August 6, 2008

MEMORANDUM TO: Richard Rasmussen, Chief
Construction Inspection & Allegation Branch
Division of Construction Inspection
& Operational Programs
Office of New Reactors

FROM: Demetrius Murray **/RA/**
Construction Inspection & Allegation Branch
Division of Construction Inspection
& Operational Programs
Office of New Reactors

PARTICIPANTS: Public, Industry, and NRC Staff

SUBJECT: SUMMARY OF PUBLIC MEETING HELD ON JULY 10, 2008, TO DISCUSS ITAAC CLOSURE AND ASSESSMENT AND ENFORCEMENT FOR NEW REACTORS

The Construction Inspection and Allegations Branch (CCIB) of the Division of Construction Inspection and Operational Programs (DCIP) in the Office of New Reactors (NRO) conducted a category 3 meeting on Thursday, July 10th, 2008 with the Nuclear Energy Institute (NEI), industry, and members of the public in Bethesda, MD. The topics focused on Inspection Manual Chapter (IMC) 2505 (Agencywide Documents Access and Management System (ADAMS) ML081890509), Screening Criteria for Inspection Results (ADAMS ML081890462), the NRC staff's review of the NEI 08-01 draft "Industry Guideline for the Inspection, Test, Analysis, Acceptance Criteria (ITAAC) Closure Process under 10 CFR Part 52" (ADAMS ML081890488), Scheduling Working Group Update (ADAMS ML081890525), Overview of IMC 2504, “Non-ITAAC Inspections” (ADAMS ML081890538), Modular Construction, Scheduling of Receipt and Verification of ITAAC Closure, Non-entry ITAAC and Public Release of Targeted ITAAC lists (ADAMS ML081890471).

At the completion of the opening remarks, the NRC presented IMC 2505, “Periodic Assessment of Construction Inspection Program Results” (ADAMS ML081890509). The presentation was intended to tie together previous IMC 2505 presentations, establish September 30, 2008 as the preliminary issuance date, and serve as a place holder for upcoming safety culture activities. The major topics were: classification of deficiencies, implementation of the assessment program for new construction, assessment periods, performance review, annual public meetings, performance thresholds, and corrective action program (CAP) effectiveness reviews. Classifying deficiencies starts with an initial finding and can impact the ITAAC acceptance criteria, NRC acceptance of closeout letters, enforcement actions and NRC follow-up inspections.

CONTACT: Demetrius Murray, NRO/DCIP/CCIB
301-415-7646

A member of the public questioned the intent and scope of the CAP reviews. The NRC stated that successful completion of the CAP effectiveness reviews will be documented in Inspection Report (IR) cover letters and allow for issuance of Non-cited Violations (NCV).

The Industry questioned how the NRC will receive Institute of Nuclear Power Operations (INPO) information since the information is business proprietary. The NRC stated that they will control the report using the existing memorandum of agreement with INPO. NRC construction resident inspectors will review the report and then return it to the licensee. The NRC will not take permanent possession of the business proprietary report.

The NRC presented its "Screening Criteria for Inspection Results" (ADAMS ML081890462). The presentation topics discussed licensee-identified, self-revealing and NRC-identified deficiencies. Licensee-identified deficiencies are conditions that are not identified by the NRC or are self revealing. Most of these situations are discovered via a licensee program or process, such as deficiencies discovered during routine construction activities, quality assurance (QA) activities, and pre-operational testing. A Licensee-identified problem would be placed into the CAP, and the NRC would normally not take action.

Self-revealing conditions are self-evident and require no active or deliberate observation by the NRC or licensee. Examples of self-revealing conditions include failure of equipment or instrumentation. The licensee will place self-revealing deficiencies into the CAP. The NRC treats self revealing issues in the same manner as NRC identified issues except when certain conditions have been met.

NRC-identified deficiencies are entered into the CAP. An NRC identified deficiency is defined as where the licensee was not aware of a condition or where an NRC inspector has added value. The NRC will disposition these findings in accordance with the previously discussed flowcharts.

The NRC presented its "Overview of Scheduling of Receipt and Verification of ITAAC Closure" (ADAMS ML081890471). The presentation discussed the ITAAC schedule review. The review schedule begins with the licensee's ITAAC initial closure schedule submission. Once submitted, the NRC will assess the schedule for completeness, determine the resource needs for each family of ITAAC, and determine an integrated, resource-loaded ITAAC review schedule. The NRC will then establish the review priority criteria and provide feedback to the NRC, DOE, and other potential stakeholders. The NRC reiterated the importance of industry's submittal of a detailed construction schedule to support development of various regulatory scheduling needs.

The NRC presented its comments on NEI 08-01 Guide and Letter review for ITAAC (ADAMS ML081890488). The second submittal of the draft NEI 08-01 document for NRC review was discussed, as the major points of discussion from the June 17th Category 2 meeting were repeated for the expanded audience. Major topics included refining the definitions for "as-built" and "ITAAC-related construction finding", and the associated discussion of the ITAAC-Related Construction Finding in the text of the document. Various sections had rewrite requests such as ITAAC findings, discussions on ITAAC hearing opportunities, and numerous NRC procedural references. Newly added sections for construction permit and operating license ITAAC closure and non-entry ITAAC were requested to be rewritten as well. It was noted that Appendix C of the document does not clearly indicate what quality standards will be applied to non safety-related ITAAC completion and safety-related ITAAC completion. Staff and NEI interacted on these sections and offered suggestions for changes. These and other changes will be available for the next revision to NEI 08-01, which is expected to be submitted later this month.

Region II presented Scheduling Working Group Update (ADAMS ML081890525). The presenter issued a brief overview of the infrastructure development and preconstruction activities. The NRC would like to interface with the industry representatives by being informed of industry advancements, long lead time component contracts, and opportunities to perform ITAAC inspections if the schedule has not been released to the NRC. This will allow adequate time to plan inspections. Currently Region II contacts are Scott Freeman (404) 562-2597 and Alan Blamey (404) 562-0548. No questions were received.

An overview of IMC 2504, "Non-ITAAC Inspections," (ADAMS ML081890538) discussed the current status of non-ITAAC inspection procedure development and detailed the key differences between Part 50 and Part 52, pertaining to inspection procedure implementation. Currently, IMC 2504 is available on the NRC external website. NRO staff has reviewed and updated many inspection procedures but work is still being performed to update the remaining inspection procedures to conform to the standards set forth in Part 52.

The industry inquired about NRC's schedule for the completion of inspection procedure updates. The NRC stated that the current plan is to have all IP's updated by September of 2009 as well as a revision to IMC 2504.

The industry made a presentation on modular construction of the Units 3 and 4 at the South Texas Project. The presentation discussed an artist's rendition of the proposed units at the South Texas Project near Bay City Texas. The new sites will be built via the open-top construction method and will replicate the modular process which is currently being used by Toshiba in Japan. Major goals of the project are to shift site man hours to modular fabrication sites. This will reduce time and cost of construction, as well as improve the quality of the construction. NEI will track the construction process and the information will be disseminated to individuals on a "need to know" basis.

The NRC asked about the modular building plan and what percentage of the power plant will be built on site. The industry did not have an answer to this question. The NRC inquired about the Japanese "experience advantage". NEI acknowledged the challenge and believes that training will develop a knowledgeable workforce.

The NRC discussed Non-entry ITAAC and Public Release of Targeted ITAAC list (ADAMS ML081890471). The speaker covered systems which are not significant and will not be inspected by ITAAC requirements, including elevators, zinc injection, condenser cleanup, sanitary drainage, and hot water heating systems. Non-entry systems will not require ITAAC verification.

Staff presented the recent decision for public release of targeted ITAAC. The public release of this list is intended to promote openness in the NRC regulatory process and provide an opportunity for the stakeholders to comment on the existing construction inspection program. Typically, the ITAAC closure verification inspections are based on a "sample-of-the-sample" approach. Using this approach, the list of targeted ITAAC does not provide details on the specific items that will be directly inspected. In addition, inspection of construction processes and programs will be performed independent of targeted ITAAC. The public release of targeted ITAAC lists will facilitate the exchange of schedule information with the licensees which will enable the NRC to more effectively and efficiently schedule inspections.

The next Category 3 workshops will be August 28th, 2008 at a location to be determined.

An overview of IMC 2504, “Non-ITAAC Inspections,” (ADAMS ML081890538) discussed the current status of non-ITAAC inspection procedure development and detailed the key differences between Part 50 and Part 52, pertaining to inspection procedure implementation. Currently, IMC 2504 is available on the NRC external website. NRO staff has reviewed and updated many inspection procedures but work is still being performed to update the remaining inspection procedures to conform to the standards set forth in Part 52.

The industry inquired about NRC’s schedule for the completion of inspection procedure updates. The NRC stated that the current plan is to have all IP’s updated by September of 2009 as well as a revision to IMC 2504.

The industry made a presentation on Modular Construction of the Units 3 and 4 at the South Texas Project. The presentation discussed an artist’s rendition of the proposed units at the South Texas Project near Bay City Texas. The new sites will be built via the open-top construction method and will replicate the modular process which is currently being used by Toshiba in Japan. Major goals of the project are to shift site man hours to modular fabrication sites. This will reduce time and cost of construction, as well as improve the quality of the construction. NEI will track the construction process and the information will be disseminated to individuals, on a “need to know” basis.

The NRC asked about the modular building plan and what percentage of the power plant will be built on site. The industry did not have an answer to this question. The NRC inquired about the Japanese “experience advantage”. NEI acknowledged the challenge and believes that training will develop a knowledgeable workforce.

The NRC discussed Non-entry ITAAC and Public Release of Targeted ITAAC list (ADAMS ML081890471). The speaker covered systems which are not significant and will not be inspected by ITAAC requirements, including elevators, zinc injection, condenser cleanup, sanitary drainage, and hot water heating systems. Non-entry systems will not require ITAAC verification.

Staff presented the recent decision for public release of targeted ITAAC. The public release of this list is intended to promote openness in the NRC regulatory process and provide an opportunity for the stakeholders to comment on the existing construction inspection program. Typically, the ITAAC closure verification inspections are based on a “sample-of-the-sample” approach. Using this approach, the list of targeted ITAAC does not provide details on the specific items that will be directly inspected. In addition, inspection of construction processes and programs will be performed independent of targeted ITAAC. The public release of targeted ITAAC lists will facilitate the exchange of schedule information with the licensees which will enable the NRC to more effectively and efficiently schedule inspections.

The next Category 3 workshops will be August 28th, 2008 at a location to be determined.

Enclosure:
Attendees List

DISTRIBUTION

PUBLIC	RidsNroDcipCcibCCIBr/f
RidsOgcMailCenter	RidsRgn1MailCenterRidsAcrsAcnwMailCenter
RidsRgn2MailCenter	RidsRgn4MailCenterRidsRgn3MailCenter
RidsNroDcipCcib	RidsNroDcipRidsOpaMail
R. Pascarelli	RidsNroDcipCqvp
R. Laura	I. Spivack
G. Khouri	D. Murray

ADAMS ACCESSION: Package: ML081890552, Public Meeting Notification – July 10, 2008: ADAMS ML081640543, Summary of July 10 public meeting: ADAMS ML082130175 Inspection Manual Chapter (IMC) 2505 (ADAMS ML081890546), Screening Criteria for Inspection Results (ADAMS ML081890462), the NRC staff's review of the NEI 08-01 draft "Industry Guideline for the Inspection,20est, Analysis, Acceptance Criteria (ITAAC) Closure Process under 10 CFR Part 52" (ADAMS ML081890488), Scheduling Working Group (ADAMS ML081890525), Overview of IMC 2504, “Non-ITAAC Inspections” (ADAMS ML081890538), DOE Standby Support Flow Chart, Non-entry ITAAC and Public Release of Targeted ITAAC list (ADAMS ML081890471).

OFFICE	NRO/DCIP/CCIB	NRO/DCIP/CCIB
NAME	DMurray	RRasmussen
DATE	7/30/08	8/6/08

July 10, 2008 Category 3 public meeting on ITAAC Closure and Assessment and Enforcement for New Reactors
Attendance List

Name	Affiliation	email
Leslie Kass	NEI	lck@nei.org
Guy Davant	Entergy	gdavant@entergy.com
Stan Day	Unistar/Excel	standay@tuffmail.com
Molly Keefe	NRC	molly.keefe@nrc.gov
Nanette Gilles	NRC	nanette.gilles@nrc.gov
John Butler	NEI	jcb@nei.org
Ron Gardner	NRC	ron.gardner@nrc.gov
Les Duncan	Areva	leslie.duncan@areva.com
Matthew Williams	Dominion	matthew.b.williams@dom.com
Larry Arnold	STP	ldarnold@stpegs.com
Dave Trimble	NRC	dct2@nrc.gov
Robert Pascarelli	NRC	Robert.pascarelli@nrc.gov
William McTigue	URS-Washington	William.mctigue@wgint.com
John Oddo	Shaw	john.oddo@shawgrp.com
Caroline Schlaseman	MPR for Toshiba	cschlaseman@mpr.com
Omid Tabatabai	NRC	omid.tabatabai@nrc.gov
Debbie Johnson	Fluor	Debbie.johnson@fluor.com
Glenn Tracy	NRC	glenn.tracy@nrc.gov
Jim Cassidy	Duke Energy	jrcassidy@dukeenergy.com
Bob Gramm	NRC	Robert.gramm@nrc.gov
Jim Agles	STPNOC	jaagles@stpegs.com
Hamer Carter	Progress Energy	hamer.carter@pgnmail.com
Larry Walsh	Shaw Group	larry.walsh@shawgrp.com
David Shum	NRC	david.shum@nrc.gov
Alan Torres	SCETG	atorres@scana.com
Julie Giles	SCETG	jmgiles@scana.com
Roger Lanksbury	NRC	roger.lanksbury@nrc.gov
Barry Bryant	Dominion	barry.bryant@dom.com
Isabelle Schoenfeld	NRC	iss@nrc.gov
Takaneri Murakami	Mitsubishi	takanori.murakami@mnes-us.com
Michael Webb	NRC	micahel.webb@nrc.gov
Jeff Gordon	Kiewit	keff.gordon@kiewit.com
Devender Reddy	NRC	der2@nrc.gov
Ted Amundson	SNU	y2tamunse@southernco.com
Patrick Boyle	NRC	Patrick.boyle@nrc.gov
Junichi Uchiyama	MNES	junichi_uchiyama@mnes-us.com
James Jennings	NRC	james.jennings@nrc.gov
Alan Blamey	NRC	alan.blamey@nrc.gov
Bob Taylor	Kiewit	bob.taylor@kiewit.com
Don Lindgoren	Westinghouse	lindgida@westinghouse.com
George Khouri	NRC	george.khouri@nrc.gov
James Mullen	PSEG	james.mullen@pseg.com
Mike Woods	Bechtel	dmwoods@bechtel.com
Deann Raleigh	Advantage Scientific	dralegl@scientech.com

ENCLOSURE

Russ Bell	NEI	rjb@nei.org
Michael Spencer	NRC	micahel.spencer@nrc.gov
Carl Weber	NRC	carl.weber@nrc.gov
Lanny Dusek	Fluor	lansing.dusek@fluor.com
Weijun Wang	NRC	weijun.wang@nrc.gov
Sabrina Cleavenger	NRC	Sabrina.cleavenger@nrc.gov
Donna Sinks	NRC	donna.sinks@nrc.gov
Jonathan Ortega-Lucino	NRC	jonathan.ortega-lucino@nrc.gov
Demetrius Murray	NRC	Demetrius.murray@nrc.gov
Ian Spivack	NRC	ian.spivack@nrc.gov
Paul Harris	NRC	paul.harris@nrc.gov