

November 7, 2007

Mr. William R. Campbell, Jr.  
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SUBJECT: SEQUOYAH NUCLEAR PLANT, UNIT NOS. 1 AND 2 - AUDIT OF THE  
LICENSEE'S MANAGEMENT OF REGULATORY COMMITMENTS  
(TAC NOS. MD6935 AND MD6936)

Dear Mr. Campbell:

Once every 3 years, the U. S. Nuclear Regulatory Commission (NRC) staff is required to audit a licensee's commitment management program in accordance with the NRC Office of Nuclear Reactor Regulation Office Instruction LIC-105, "Managing Regulatory Commitments Made by Licensees to the NRC." LIC-105, which is publicly available electronically through the Agencywide Documents Access and Management System (ADAMS) at the Electronic Reading Room of the NRC web site (ADAMS Accession Number ML042320463), provides the NRC staff and its stakeholders with a common reference for handling regulatory commitments made to the NRC staff by licensees for commercial nuclear reactors. The guidance is consistent with the industry guidance prepared by the Nuclear Energy Institute (NEI), NEI 99-04, "Guidance for Managing NRC Commitment Changes."

An audit of Sequoyah Nuclear Plant's (SQN's) commitment management program was performed at the SQN site during the period of October 15-16, 2007. The NRC staff concludes, based on the audit that (1) SQN has implemented NRC commitments on a timely basis, and (2) SQN has implemented an effective program for managing NRC commitment changes. Details of the audit are set forth in the enclosed audit report.

Sincerely,

**/RA/**

Brendan T. Moroney, Project Manager  
Plant Licensing Branch II-2  
Division of Operating Reactor Licensing  
Office of Nuclear Reactor Regulation

Docket Nos. 50-327 and 50-328

Enclosure: Audit Report

cc w/enclosure: See next page

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## **SEQUOYAH NUCLEAR PLANT**

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AUDIT REPORT BY THE OFFICE OF NUCLEAR REACTOR REGULATION

LICENSEE MANAGEMENT OF REGULATORY COMMITMENTS

SEQUOYAH NUCLEAR PLANT UNIT NOS. 1 AND 2

DOCKET NOS. 50-327 AND 50-328

1.0 INTRODUCTION AND BACKGROUND

The Office of Nuclear Reactor Regulation (NRR) of the U.S. Nuclear Regulatory Commission (NRC) has published NRR Office Instruction LIC-105, "Managing Regulatory Commitments Made by Licensees to the NRC." LIC-105 provides the NRC staff and its stakeholders with a common reference for handling regulatory commitments made to the NRC staff by licensees for commercial nuclear reactors. The guidance is consistent with the industry guidance issued by the Nuclear Energy Institute (NEI) in NEI 99-04, "Guidance for Managing NRC Commitment Changes." The current revision to LIC-105 is publicly available electronically through the Agencywide Documents Access and Management System (ADAMS), at the Electronic Reading Room of the NRC web site (ADAMS Accession Number ML042320463).

According to LIC-105, which cites the definition from NEI-99-04, 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

An audit of Sequoyah Nuclear Plant's (SQN's) commitment management program was performed at SQN in Soddy Daisy, TN during the period October 15-16, 2007. Since no such audit was performed before the issuance of LIC-105, the NRC staff defined the period covered by this audit to go back approximately 3 years. In accordance with LIC-105, audits consist of two major parts: (1) verification of the licensee's implementation of NRC commitments that have been completed and (2) verification of the licensee's program for managing changes to NRC commitments.

2.1 Verification of Licensee's Implementation of NRC Commitments

The primary focus of this part of the audit is to confirm that the licensee has implemented commitments made to the NRC as part of past licensing actions/activities. For commitments not yet implemented, the NRC staff determines whether they have been captured in an effective program for future implementation.

Enclosure

### 2.1.1 Audit Scope

The audit addressed a sample of commitments made during the review period. Per LIC-105, the audit focuses on regulatory commitments (as defined above) made in writing to the NRC as a result of past licensing actions (amendments, exemptions, etc.) or licensing activities (bulletins, generic letters, etc.). Commitments made in Licensee Event Reports or in response to Notices of Violation may be included in the sample, but the review will be limited to verification of restoration of compliance, not the specific methods used.

The NRC staff also audited commitments that involved orders, exemptions, responses to generic letters and bulletins, and licensee event reports. During the audit, the NRC staff reviewed documents generated by processes in effect during the scope of the audit, and other documents related to the commitments. The audit excluded the following types of commitments that are internal to licensee processes:

- (1) Commitments made on the licensee's own initiative among internal organizational components.
- (2) Commitments that pertain to milestones of licensing actions/activities (e.g., respond to an NRC request for additional information by a certain date). Fulfillment of these commitments was indicated by the fact that the subject licensing action/activity was completed.
- (3) Commitments made as an internal reminder to take actions to comply with existing regulatory requirements such as regulations, technical specifications, and updated final safety analysis reports. Fulfillment of these commitments was indicated by the licensee having taken timely action in accordance with the subject requirements.

### 2.1.2 Audit Results

Before the audit, the NRC staff searched ADAMS for the licensee's submittals during the last 3 years and selected a representative sample for verification. The licensee provided the documentation to support the NRC staff's audit in each of these samples. The licensee's documentation included summary sheets providing the status of the commitment and appropriate backup documentation, as needed (e.g., plant procedures, examination records, and/or other plant documentation). The NRC staff found that the licensee's commitment tracking programs had captured the regulatory commitments that had been identified by the NRC staff prior to the audit.

Additionally, the NRC staff reviewed plant procedures that had been revised as a result of commitments made by the licensee to the NRC. The NRC staff found that the procedures had been revised in accordance with the commitments made to the NRC. The attached table summarizes the licensee's commitments that were audited by the NRC staff and the current status of the licensee's commitments.

## 2.2 Verification of Licensee's Program for Managing NRC Commitment Changes

The primary focus of this part of the audit is to verify that the licensee has established administrative controls for modifying or deleting commitments made to the NRC. The NRC staff compared the licensee's process for controlling regulatory commitments to the guidelines in NEI 99-04, which the NRC has found to be an acceptable guide for licensees to follow for managing and changing commitments. The audit reviewed a sample of commitment changes that included changes that were or will be reported to the NRC, and changes that were not or will not be reported to the NRC. The audit also verifies that the licensee's commitment management system includes a mechanism to ensure traceability of commitments following initial implementation. This ensures that licensee personnel are able to recognize that future proposed changes to the affected design features or operating practices require evaluation in accordance with the commitment change control process.

### 2.2.1 Audit Results

The process used at SQN for managing commitments is contained in TVAN SPP-3.3, "NRC Commitment Management." Revision 4 of SPP-3.3 was updated on 12/10/99 to incorporate the guidance prescribed in NEI 99-04; and it requires SQN Nuclear Licensing to identify and track commitments using a process similar to that of NEI 99-04. Appendix C to SPP-3.3 provides an evaluation process to aid in the decision making process regarding scope changes to a commitment. This process is identical to the guidance provided as figure A-1 in NEI 99-04. Scope changes must be evaluated, and justified by the responsible organization within TVAN. Form SPP-3.3-3 is then forwarded to SQN Nuclear Licensing for appropriate notification and tracking.

Additionally, the NRC staff reviewed the SQN Commitment Summary Report for the period of June 1, 2005 to February 28, 2007. The staff found that the basis/justification provided for the change to each commitment was acceptable; and that the changes were managed effectively, in accordance with plant procedures.

## 3.0 CONCLUSION

The NRC staff concludes, based on the above audit, that (1) SQN has implemented commitments in a timely basis, or is tracking them for future implementation; and (2) SQN has implemented an effective program to manage regulatory commitment changes.

## 4.0 LICENSEE PERSONNEL CONTACTED FOR THIS AUDIT

Glenn Morris  
James Proffitt

Principal Contributor: Brendan Moroney  
Jeremy Bowen

Attachment: Summary of Audit Results

SUMMARY OF RESULTS

AND REGULATORY COMMITMENTS INCLUDED IN AUDIT

AT SEQUOYAH NUCLEAR PLANT

PERFORMED DURING OCTOBER 15 THROUGH OCTOBER 16, 2007

<b>Item No.</b>	<b>Commitment No.</b>	<b>Commitment Letter/Date</b>	<b>Description of Commitment</b>	<b>Status</b>	<b>Method of Closure</b>
1	None provided	SQN-TS-03-13 12/02/04	TVA will establish the Technical Specification Basis for Limiting Condition of Operation 3.0.4 and Surveillance Requirement 4.0.4 as adopted with the license amendment.	closed	Technical Specification pages updated 04/11/05.
2	NCO040022001	SQN-TS-04-08 10/14/04	Provide operating data described in GL97-02 quarterly.	closed	Revised UFSAR (19-47) to require use of the industry database <i>Consolidated Entry (CDE) Program</i> for the operating data described in GL 97-02 by the last day of the month following the end of each quarter. Revision completed on 4/19/05
3	NCO050010001	BL 2005-02 08/16/05	TVA will update the TVAN Emergency Plan and the BFN, SQN, and WBN EAL sets to reflect the information provided in NRC Bulletin 2005-02, Attachment 2.	closed	EPIP-1 (rev 37), AOP-T.01 (rev 8), and SSI-7.6 (rev 6) were updated to reflect the required information 01/19/06.

4	NCO050010003	BL 2005-02 08/16/05	TVA will complete an evaluation of on-site protective measures and, as determined necessary from the results of the evaluation, will revise procedures for BFN, SQN, and WBN, to accomplish any onsite protective measures deemed appropriate.	closed	An evaluation of the on-site protective actions was conducted by four Emergency Preparedness personnel. Additional guidance was developed as a result, and SSI-7.6 was revised on 1/19/06.
5	NCO050015001 NCO050015002	GL 2004-02 09/01/05	TVA identified the need for modifications to the existing sump to meet the GL 2004-02. Installation of new sump strainers is planned for the Unit 1 refueling outage in the fall of 2007 and the Unit 2 refueling outage in the fall of 2006.	closed – unit 2  in progress – unit 1	Sump modifications were made to unit 2 per DCN 22023 and inspected by the NRC during the cycle 14 refueling outage. The system was returned to operation on 12/20/2006. Unit 1 modifications are being conducted during the cycle 15 refueling outage.
6	NCO060005001	Phase 2 Assessment of Spent Fuel Pool 02/18/06	TVA commits to implement the industry strategy described in the NEI letter to Mr. Luis Reyes dated January 24, 2006, and considers this commitment to fully satisfy the NRC Phase 2 letter request.	closed	TVA letter dated 02/26/07, (subject: Mitigation strategy assessments and closure process for phases 1, 2, and 3) details implementation of guidance in NEI 06-12.
7	NCO060005002	Phase 2 Assessment of Spent Fuel Pool 02/18/06	TVA will provide NRC with a description of the final strategies and our plans and schedules for having these strategies in place, including procedures/guidelines and associated training, within 60 days of NRC approval of the industry-proposed approach.	closed	TVA letter dated 02/26/07, (subject: Mitigation strategy assessments and closure process for phases 1, 2, and 3) details implementation of guidance in NEI 06-12, as well as a description of the licensee's plans.

8	NCO060024001	ASME Preemptive weld overlays nozzle-to-pipe welds 06/16/06	A final structural integrity evaluation (including analysis of any indications found during the pre-overlay examinations) which support this relief request will be provided to the NRC Staff prior to the restart of the unit (prior to entry into Mode 4) during the outage in which the overlays are performed.	closed – unit 2  in progress – unit 1	Evaluation for unit 2 was performed during the cycle 14 refueling outage.  The evaluation for unit 1 is being conducted during the cycle 15 refueling outage.
9	NCO070011001- NCO070011011	Attachment 3 to letter dtd 02/26/07	Commitments for Mitigating Strategy Assessments for Phase 1, 2 and 3.	in progress	All B.5.b items are currently being tracked in the project plan. Expected completion date is 10/31/07
10	NCO070007001	Inspection & mitigation of pressurizer butt welds 02/27/07	Complete inspections of pressurizer butt welds at SQN Unit 1 by end of Cycle 15 outage. Perform leakage monitoring prior to inspection/mitigation.	in progress	Mitigations are in progress for SQN-1 during the cycle 15 refueling outage. Leakage monitoring is incorporated into Surveillance Instruction 0-SI-OPS-068-137.0, and is discussed weekly at the POD.