the radiological dose analysis models and the way containment leak-tightness is measured. Thus, this exemption bears no relation to security issues. Therefore, the common defense and security is not impacted by this exemption.

Special Circumstances

Special circumstances, in accordance with 10 CFR 50.12(a)(2)(ii), are present whenever application of the regulation in the particular circumstances "would not serve the underlying purpose of the rule or is not necessary to achieve the underlying purpose of the rule."

The underlying purpose of Appendix J is to assure that containment leak-tight integrity is maintained as tight as reasonably achievable, and sufficiently tight so as to limit effluent release to values bounded by the analyses of radiological consequences of design-basis accidents.

The NRC staff has determined that the intent of the rule is not compromised by the licensee's proposed action because containment leak rates will continue to be limited by MNGP's Technical Specifications. Therefore, since the underlying purpose of Appendix J is achieved, the special circumstances required by 10 CFR 50.12(a)(2) for the granting of an exemption from Appendix J exist.

4.0 CONCLUSION

Accordingly, the Commission has determined that, pursuant to 10 CFR 50.12, the exemption is authorized by law, will not present an undue risk to public health and safety, and is consistent with the common defense and security. Also, special circumstances are present. Therefore, the Commission hereby grants MNGP an exemption (1) from the requirements of 10 CFR Part 50, Appendix J, Option B, Paragraph III.A, to allow exclusion of the main steam pathway leakage from the overall integrated leakage rate measured when performing a Type A test; and (2) from the requirements of 10 CFR Part 50, Appendix J, Option B, Paragraph III.B, to allow exclusion of the main steam pathway leakage from the combined leakage rate of all penetrations and valves subject to Type B and C tests.

Pursuant to 10 CFR 51.32, the Commission has determined that the granting of this exemption will not have a significant effect on the quality of the human environment (71 FR 70996).

This exemption is effective upon issuance.

Dated at Rockville, Maryland, this 7th day of December, 2006

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Cathy Haney, Director
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Monticello Nuclear Generating Plant

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