

May 7, 2008

Mr. Mark B. Bezilla
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SUBJECT: PERRY NUCLEAR POWER PLANT, UNIT NO. 1 - AUDIT OF THE LICENSEE'S
MANAGEMENT OF REGULATORY COMMITMENTS (TAC NO. MD8316)

Dear Mr. Bezilla:

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" (Agencywide Documents Access and Management Systems (ADAMS) Accession No. ML042320463). 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 prepared by the Nuclear Energy Institute (NEI), NEI 99-04, "Guidance for Managing NRC Commitment Changes."

The previous audit of the Perry Nuclear Power Plant, Unit No. 1 (PNPP) commitment tracking program was performed May 24- 25, 2005 (ADAMS Accession No. ML051650234). The subsequent 3-year audit was performed at the site during the period of April 14, 2008, through April 16, 2008. The NRC staff concludes, based on the audit, that (1) PNPP has implemented NRC commitments on a timely basis, and (2) PNPP has implemented a program for managing NRC commitment changes.

The NRC staff appreciates the resources that were made available by your staff during the audit. If you have any questions, please have your staff contact me at (301) 415-3719.

Sincerely,

/RA/

Cameron S. Goodwin, Project Manager
Plant Licensing Branch III-2
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-440

Enclosure:
Audit Report

cc w/encl: See next page

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AUDIT REPORT BY THE OFFICE OF NUCLEAR REACTOR REGULATION

LICENSEE MANAGEMENT OF REGULATORY COMMITMENTS

PERRY NUCLEAR POWER PLANT, UNIT NO. 1

DOCKET NO. 50-440

1.0 INTRODUCTION AND BACKGROUND

On May 27, 2003, the U.S. Nuclear Regulatory Commission (NRC) published the Office of Nuclear Reactor Regulation (NRR) Office Instruction LIC-105, "Managing Regulatory Commitments Made by Licensees to the NRC." LIC-105 provides the NRC staff and its stakeholders 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 publically available electronically from the Agencywide Documents Access and Management Systems (ADAMS) (Accession No. 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 the licensee, and submitted in writing on the docket to the NRC. LIC-105 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

The audit was performed at Perry Nuclear Power Plant, Unit No. 1 (PNPP) during the period of April 14, 2008, through April 17, 2008. The auditor reviewed commitments made since the previous audit which was conducted May 24, 2005, through May 25, 2005. 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 those commitments made to the NRC as part of past licensing actions/activities. For commitments not yet implemented, the NRC staff aimed to ascertain that the commitments have been captured in an effective program for future implementation.

LIC-105 limits the audit of commitments to those made in writing to the NRC as a result of past licensing actions or licensing activities (bulletins, generic letters, etc.). Accordingly, commitments integrated into the final safety analysis report (FSAR), quality assurance program, site security plan, emergency plan, or other documents governed by a change-control

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mechanism contained in regulations such as, Title 10 of the *Code of Federal Regulations* (10 CFR), Part 50, Section 50.59 or 10 CFR 50.54, are excluded from the audit.

Before the audit, the NRC staff searched ADAMS for the licensee's licensing actions and licensing activity submittals dated since the previous audit. The NRC staff used the criteria in LIC-105 to select 10 regulatory commitments. Upon arrival, it was determined that seven of these items were not kept in commitment tracking system (CTS) due to the sensitivity of their security related nature. Therefore, seven closed commitments were randomly picked from the list of closed commitments since the last audit which was provided by the licensee. The results of those items are shown in Table 1 entitled, "Audited Closed Commitments" of the attachment. Additionally, the NRC staff requested that the licensee provide a list of current open regulatory commitments. From this list, the NRC staff chose five items to review to ensure that the items had been captured in an effective program for implementation. These results are shown in Table 2 of the attachment, entitled, "Audited Open Commitments."

In general, the NRC staff found that the licensee's commitment tracking program had implemented the regulatory commitments.

2.1.1 Commitment Tracking Database Program

The licensee's commitments are tracked in a computer database named CURATOR. The licensee is currently working on transitioning the entire fleet to a standard database known as SAP.

PNPP Plant Administrative Procedure number PAP-0610, "Commitment Tracking Program," describes the licensee's regulatory commitment management process. The procedure defines how written commitments to regulatory agencies are to be made only by those individuals with signature authority for correspondence addressed to regulatory agencies.

Once commitments are identified, items are assigned a commitment type and entered into the CTS. Both regulatory and non-regulatory commitments are tracked in the system. Following identification, the licensee enters committed due dates (i.e., those committed in formal documentation) or establishes a due date as appropriate. These items are then assigned to the appropriate functional area manager for implementation. The CTS maintains a record of the required action(s), responsible party, status, due dates, and comments.

The NRC staff found that CURATOR (1) adequately tracks commitments and, (2) provides an adequate method of linking together a summary of the issue, action type, the lead department, the responsible individual, due date, and extensions when used in accordance with the procedure. The NRC staff also found that the licensee's commitment tracking programs had captured all of the regulatory commitments that were identified by the NRC staff before and during the audit.

2.1.2 Audit Results

The NRC staff reviewed reports generated by the tracking programs to evaluate the status of commitments completed. The attached Tables provide the details of the audit and its results.

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

2.2.1 Audit Scope

The primary focus of this part of the audit is the licensee's performance related to implementing controls for modifying or deleting commitments made to the NRC. The audit should ensure that changes to commitments (modifications or deletions) are evaluated in accordance with the licensee's programs and procedures, that the licensee's technical evaluations adequately justify the change, and that the NRC is informed of commitment changes that have safety or regulatory significance.

The NRC staff reviewed the licensee's commitment change process to: (1) evaluate the licensee's methodology for proposed changes to regulatory commitments with particular consideration given to the intent of the original commitment and the safety and regulatory significance of the proposed change; and, (2) evaluate the licensee's method of communicating commitment changes to the NRC when reports are warranted due to either safety or regulatory considerations. The NRC staff also evaluated the licensee's administrative controls for maintaining commitment "traceability" (e.g., markings or notations within procedures) to ensure that licensee personnel are able to recognize that future changes to the affected design features or operating practices require evaluation of the proposed change in accordance with the commitment change control process.

2.2.2 Audit Results

The NRC staff reviewed the licensee's procedure PAP-0610, Revision 9, "Commitment Tracking Program," against NEI 99-04. In particular, Section 4.1 of the procedure lists NEI 99-04 as a source reference. In general, the NRC staff found that PAP-0610, Revision 9, follows closely the guidance of NEI 99-04; it sets forth the need for identifying, tracking and reporting commitments, and it provides a mechanism for changing commitments. Attachment 4 of PAP-0610, Revision 9, provides detailed instructions regarding making changes to a commitment.

PAP-0610 provides instructions for modification, revision or deletion of a regulatory commitment. A Regulatory Commitment Change Evaluation form is used to perform an applicability determination for any proposed commitment change. This evaluation process will determine if the proposed commitment change is covered by another codified process (e.g., 10 CFR 50.59, "Changes, tests and experiments," 10 CFR 50.92, "Issuance of amendment," or 10 CFR 50.54, "Conditions of licenses").

Once commitment changes are identified, a Regulatory Commitment Change Evaluation form is completed and reviewed. NRC notification is provided as necessary, as determined, by the commitment change evaluation process. For changes that do not require immediate NRC notification, notification is provided with the licensee's biannual submittal of the revision to the Updated Final Safety Analysis Report. CTS items tracking the commitment are then updated as appropriate to document the regulatory commitment change.

The NRC staff concludes that the procedure used by the licensee to manage commitments is appropriate and effective.

3.0 CONCLUSION

The NRC staff concludes, based on the above audit, that, (1) PNPP has implemented NRC commitments on a timely basis, and (2) PNPP has implemented an effective program for managing NRC commitment changes.

4.0 LICENSEE PERSONNEL CONTACTED FOR THIS AUDIT

B. Spiesman

Principal Contributor: C. Goodwin

Attachment: As stated

Date: May 7, 2008