

ENCLOSURE 2

NRC Regulatory Process on Use of Codes & Standards Incorporated by Reference

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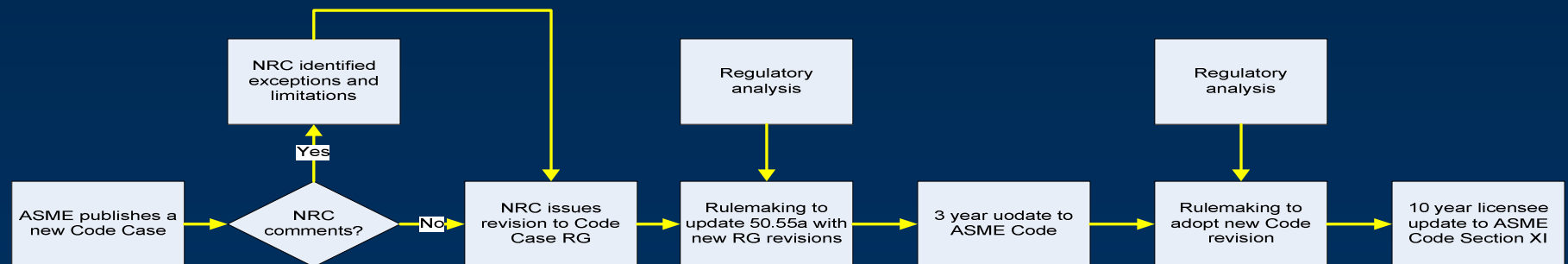
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NRC Regulatory Process

- White Paper Developed by NEI
 - 50.55a Task Force
 - Licensing Action Task Force
 - Legal
- Regulatory Improvement

Process



Process Concerns

- 10 CFR 50.55a
 - No criteria for exceptions and limitations to ASME Code Cases
 - Lack of NRC regulatory analysis
 - 300-500 licensing actions per year
 - Continuing evolution of layered complexity

Approach

- Improving the regulatory process
- 10 CFR 50.55a Task Force
- White Paper / Petition for Rulemaking

Current Situation

- “Incorporation by Reference” in 10 CFR 50.55a means that referenced Codes & Standards are regulatory requirements
- Any deviation requires NRC approval
- This multi-step process generates a significant NRC/Industry resource burden, with no commensurate safety benefit

Industry Concerns

- Overlap with Tech Specs
- Separate exemption process (relief requests)
- Uncertain outcome/timing of NRC reviews
- Difficult to apply precedent
- Significant resource burden on both NRC and Industry
- Excludes risk-informed, performance-based evaluations
- Disincentive to new plants

Industry White Paper

- The objectives of 1971 Final Rule have been achieved
- Specify key terms & definitions
- Propose a simplified process to replace the current burdensome and complex multi-step process associated with 10 CFR 50.55a
- Submitted a White Paper to NRC
- Considering a Petition for Rulemaking

White Paper Hierarchy

1. Establish the ASME Code as part of the plant-specific CLB
2. Establish performance criteria to monitor conformance to CLB
3. Monitor conformance means of inspections, reports, etc.

3. Inspections/OE/Programs

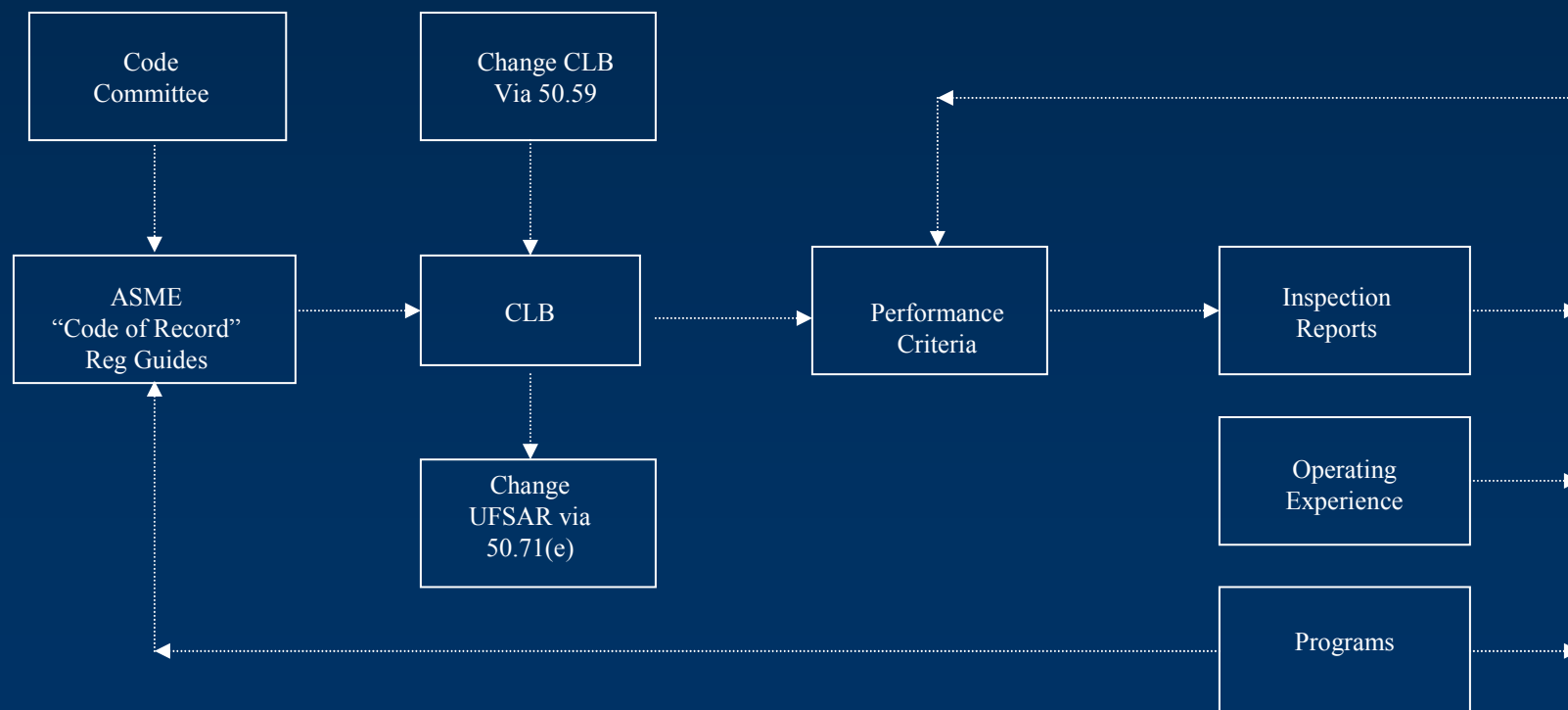
2. Performance Criteria (risk, performance)

1. Current Licensing Basis (CLB) Codes & Standards*

* Manage changes to the CLB with the 10 CFR 50.59 program, and document them in the UFSAR in accordance with 10 CFR 50.71(e)

FIGURE 1

Proposal for a New Regulatory Hierarchy for 10 CFR 50.55a



White Paper Options

- “Code of Record” controlled by 50.59 and 50.71(e)
 - Establish, manage and maintain
 - Current Licensing Basis (CLB)
 - Final Safety Analysis Report (FSAR)
 - NRC oversight via 50.59 & 50.71(e)
- Specify screening criteria for NRC prior approval
 - Revise 50.55a to specify screening criteria
- Code of Record related to risk-informed ISI/IST & Repair/Replacement programs with criteria for NRC prior approval
 - Revise 50.55a to specify integrated risk-informed evaluation criteria

Next Steps

- Assess NRC staff feedback
- Discuss with NRC Senior Management
- Discuss with Industry Chief Nuclear Officers
- Submit petition for rulemaking