

PA-LR

**From:** "Charles Goggins" <Charles.Goggins@ferc.gov>  
**To:** "Jonathan Rowley" <JGR@nrc.gov>  
**Date:** Thu, Nov 2, 2006 4:05 PM  
**Subject:** RE: Clarification of Part 12, Subpart D exemption

Jonathan,

Yes, as we discussed, the intention of the letter issued on August 6, 1997 by Kevin Madden, Acting Director, Office of Hydropower Licensing, was to exempt the Vernon Project from all the requirements of Part 12, Subpart D of 18 CFR. This includes not only the requirement to submit a report but also the requirement of having the dam inspected by an Independent Consultant.

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-----Original Message-----

From: Jonathan Rowley [mailto:JGR@nrc.gov]  
Sent: Thursday, November 02, 2006 3:48 PM  
To: Charles Goggins  
Subject: Clarification of Part 12, Subpart D exemption

Mr. Goggins

The U.S. Nuclear Regulatory Commission (NRC) is in the process of reviewing the license renewal application (LRA) for the Vermont Yankee Nuclear Power Station (VYNPS). The VYNPS is crediting the Vernon Hydroelectric Station (VHS) (also known as the Vernon Dam or Vernon Project No. 1904) as its source of alternate alternating current (AAC) in the case of a station blackout. Such crediting by VYNPS places the VHS within the scope of NRC review for license renewal. Structures and components within the scope of review for license renewal require aging management (via aging management reviews and aging management programs).

In the NRC (C.I. Grimes) letter to NEI (D.J. Water), dated May 5, 1999, the NRC said: "Many dams on nuclear sites are already subject to periodic inspection due to the Federal Dam Safety Program which was initiated in 1977. This program, developed in response to several fatal dam failures in the 1970's, encourages strict safety standards in the practices and procedures employed by Federal agencies or by dam owners regulated by Federal agencies with regard to dam design, construction, inspection, maintenance, and management. The NRC relies on FERC to perform safety inspections of dams for which the NRC is responsible under this Federal dam safety program... In order to credit the inspection programs performed under FERC oversight, and to provide the demonstration required by 54.21(a)(3), a license renewal applicant

should indicate that its dam is under FERC jurisdiction and that its inspection and maintenance program is in conformance to FERC requirements."

In its LRA, the VYNPS does indicate that the VHS is under FERC jurisdiction. The NRC obtained the FERC inspection/operational reports on the VHS to verify the dam owner is in conformance with FERC requirements. The NRC observed that the FERC inspection reports starting with the report covering the period of November 20, 1996 to October 28, 1998 through the present contain the statement: "By letter dated August 6, 1997, the project was issued an exemption from performing future Part-12 Inspections based on its low hazard classification."

The August 6, 1997, FERC letter states: "Based on the studies that show that these projects have a low hazard potential, I am granting your request for an exemption from the Part 12, Subpart D requirement for submittal of an Independent Consultant's Safety Inspection Report."

The NRC interpreted the August 6, 1997, letter as the dam owner still had to perform the Subpart D inspection but just did not have to submit the report for FERC review and approval. The NRC assumed the dam owner has been in non-conformance with the FERC requirements.

Per our telephone conversation, you informed me that the NRC's interpretation is incorrect. The dam owner, in fact, was granted exemption from performing Subpart D in its entirety.

Please confirm that I have captured our conversation correctly.

Jonathan Rowley, Project Manager  
License Renewal Branch B  
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Office of Nuclear Reactor Regulation  
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(301) 415-4053

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**Subject:** RE: Clarification of Part 12, Subpart D exemption  
**Creation Date** Thu, Nov 2, 2006 4:04 PM  
**From:** "Charles Goggins" <[Charles.Goggins@ferc.gov](mailto:Charles.Goggins@ferc.gov)>

**Created By:** [Charles.Goggins@ferc.gov](mailto:Charles.Goggins@ferc.gov)

**Recipients**

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