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FROM: DUE: 08/31/07 EDO CONTROL: G20070571
DOC DT: 08/14/07
FINAL REPLY:

Marvin S. Fertel
Nuclear Energy Institute (NEI)

TO:

Chairman Klein

FOR SIGNATURE OF : ** GRN ** CRC NO: 07-0538

Reyes, EDO

DESC: ROUTING:

Provide Followup to August 2 Commission Briefing on Risk-Informed Regulation - Project Number 689

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Kane
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DATE: 08/17/07

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Date Printed: Aug 15, 2007 17:31

PAPER NUMBER:	LTR-07-0538	**LOGGING DATE:**	08/15/2007
ACTION OFFICE:	EDO		
AUTHOR:	Marvin Fertel		
AFFILIATION:	NEI		
ADDRESSEE:	CHRM Dale Klein		
SUBJECT:	Provides followup to August 2 Commission briefing on Risk-Informed Regulation - Project Number 689		
ACTION:	Appropriate		
DISTRIBUTION:	RF		
LETTER DATE:	08/14/2007		
ACKNOWLEDGED	No		
SPECIAL HANDLING:	Immediate release to the public via SECY/EDO/DPC		
NOTES:			
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NUCLEAR ENERGY INSTITUTE

Marvin S. Fertel
SENIOR VICE PRESIDENT AND
CHIEF NUCLEAR OFFICER

August 14, 2007

The Honorable Dale E. Klein
Chairman
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Subject: August 2 Commission Briefing on Risk-Informed Regulation

Project Number: 689

Dear Chairman Klein:

We appreciated the opportunity to brief the Commission on August 2 regarding risk-informed performance based regulation. Appropriately using risk-informed approaches remains a priority for the industry and we were encouraged by the supportive comments of the commissioners. As noted during the briefing, these methods have demonstrated improvements to both safety and operations. We would like to take this opportunity to reinforce several important discussion items from the briefing.

First, we would like to correct an apparent misunderstanding regarding the overall status of plant probabilistic risk assessments (PRA). Statements were made to the effect that only a few plants (particularly those at the briefing table) have high quality PRAs that are suitable for major regulatory applications and that most of the industry lagged behind in PRA development. This is not a reflection of industrywide PRA technical adequacy. In reality, essentially all plants have PRAs that are of comparable technical adequacy to those plants represented at the briefing and ongoing efforts to address Regulatory Guide 1.200 will further enhance model capability and documentation. All plant PRAs have been peer reviewed and the significant open items from these reviews have been addressed. Plants like those at the briefing that have chosen to pilot major regulatory applications have done so because of their willingness to provide industry leadership by engaging in the pilot approval process.

Second, we concur with the tenor of the comments by the Commission and would like to reinforce our desire to pursue improvements to the reactor oversight significance determination process (SDP). We believe the Commission expressed support for consideration of reform of this activity and we have provided several proposals (e.g., use of licensee PRAs for SDP and focusing licensees

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on corrective action rather than further analysis of small risk impacts) that could effectively mitigate the large drain on PRA resources currently being applied to de minimus risk evaluations at the green/white threshold of the SDP. Our intent is to enhance the efficiency and risk focus of the process, not to change the outcome. We request Commission direction to NRC staff to proceed in the near-term with industry and other stakeholders towards process revisions that would achieve these goals.

Finally, we would like to re-emphasize the lessons we have learned from the eight year development period required for an NRC-endorsed internal events PRA standard. Industry's near term priorities are to develop internal events at power and fire PRAs meeting the technical adequacy requirements of consensus standards. These efforts, along with those related to addressing SDP activities, will essentially consume the existing PRA infrastructure for the next several years. Therefore, it is not realistic to impose or achieve regulatory expectations relative to complete scope PRAs in this time frame. Full scope PRAs, and the concept of an integrated PRA standard, are meaningful long term objectives requiring further technology development, pilot application, and refinement.

Thank you again for the opportunity to brief the Commission on this subject and we look forward to demonstrating additional progress at next year's briefing. Please contact me or Tony Pietrangelo if you need further information.

Sincerely,

Marvin S. Fertel

c: The Honorable Edward McGaffigan, Jr., Commissioner, NRC
The Honorable Gregory B. Jaczko, Commissioner, NRC
The Honorable Peter B. Lyons, Commissioner, NRC
Mr. Luis A. Reyes, Executive Director for Operations, NRC
Mr. William F. Kane, Deputy Executive Director for Reactor and Preparedness Programs, NRC
Mr. James E. Dyer, Director, NRC/NRR
Mr. R. William Borchardt, Director, NRC/NRO
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CHAIRMAN - August 2 Commission Briefing on Risk-Informed Regulation

From: "FERTEL, Marvin" <msf@nei.org>
To: <chairman@nrc.gov>
Date: 08/14/2007 4:12 PM
Subject: August 2 Commission Briefing on Risk-Informed Regulation

August 14, 2007

The Honorable Dale E. Klein
Chairman
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

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