

February 21, 2008

David O'Brien, Commissioner
Vermont Department of Public Service
112 State Street
Drawer 20
Montpelier, VT 05620-2601

Dear Mr. O'Brien:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am responding to your letter of December 17, 2007, regarding the final safety evaluation report (FSER) for the Vermont Yankee Nuclear Power Station (VYNPS). In your correspondence, you requested that I review the VYNPS FSER before it is issued to ensure that it addresses the issues discussed in the audit report from the Office of the Inspector General (OIG) issued on September 6, 2007 (OIG-07-A-15), regarding the NRC's license renewal program. With respect to this request, I can assure you that I and many other NRC staff and managers review all license renewal safety evaluation reports (SERs) before they are issued.

It is important to note that the OIG findings were specific to the documentation of the technical review, not the sufficiency of the technical review. OIG concluded that, "overall, the NRC has developed a comprehensive license renewal process to evaluate applications for extended periods of operation." However, OIG identified areas where improvements would enhance program operations. Specifically, OIG determined that a consistent evaluation of operating experience would improve NRC reviews.

The NRC has already implemented some improvements to address the OIG findings, and more are forthcoming. The agency updated the SER style guide, and project managers and audit team members took mandatory SER input documentation training. The staff implemented these improvements during its review of the VYNPS license renewal application (LRA).

In your letter, you requested assurance that the NRC independently verified the operating experience for VYNPS. We reviewed operating experience in two ways. In developing NUREG-1800, "Generic Aging Lessons Learned (GALL) Report," a staff technical guidance document, the staff reviewed industry-wide operating experience as an attribute of acceptable aging management programs. An applicant describes plant-specific operating experience in its LRA. The staff reviews the information in the application to verify that the applicant adequately considered the operating experience documented in the GALL Report as well as that which is specific to its facility during onsite audits. The staff documented the results of the audits related to VYNPS in an audit report, dated March 29, 2007 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML070860005). The forthcoming FSER for VYNPS will include the results of the audit. In addition, the NRC region-based inspectors performed a 2-week onsite inspection of the applicant's aging management programs, which included a thorough evaluation of the applicant's operating experience through a review of the corrective action database. The June 4, 2007, regional inspection report documents the results of the onsite review (ADAMS Accession No. ML071550330).

With respect to the independence of the NRC staff's review, the NRC independently verifies claims made by an applicant in its LRA. In a typical LRA review, the NRC asks approximately 400 questions during the audits and submits approximately 100 requests for additional information (RAIs). In its FSER, the NRC documents a technical basis for determining that answers to the audit questions and responses to the RAIs are acceptable. Experienced and knowledgeable NRC staff make the determinations of acceptability based on staff review guidance, consistency with the GALL Report, and compliance with Title 10 of the *Code of Federal Regulations* Part 54 (10 CFR Part 54), "Requirements for Renewal of Operating Licenses for Nuclear Power Plants." The staff conducted its review of VYNPS in accordance with this established practice.

At the site, a regional team inspects the program descriptions and/or implementing procedures for the aging management programs and verifies the accuracy of the information contained in the application, independent of the safety review being performed by staff in the Office of Nuclear Reactor Regulation (NRR). The regional team makes a separate recommendation to the Director of NRR with regard to the implementation of the applicant's proposals on the basis of its inspections. In addition, the NRR staff and the regional team support each other by sharing issues identified during the review and inspections. This mutual support has resulted in additional technical reviews or inspections in the past.

If you have any additional questions regarding the license renewal process, please have your staff contact Mr. Jonathan Rowley of my staff at 301-415-4053.

Sincerely,

/RA/

Pao-Tsin Kuo, Director
Division of License Renewal
Office of Nuclear Reactor Regulation

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/RA/

Pao-Tsin Kuo, Director
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*Concurrence via e-mail

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Letter to D. O'Brien from P.T. Kuo, dated February 21, 2008

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