

October 24, 2006

Mr. L. M. Stinson  
Vice President - Nuclear  
Hatch Project  
Southern Nuclear Operating  
Company, Inc.  
Post Office Box 1295  
Birmingham, AL 35201-1295

SUBJECT: EDWIN I. HATCH NUCLEAR PLANT, UNIT NOS. 1 AND 2 - AUDIT OF  
SOUTHERN NUCLEAR OPERATING COMPANY, INC.'S, MANAGEMENT OF  
REGULATORY COMMITMENTS (TAC NOS. MD0499 AND MD0500)

Dear Mr. Stinson:

On May 27, 2003, the Office of Nuclear Reactor Regulation published Office Instruction LIC-105, "Managing Regulatory Commitments Made by Licensees to the NRC [Nuclear Regulatory Commission]." LIC-105 provides the NRC staff and its stakeholders with a common reference for handling regulatory commitments made to the NRC by licensees for commercial nuclear reactors. The guidance is consistent with the industry guidance prepared by the Nuclear Energy Institute's (NEI's) 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.

On March 23, 2006, the NRC staff performed an audit of Southern Nuclear Operating Company, Inc.'s (SNC's), commitment management program at the Edwin I. Hatch Nuclear Plant, Unit Nos. 1 and 2. The NRC staff concludes that, based on the audit and follow-up communications, SNC had implemented NRC commitments on a timely basis. However, the NRC staff also identified that SNC's process to document and manage NRC regulatory commitments was not developed using the guidance contained in NEI 99-04. Details of the audit are set forth in the enclosed audit report.

Sincerely,

/RA/

Christopher Gratton, Sr. Project Manager  
Plant Licensing Branch II-1  
Division of Operating Reactor Licensing  
Office of Nuclear Reactor Regulation

Docket Nos. 50-321 and 50-366

Enclosure: Audit Report

cc w/encl: See next page

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DATE	10/24/06	10/23/06	10/24/06

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AUDIT REPORT BY THE OFFICE OF NUCLEAR REACTOR REGULATION  
OF REGULATORY COMMITMENTS MADE BY  
SOUTHERN NUCLEAR OPERATING COMPANY, INC.  
EDWIN I. HATCH NUCLEAR PLANT, UNIT NOS. 1 AND 2  
DOCKET NOS. 50-321 AND 50-366

## 1.0 INTRODUCTION

On May 27, 2003, the Office of Nuclear Reactor Regulation (NRR) published Office Instruction LIC-105, "Managing Regulatory Commitments Made by Licensees to the NRC [Nuclear Regulatory Commission]." 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 No. 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's (NEI's) NEI 99-04, "Guidance for Managing NRC Commitment Changes." The guidance in NEI 99-04 suggests that licensees use information management systems, annotations to procedures, or other methods to ensure the traceability of regulatory commitments after implementation. The staff and licensees observed that such systems help ensure that subsequent changes to regulatory commitments are evaluated using the change-control guidance in NEI 99-04. The previous guidance document focused on change control and reporting of commitment changes and did not address implementation or traceability issues.

According to LIC-105, 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 NRC staff performed an on-site audit at the Edwin I. Hatch Nuclear Plant, Unit Nos. 1 and 2 (Hatch), on March 23, 2006. Additionally, a teleconference was held on July 26, 2006, to clarify information that was reviewed during the on-site audit.

## 2.1 Verification of Commitment Implementation

The primary focus of the audit was to confirm that Southern Nuclear Operating Company, Inc. (SNC) has implemented those commitments made to the NRC as part of past licensing actions/activities. For regulatory commitments that had not yet been implemented, the NRC staff was to ascertain that the commitments had been captured in an effective program for future implementation.

### 2.1.1 Audit Scope

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, commitments made in the licensee event reports, or those integrated in the final safety analysis report, site security plan, or emergency plan are excluded from this audit.

Before the audit, the NRC staff searched ADAMS for SNC's licensing actions and licensing activity submittals dated in the last 3 years. The staff used the criteria in LIC-105 to select from commitments contained in this population for the audit. These commitments are shown on Table 1 (attached). The list of commitments was discussed with the licensee in advance of the site visit to facilitate the audit.

The licensee manages their commitments through its administrative control procedure 00AC-REG-002-0, "Commitment Identification and Tracking System." The procedure includes guidance on how to identify, document, and add a commitment to the database.

### 2.1.2 Audit Results

The NRC staff reviewed documents and summary reports generated by the licensee for the commitments listed in Table 1. After identification, most commitments were managed through the corrective action process. The NRC staff found that SNC was able to identify the regulatory commitments contained within the licensing actions selected for this audit and document the status of the commitment implementation.

## 2.2 SNC Program for Managing NRC Commitments and Commitment Changes

Although SNC staff could identify and document the status of the regulatory commitments made to the NRC, the licensee stated during the July 26, 2006, teleconference that the process used to document and manage the commitments was not developed using the guidance contained in NEI 99-04. SNC procedure 00AC-REG-002-0, Revision 2.1, was last revised in November 1993. No new revisions have been made to the procedure since the endorsement by the NRC of NEI 99-04 in SECY-00-045, "Acceptance of NEI 99-04, 'Guidelines for Managing NRC Commitments.'" While NEI 99-04 is the preferred method for developing the processes and methods for managing NRC commitments, it is the NRC staff's expectation that other methods used by licensees to manage regulatory commitments and changes to those commitments should, at a minimum, achieve the same outcomes as those described in NEI 99-04.

As part of the audit, the NRC staff compared the licensee's program described in SNC procedure 00AC-REG-002-0, Rev 2.1, to the NEI guidelines. The NRC staff focused on the evaluation of commitment changes and NRC notification of those changes to the process recommended in the NEI guidelines. The staff documented its observations and recommendation in Section 3.0 of this audit report regarding that comparison. The staff discussed its expectation regarding the commitment management process with Ms. Kathy Underwood of your staff in a teleconference on July 26, 2006. During the conference call, Ms. Underwood described the history of the commitment management program at Hatch and the efforts the licensee was undertaking during the summer of 2006 to perform a self-assessment of the commitment management program. She stated that insights gained from the self-assessment would be reflected in changes to the program so that the SNC processes would more closely align with the guidance in NEI 99-04.

### 3.0 OBSERVATIONS AND RECOMMENDATIONS

Regulatory commitments are specific actions that have been agreed to or volunteered by a licensee and are documented in docketed correspondence. Unlike regulatory requirements, the creation and control of regulatory commitments is not described in a regulation or otherwise assigned a prescribed legal standing. However, the regulatory process appropriately relies on regulatory commitments in many instances and the NRC expects licensees to honor, in good faith, regulatory commitments made to the NRC staff as part of licensing activities. For issues that are risk significant or that are directly related to compliance with a regulatory requirement, the NRC staff has the ability to issue an enforcement action, e.g., an Order, or take other appropriate regulatory measures, e.g., a Notice of Deviation, if a licensee fails to implement or subsequently control regulatory commitments.

While the NRC staff's audit of SNC's commitment management program for Hatch did not identify any regulatory commitments that were not satisfied, the NRC staff identified weaknesses in the process used to manage regulatory commitments and recommends that SNC complete the self-assessment of its current procedures and processes for identifying and managing commitments that was discussed with the NRC staff during the July 26, 2006, teleconference. Any resulting revisions to the commitment management process should consider the guidance in NEI 99-04 and LIC-105. As a minimum, SNC should consider revisions that:

1. Include a definition of a regulatory commitment that is consistent with NEI 99-04 and LIC-105 guidance and discriminates regulatory commitments made to the NRC from other commitments included in the database,
2. Include a clear change control process that considers the safety and regulatory impact of the proposed change and includes provisions for notifying the NRC staff of changes, consistent with the guidance in NEI 99-04 and LIC-105, and
3. Include the capability for the licensee to ensure that regulatory commitments that have been implemented are traceable, i.e., that licensee personnel are able to recognize that future changes to the affected design features or operating practices require evaluation of the proposed change in accordance with the commitment change control process.

The Hatch commitment management program may also reflect common elements of commitment management programs throughout SNC. Therefore, SNC should ensure that lessons learned from the self-assessment and revision of the Hatch commitment management program are reviewed against other SNC reactor site programs to determine whether conforming changes need to be made.

#### 4.0 CONCLUSION

The NRC staff concludes that, based on the above findings, (1) SNC identified the regulatory commitments contained within the licensing actions selected for this audit and was able to document the status of the commitment implementation, (2) SNC does not employ a commitment management program that is based on the guidance of NEI 99-04, and (3) the NRC staff could not confirm that SNC has established a commitment management process that ensures a traceability of regulatory commitments with other line functions.

#### 5.0 SNC PERSONNEL CONTACTED FOR THIS AUDIT

K. Underwood  
E. Perkins  
R. Baker

Attachment: Table 1, Audited Written Commitments and Related Information

Principal Contributor: C. Gratton

Date: October 24, 2006

**TABLE 1**  
AUDITED WRITTEN COMMITMENTS AND RELATED INFORMATION

<b>SNC'S Submittal</b>	<b>SNC Issuance</b>	<b>Summary of Commitment</b>	<b>SNC's Implementation Status</b>
12/19/2002 HL-6328	Measurement uncertainty recapture power uprate amendment	<p><u>Plant Modifications:</u> Crossflow system will be completed before implementing this amendment and raising thermal power.</p> <p>Validation of the measurement uncertainty will be performed before implementing this amendment and raising thermal power.</p>	Completed Reference CAP 20032043446 200320434468 200320434469
		<p><u>Administrative Changes:</u> Maintenance and procedural changes complete before implementing this amendment</p> <p>Operational procedure revisions will include the Crossflow system out-of-service administrative technical requirements.</p>	Completed Reference CAP 2003204343 2003204345 2003204350 2003204358
		<p><u>Startup Testing:</u> Core power from average power range monitors will be rescaled up to the uprated power level prior to exceeding the current licensed power level.</p> <p>Demonstration of acceptable fuel thermal margin before and during power ascension.</p> <p>Routine measurements of reactor and system flows, pressures, and vibrations will be taken.</p> <p>Operational aspects of the uprate will be demonstrated by turbine pressure regulator controller and feedwater controller testing during power ascension</p>	Completed Reference CAP 2003204351 2003204352 2003204353

**TABLE 1**  
AUDITED WRITTEN COMMITMENTS AND RELATED INFORMATION

<b>SNC's Submittal (Cont.)</b>	<b>SNC Issuance (Cont)</b>	<b>Summary of Commitment (Cont.)</b>	<b>SNC's Implementation Status (Cont.)</b>
12/19/2002 HL-6328 (Cont.)	Measurement uncertainty recapture power uprate amendment (Cont.)	<p><u>Training:</u> Minor changes will be communicated through normal operator training.</p> <p>Simulator changes and validation for the power uprate will be performed in accordance with ANSI (American National Standards Institute)/ANS (American Nuclear Society) 3.5-1985.</p>	Completed Reference CAP 2003204344
05/21/2004 NL-04-0564	CLIIP - H2 recombiners and H2 O2 monitors	<p>Include the hydrogen monitors in the post-accident instrument program described in Hatch 2 Final Safety Analysis Report (FSAR), Section 7.5.3.</p> <p>Maintain a monitor for ensuring the primary containment is inerted during normal operations.</p> <p>Maintain a post-accident O2 analyzer for the purpose of ensuring that the post-LOCA containment environment remains inerted.</p> <p>Maintain post-accident H2 and O2 monitors (document in the Unit 2 FSAR, Section 7.5.3, for both Hatch units).</p> <p>Add post-accident O2 monitors to the Technical Requirements Manual.</p>	<p>Completed LDCR-2005-030 FSAR Rev 23</p> <p>TS LCO 3.6.3.2 Surveillance Procedure 34SUV-019</p> <p>TRM TLCO 3.3.3 U2 FSAR 7.5.3 FSAR 7.5.3 Table 7.5-1</p> <p>U2 FSAR 7.5.3</p> <p>LCDR 2005-003 U1 and U2 TLCO 3.3.3</p>
07/28/2004 NL-04-1204	Amendment to eliminate monthly operating reports and occupational radiation exposure reports	SNC will provide the NRC using an industry database the operating data (for each calendar month) that is described in Generic Letter 97-02, "Revised Contents of the Monthly Operating Report," by the last day of the month following the end of each calendar quarter.	Completed: Plant Procedure 00AC-Reg-001-OS, Form 0024

Edwin I. Hatch Nuclear Plant, Units 1 & 2

cc:

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