

September 22, 2008

The Honorable Eugene A. DePasquale
Pennsylvania State Legislature
111A East Wing
PO Box 202095
Harrisburg, PA 17120

Dear Representative DePasquale:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am responding to your letter of August 18, 2008, regarding your concern related to the Office of the Inspector General (OIG) Audit Report on the NRC's license renewal program. With respect to this, I can assure you that our license renewal process is fully independent, robust, and independently verifies that plants can continue to operate safely throughout the period of extended operation.

I am aware of, and appreciate, the safety responsibilities and obligations of your office to the residents of Pennsylvania. The OIG Report to which you refer did not, however, conclude that there were public health and safety risks due to past or pending re-licensing of nuclear power plants. It is important to note that the OIG findings were limited to the documentation of the technical reviews, not the sufficiency of the technical reviews. The OIG found no systematic defects in the license renewal process and concluded that, "overall, NRC has developed a comprehensive license renewal process to evaluate applications for extended periods of operation." The OIG did have recommendations to "refine the report quality assurance process." Specifically, it recommended that the NRC staff "establish report-writing standards in the Project Team Guidance for describing the license renewal review methodology and providing support for conclusions in the license renewal reports." Regarding the OIG findings, the NRC staff has implemented improvements to the documentation of its technical reviews. These improvements are being implemented during the staff's review of pending license renewal applications, including the Three Mile Island (TMI) review.

Before I address your concerns related to the thoroughness of our safety reviews, I must point out that our license renewal process along with our reactor oversight program independently ensures the safe operation of each nuclear power plant. The following highlights the NRC's rigorous process for considering a license renewal application. The NRC typically expends over 20,000 hours conducting each license renewal review. The review includes public meetings, in-office reviews, on-site audits, and reviews by independent bodies such as the Advisory Committee on Reactor Safeguards. During the review, the NRC staff typically sends several hundred questions or requests to the applicant for additional information or clarifications. The NRC also conducts inspections to verify that the applicant's Aging Management Programs (programs that ensure the effects of aging will be managed in such a way that the intended functions of passive and long-lived structures and components will be maintained for the period of extended operation) are adequately implemented.

During the on-site audits, the staff reviews the applicant's on-site program basis documents to make a determination on the adequacy of its Aging Management Programs. The results of the audits are documented in an audit report, which is made publicly available in the NRC's

Agencywide Documents Access and Management System (ADAMS), the NRC's public information system. Determinations of acceptability are based on staff review guidance, consistency with the Generic Aging Lessons Learned Report (NUREG-1801, Revision 1), and compliance with Title 10 of the *Code of Federal Regulations* Part 54, "Requirements for Renewal of Operating Licenses for Nuclear Power Plant," (10 CFR Part 54). These documents, along with the staff's technical evaluation, form the bases of the license renewal review. In addition to the NRC staff's review, the Advisory Committee on Reactor Safeguards conducts an independent assessment of the safety aspects of license renewal applications and makes recommendations directly to the Commission.

An on-site license renewal inspection is also performed by a regional inspection team while the safety review is being performed by the headquarters staff. The results of the on-site inspection are documented in an inspection report and published in ADAMS. The regional team makes a separate recommendation to the Director of the Office of Nuclear Reactor Regulation with regard to the suitability of the applicant's request for license renewal.

I would like to clarify an item you brought up in your letter related to licensees making changes. As you point out, our regulations in 10 CFR 50.59 allow licensees to make certain changes without NRC review and approval. However, the conditions that must be satisfied include factors such as those related to the frequency, likelihood, and consequences of accidents and are not related to whether the NRC has relied upon the information in past regulatory decisions.

As you are aware, our safety and environmental reviews of the TMI license renewal application are in progress. We have held several public meetings in the vicinity of the plant which were well attended and we currently plan to hold a public meeting on our Draft Environmental Impact Statement in January 2009. The NRC staff has completed environmental and safety on-site audits and continues the review of the application to ensure the regulatory requirements are met and that the plant will be able to operate safely should the license be renewed. More information, including a schedule of upcoming milestones, is available on our website at <http://www.nrc.gov/reactors/operating/licensing/renewal/applications/three-mile-island.html>.

If you have any additional questions regarding the license renewal process, please have your staff contact Brian Holian, Director of the Division of License Renewal at 301-415-1183.

Sincerely,

/RA/

R. W. Borchardt
Executive Director
of Operations

September 22, 2008

The Honorable Jeffrey E. Piccola
Senate of Pennsylvania
Senate Box 203015
Harrisburg, PA 17120

Dear Senator Piccola:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am responding to your letter of August 18, 2008, regarding your concern related to the Office of the Inspector General (OIG) Audit Report on the NRC's license renewal program. With respect to this, I can assure you that our license renewal process is fully independent, robust, and verifies that plants can continue to operate safely throughout the period of extended operation.

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Before I address your concerns related to the thoroughness of our safety reviews, I must point out that our license renewal process along with our reactor oversight program ensures the safety of the plant. The following highlights the NRC's rigorous process for considering a license renewal application. The NRC typically expends over 20,000 hours conducting each license renewal review. The review includes public meetings, in-office reviews, on-site audits, and reviews by independent bodies such as the Advisory Committee on Reactor Safeguards. During the review, the NRC staff typically sends several hundred questions or requests to the applicant for additional information or clarifications. The NRC also conducts inspections to verify that the applicant's Aging Management Programs (programs that ensure the effects of aging will be managed in such a way that the intended functions of passive and long-lived structures and components will be maintained for the period of extended operation) are adequately implemented.

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Executive Director
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Sincerely,

/RA/

R. W. Borchardt
Executive Director
of Operations

Identical letter was sent to Mr. Eugene DePasquale.

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See next page

*concurring via e-mail

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Letter to E. DePasquale and J. Piccola from R. W. Borchardt, dated September 22, 2008

DISTRIBUTION: G20080569/LTR-08-0451/EDATS: SECY-2008-0493

SUBJECT: NUCLEAR REGULATORY COMMISSION OFFICE OF THE INSPECTOR
GENERAL REPORT ON LICENSE RENEWAL PROGRAM

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Beaver Valley Power Station, Units 1 and 2

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Susquehanna Steam Electric Station,
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- 2 -

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