

RAS 14392

Staff Exhibit 3

U.S. NUCLEAR REGULATORY COMMISSION

In the Matter of AmerGen Co., LLC

Docket No. 50-029-UR Official Exhibit No. 3

OFFERED by: Applicant/Licensee Intervenor _____

NRC Staff

Other _____

IDENTIFIED on 9/20/07 Witness/Panel N/A

Action Taken: ADMITTED REJECTED WITHDRAWN

Reporter/Clerk DW

DOCKETED
USNRC

October 1, 2007 (10:45am)

OFFICE OF SECRETARY
RULEMAKINGS AND
ADJUDICATIONS STAFF

ACRS REPORT TO COMMISSION

Template = SECY-027

SECY-02

SECTION 5

REVIEW BY THE ADVISORY COMMITTEE ON REACTOR SAFEGUARDS

The NRC staff issued its safety evaluation report (SER) with open items related to the renewal of the operating license for Oyster Creek Generating Station (OCGS) on August 18, 2006. On October 3, 2006, the applicant presented its license renewal application, and the staff presented its findings to the ACRS Plant License Renewal Subcommittee.

The NRC staff issued an updated SER on December 29, 2006. On January 18, 2007, the applicant presented its license renewal application, the staff presented its review findings and the representative for the interveners presented their information, which were associated with drywell shell integrity, to the ACRS Plant License Renewal Subcommittee.

During the 539th meeting of the ACRS on February 1, 2007, the ACRS completed its review of the Oyster Creek license renewal application and the NRC staff's SER. The ACRS documented its findings in a letter to the Commission dated February 8, 2007. A copy of this letter and the staff's response is provided on the following pages of this SER Section.

Consistent with ACRS recommendation, the staff added two additional license conditions to the SER.

THIS PAGE IS INTENTIONALLY LEFT BLANK.



UNITED STATES
NUCLEAR REGULATORY COMMISSION
ADVISORY COMMITTEE ON REACTOR SAFEGUARDS
WASHINGTON, DC 20555 - 0001

RSR-2233

February 8, 2007

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

SUBJECT: REPORT ON THE SAFETY ASPECTS OF THE LICENSE RENEWAL
APPLICATION FOR THE OYSTER CREEK GENERATING STATION

Dear Chairman Klein:

During the 539th meeting of the Advisory Committee on Reactor Safeguards, February 1-3, 2007, we completed our review of the license renewal application for the Oyster Creek Generating Station (OCGS) and the updated Safety Evaluation Report (SER) prepared by the NRC staff. Our Plant License Renewal Subcommittee also reviewed this matter during meetings on October 3, 2006 and January 18, 2007. During these reviews, we had the benefit of discussions with representatives of the NRC staff and its contractor Sandia National Laboratories (SNL), members of the public, and AmerGen Energy Company, LLC (AmerGen) and its contractors. We also had the benefit of the documents referenced. This report fulfills the requirements of 10 CFR 54.25 that the ACRS review and report on all license renewal applications.

RECOMMENDATIONS

1. With the incorporation of the conditions described in Recommendations 2, 3, and 4, the application for license renewal for OCGS should be approved.
2. We concur with the staff's proposal to impose license conditions to increase the frequency of the drywell inspections and to monitor the two drywell trenches to ensure that the sources of water are identified and eliminated.
3. The staff should add a license condition to ensure that the applicant fulfills its commitment to perform an engineering study prior to the period of extended operation to identify options to eliminate or reduce the leakage in the OCGS refueling cavity liner.
4. The staff should add a license condition to ensure that the applicant fulfills its commitment to perform a 3-D (dimensional) finite-element analysis of the drywell shell prior to entering the period of extended operation.

DISCUSSION

The Oyster Creek Generating Station is located in Lacey Township, Ocean County, New Jersey, approximately 2 miles south of the community of Forked River, 2 miles inland from the shore of Barnegat Bay, and 9 miles south of Toms River, New Jersey. The NRC issued the provisional operating license for OCGS on April 9, 1969 and the operating license on July 2, 1991. OCGS is a single unit facility with a single cycle, forced circulation boiling water reactor (BWR)-2 with a Mark 1 containment. The nuclear steam supply system was furnished by General Electric and the balance of the plant was originally designed and constructed by Burns & Roe. The licensed power output is 1930 MWt with a design electrical output of approximately 650 MWe. The applicant, AmerGen requested renewal of the OCGS operating license for 20 years beyond the current license term, which expires on April 9, 2009.

During the 1980s, the licensee discovered corrosion on the outside wall of the OCGS drywell shell. Although some corrosion had occurred in the upper shell region, the majority had occurred in a region near the base of the shell where the shell was partially supported by a sand bed. The licensee determined that water had been leaking through flaws in the refueling cavity liner during refueling operations. This water had migrated down the outside of the drywell shell and into the sand bed. As part of the corrective actions, the licensee removed the sand and applied an epoxy coating to the outside of the shell in the sand bed region. In addition, repairs were made to the refueling pool liner and the concrete drain trough under the refueling seal. These repairs reduced the leakage and routed any leakage to a drain line rather than down the outside of the drywell shell. To further reduce leakage, the licensee applied strippable coatings to the liner during all but one of the subsequent refueling outages. The licensee performed ultrasonic testing (UT) to determine the as-found condition of the drywell shell and performed a structural analysis in 1992 to demonstrate acceptability of the containment in the degraded condition.

The 1992 structural analysis was reviewed and approved by the NRC staff. This analysis included a determination of the stresses in the thinned region under the design pressure loads and an evaluation of the potential for buckling during normal operations and postulated accident conditions. The buckling analysis utilized American Society of Mechanical Engineers (ASME) Code Case N-284, Revision 1. The staff accepted the use of this Code Case in the 1992 analysis. In support of the review of the OCGS license renewal application, the staff had SNL perform a confirmatory structural analysis. Both analyses demonstrated that the drywell shell met the minimum ASME Code requirements for buckling. However, the amount of margin above the Code minimum depended on the applicability of the increase in the buckling capacity due to tensile stresses orthogonal to the applied compressive stresses computed according to the Code Case. During the January 18, 2007 meeting, the Subcommittee requested additional justification for using the increased capacity factor. At our February meeting, Dr. C. Miller, the author of the ASME Code Case, described the technical basis for the Code Case and presented test results to demonstrate that the increased capacity factor was applicable to OCGS. The increased capacity factor used in the 1992 analysis provided by the applicant was based on results for metal cylinders. Dr. Miller showed results of tests conducted on metal spheres which demonstrated that the results for cylinders were conservative for spherical shells. The staff reaffirmed its position that the use of the increased capacity factor is appropriate for the analysis of the OCGS drywell shell. We concur with this position.

The 1992 structural analysis was based on the assumption that the shell is uniformly thinned in the sand bed region. The applicant has committed to perform a 3-D finite-element analysis of the

OGCS drywell to determine the margin of the shell in the as-found condition using modern methods. This analysis will provide a more accurate quantification of the margin above the Code required minimum for buckling. The applicant has committed to complete the analysis prior to the period of extended operation. We commend the applicant for this action and would like to be briefed by the staff on the results when they become available. Although it is anticipated that the analysis will demonstrate additional margin above the Code required minimum, the applicant should complete this analysis in a timely manner prior to entering the period of extended operation in order to identify and resolve any unexpected results. The analysis should include sensitivity studies to determine the degree to which uncertainties in the size of thinned areas affect the Code margins. The staff should impose a license condition to ensure that the applicant completes the analysis prior to entering the period of extended operation.

In 2006, the applicant performed additional UT and visual inspections of the drywell shell. When compared to the previous UT, the 2006 results confirmed that the corrective actions taken in the sand bed region had been effective and that the corrosion had been arrested or at least that the corrosion rates were very low (i.e., within the data scatter). The epoxy coating appeared in very good condition with no evidence of degradation which is also consistent with the conclusion that the corrosion has been effectively arrested. These examinations also demonstrated that the corrosion rate in the upper shell region and the embedded floor regions remained sufficiently low to demonstrate structural integrity during the period of extended operation. The applicant has committed to perform UT and visual inspections of the drywell shell during the period of extended operation. Because of the relatively small margin above the Code minimum against buckling in the sand bed region shown by current analyses, the staff is proposing a license condition to increase the frequency of drywell inspections and UT in the sand bed region to all 10 bays every other refueling outage for the extended period of operation. Increased inspections will result in additional radiation exposure to personnel involved in the inspections. Therefore, the applicant should be allowed to increase the period between inspections if it demonstrates increased margin through analysis or if the ongoing inspections continue to demonstrate that the corrosion has been sufficiently arrested. With this provision, we agree with this license condition.

The 2006 examinations revealed that when the cavity was flooded for refueling, water leakage was still occurring. This leakage of approximately 1 gallon per minute is well within the capacity of the drain as long as the drain system is working properly. The purpose of the drain system is to catch water that may leak past a failed refueling seal or liner and divert the water to sumps, and prevent it from coming into contact with the outside of the drywell shell. Leakage is not expected to occur as part of normal operation with properly maintained equipment and structures. The applicant has committed to continue monitoring for leakage of the refueling cavity liner and other water sources associated with the drywell. The applicant has also committed to complete an engineering study to identify cost-effective repair or replacement options to eliminate the refueling cavity liner leakage. The engineering study will be completed prior to entering the period of extended operation. We agree that efforts should be made to eliminate routine leakage in order to provide increased protection against further degradation. The staff should impose a license condition to ensure the study is completed by the applicant prior to the period of extended operation.

During the 2006 refueling outage, the applicant discovered water in two trenches that had been previously excavated to allow access to and inspection of the inside of the shell in the embedded region. The applicant determined that the water had come from normal operation and maintenance activities. The water had migrated to the trenches due to a blocked drain tube in the

sub-pile area and the lack of a seal between the shell and concrete curb. The applicant repaired the drain tube and installed a seal in the gap between the shell and concrete curb. The applicant intends to fill these trenches after two consecutive outages in which no water is observed. Having the trenches open is beneficial for identifying drainage issues, but it increases the risk of additional corrosion because it provides an open area in which water can be trapped against the shell. The staff is proposing a license condition that would require the applicant to leave the trenches open and monitor them during each refueling outage until such time that the applicant can demonstrate that the water sources have been identified and eliminated. We agree with the monitoring of the trenches to ensure the elimination of the sources of water. However, leaving the trenches open longer than necessary increases the risk of future corrosion. Therefore, the applicant should not be unnecessarily delayed in repairing the trenches. With this provision, we agree with the license condition proposed by the staff.

In the updated SER, the staff documents its review of the license renewal application and other information submitted by AmerGen and obtained during an audit and inspections conducted at the plant site. The staff reviewed the completeness of the applicant's identification of structures, systems, and components (SSCs) that are within the scope of license renewal; the integrated plant assessment process; the applicant's identification of the plausible aging mechanisms associated with passive, long-lived components; the adequacy of the applicant's aging management programs (AMPs); and the identification and assessment of time-limited aging analyses (TLAAs) requiring review.

The OCGS application either demonstrates consistency with the Generic Aging Lessons Learned (GALL) Report or documents deviations from the approaches specified in the GALL Report. The staff reviewed this application in accordance with NUREG-1800, the "Standard Review Plan for Review of License Renewal Applications for Nuclear Power Plants."

The applicant identified those SSCs that fall within the scope of license renewal. For these SSCs, the applicant performed a comprehensive aging management review. Based on the results of this review, the applicant will implement 57 AMPs for license renewal including existing, enhanced, and new programs. In the SER, the staff concludes that the applicant has appropriately identified SSCs within the scope of license renewal and that the AMPs described by the applicant are appropriate and sufficient to manage aging of long-lived passive components that are within the scope of license renewal. With the incorporation of the license conditions described in Recommendations 2, 3 and 4, we agree with this conclusion.

The staff conducted inspections and an audit of the license renewal application. The purpose of the inspections was to verify that the scoping and screening methodologies are consistent with the regulations and are adequately reflected in the application. In addition, the inspectors personally examined selected areas of the sand bed region to verify the condition of the epoxy coating. The audit confirmed the appropriateness of the AMPs and the aging management reviews. Based on the inspections and audit, the staff concluded that these programs are consistent with the descriptions contained in the OCGS license renewal application. The staff also concluded that the existing programs, to be credited as AMPs for license renewal, are generally functioning well and that the applicant has established an implementation plan in its commitment tracking system to ensure timely completion of the license renewal commitments.

The applicant identified those systems and components requiring TLAAs and reevaluated them for 20 more years of operation. Affected TLAAs include those associated with neutron

embrittlement, metal fatigue, irradiation-assisted stress corrosion cracking, environmental qualification of electrical equipment, and stress relaxation of hold-down bolts. The staff concluded that the applicant has provided an adequate list of TLAAs. Further, the staff concluded that in all cases the applicant has met the requirements of the license renewal rule by demonstrating that the TLAAs will remain valid for the period of extended operation, or that the TLAAs have been projected to the end of the period of extended operation, or that the aging effects will be adequately managed for the period of extended operation. With the incorporation of the license conditions described in Recommendations 2, 3 and 4, we concur with the staff that OCGS TLAAs have been properly identified and that criteria supporting 20 more years of operation have been met.

With the incorporation of the license conditions described in Recommendations 2, 3, and 4, no issues related to the matters described in 10 CFR 54.29(a)(1) and (a)(2) preclude renewal of the operating license for OCGS. The programs established and committed to by AmerGen provide reasonable assurance that OCGS can be operated in accordance with its current licensing basis for the period of extended operation without undue risk to the health and safety of the public and the NRC should approve the AmerGen application for renewal of the operating license for OCGS.

Sincerely,

/RA/

William J. Shack
Chairman

References:

- Updated Safety Evaluation Report Related to the License Renewal of Oyster Creek Generating Station, December 29, 2006.
- Safety Evaluation Report with Open Items Related to the License Renewal of the Oyster Creek Generating Station, August 18, 2006.
- Oyster Creek Generating Station- Application for Renewed Operating Licenses, July 22, 2005.
- Supplemental Information Related to the Aging Management Program for the Oyster Creek Drywell Shell, Associated with AmerGen's License Renewal Application, June 20, 2006.
- Audit and Review Report for Plant Aging Management Reviews and Programs- Oyster Creek Generating Station August 18, 2006.
- Supplemental Response to NRC Request for Additional Information (RAI 2.5.1.19-1), dated September 28, 2005, Related to Oyster Creek Generating Station License Renewal Application, November 11, 2005.

- Oyster Creek Generating Station - NRC License Renewal Inspection Report 05000219/2006007, September 21, 2006
- Memorandum dated December 14, 2006 from Louise Lund to John Larkins, Subject: Review Background Materials for the Meeting of the License Renewal Subcommittee Scheduled on January 18, 2007, Related to the Interim Review of the License Renewal of the Oyster Creek Generating Station. ML063470557
- Memorandum date December 8, 2006 from Michael P. Gallagher to the U.S. Nuclear Regulatory Commission, Subject: Submittal of Information to ACRS Plant License Renewal Subcommittee Related to AmerGen's Application for Renewed Operating License for Oyster Creek Generating Station. ML063470532
- Sandia National Laboratories Report "Structural Integrity Analysis of the Degraded Drywell Containment at the Oyster Creek Nuclear Generating Station," January 2007
- ASME Code Case N-284-1, "Metal Containment Shell Buckling Design Methods, Class MC, Section III, Division one, March 14, 1995."
- Letter dated January 31, 2007, from Senator Frank Lautenberg, Senator Robert Menendez, Representative Christopher H. Smith, and Representative Jim Saxton to The ACRS.
- Letter dated January 31, 2007 from Richard Webster, Rutgers Environmental Law Clinic to the ACRS, regarding the Safety Evaluation Report for Oyster Creek Nuclear Power Plant.
- Oyster Creek Generating Station-NRC In-Service Inspection and License Renewal Commitment Followup Inspection Report 0500021/2006013, January 17, 2007.

March 8, 2007

Dr. William J. Shack, Chairman
Advisory Committee on Reactor Safeguards
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

SUBJECT: RESPONSE TO ADVISORY COMMITTEE ON REACTOR SAFEGUARDS
REPORT ON THE SAFETY ASPECTS OF THE LICENSE RENEWAL
APPLICATION FOR THE OYSTER CREEK GENERATING STATION

Dear Dr. Shack:

During the 539th meeting of the Advisory Committee on Reactor Safeguards (ACRS or the Committee) held on February 1–3, 2007, the ACRS completed its review of the license renewal application (LRA) for the Oyster Creek Generating Station (OCGS) and the associated final safety evaluation report (SER) prepared by the U.S. Nuclear Regulatory Commission (NRC) staff. In its final report, the Committee recommends renewal of the OCGS operating license in conjunction with the recommendations discussed in your letter dated February 8, 2007. The staff appreciates the Committee's expeditious, objective, and in-depth review of the LRA and the staff's final SER. The staff agrees with the Committee's recommendations:

1. The staff will impose a license condition to increase the frequency of the drywell inspections and to monitor the two drywell trenches to ensure that the sources of water are identified and eliminated.
2. The staff will ensure that the applicant fulfills its commitment to (a) perform an engineering study prior to the period of extended operation to identify options to eliminate or reduce the leakage in the OCGS refueling cavity liner, and (b) perform a 3-D (dimensional) finite-element analysis of the drywell shell prior to entering the period of extended operation.

The staff recognizes the ACRS's commitment to safety and appreciates the Committee's continued support of the license renewal process.

Sincerely,

/RA/

Luis A. Reyes
Executive Director
for Operations

cc: Chairman Klein
Commissioner McGaffigan
Commissioner Merrifield
Commissioner Jaczko
Commissioner Lyons
SECY

March 8, 2007

Dr. William J. Shack, Chairman
Advisory Committee on Reactor Safeguards
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

**SUBJECT: RESPONSE TO ADVISORY COMMITTEE ON REACTOR SAFEGUARDS
REPORT ON THE SAFETY ASPECTS OF THE LICENSE RENEWAL
APPLICATION FOR THE OYSTER CREEK GENERATING STATION**

Dear Dr. Shack:

During the 539th meeting of the Advisory Committee on Reactor Safeguards (ACRS or the Committee) held on February 1-3, 2007, the ACRS completed its review of the license renewal application (LRA) for the Oyster Creek Generating Station (OCGS) and the associated final safety evaluation report (SER) prepared by the U.S. Nuclear Regulatory Commission (NRC) staff. In its final report, the Committee recommends renewal of the OCGS operating license in conjunction with the recommendations discussed in your letter dated February 8, 2007. The staff appreciates the Committee's expeditious, objective, and in-depth review of the LRA and the staff's final SER. The staff agrees with the Committee's recommendations:

1. The staff will impose a license condition to increase the frequency of the drywell inspections and to monitor the two drywell trenches to ensure that the sources of water are identified and eliminated.
2. The staff will ensure that the applicant fulfills its commitment to (a) perform an engineering study prior to the period of extended operation to identify options to eliminate or reduce the leakage in the OCGS refueling cavity liner, and (b) perform a 3-D (dimensional) finite-element analysis of the drywell shell prior to entering the period of extended operation.

The staff recognizes the ACRS's commitment to safety and appreciates the Committee's continued support of the license renewal process.

Sincerely,
/RA/
Luis A. Reyes
Executive Director
for Operations

cc: Chairman Klein
Commissioner McGaffigan
Commissioner Merrifield
Commissioner Jaczko
Commissioner Lyons
SECY

DISTRIBUTION: G20070105/LTR-07-0104

See Next Page

ML070460081

OFFICE:	PM:RLRA:DLR	LA:RLRA:DLR	Tech Ed	(A)BC:RLRA:DLR
NAME:	DAshley /NFD for/	YEdmonds	HChang	RSchaff
DATE:	02/21/07	02/22/07	02/21/07	02/23/07
OFFICE:	OGC	D:DLR	D:NRR	EDO
NAME:	MYoung (w/wdits)	PTKuo	JDyer (BBoger for)	LReyes
DATE:	02/26/07	02/27/07	03/02/07	03/08/07

OFFICIAL RECORD COPY

Letter to W. Shack, from L. Reyes, dated: March 8, 2007

SUBJECT: RESPONSE TO ADVISORY COMMITTEE ON REACTOR SAFEGUARDS
REPORT ON THE SAFETY ASPECTS OF THE LICENSE RENEWAL
APPLICATION FOR OYSTER CREEK GENERATING STATION

HARD COPY

DLR RF

E-MAIL:

RWeisman
GGalletti
DShum
SSmith (srs3)
SDuraiswamy
RidsEdoMailCenter
RidsNrrDir
RidsNrrDirRlra
RidsNrrDirRlrb
RidsNrrDirRlrc
RidsNrrDirReba
RidsNrrDirRebb
RidsNrrDe
RidsNrrDci
RidsNrrEemb
RidsNrrDeEeeb
RidsNrrDeEqva
RidsNrrDss
RidsNrrDnrl
RidsOgcMailCenter
RidsNrrAdes
RidsAcrsMailCenter
BSheron
DCollins

DAshley
RLaufer
GMiller
RBellamy, RI
RCureton, RI
JLilliendahl, RI
MModes, RI
MYoung, OGC
RidsOpaMail
RidsNrrDorl
OPA