UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

December 18, 2008

Mr. Richard L. Anderson
Vice President
Duane Arnold Energy Center
FPR Energy Duane Arnold, LLC
3277 DAEC Road
Palo, IA 52324-9785

SUBJECT: DUANE ARNOLD ENERGY CENTER – AUDIT OF THE LICENSEE'S MANAGEMENT OF REGULATORY COMMITMENTS (TAC NO. MD6021)

Dear Mr. Anderson:

In Regulatory Issue Summary 2000-17, "Managing Regulatory Commitments Made by Power Reactor Licensees to the NRC Staff," dated September 21, 2000, the U.S. Nuclear Regulatory Commission (NRC) informed licensees that the Nuclear Energy Institute (NEI) document NEI 99-04, "Guidelines for Managing NRC Commitment Changes," contains acceptable guidance for controlling regulatory commitments and encouraged licensees to use the NEI guidance or similar administrative controls to ensure that regulatory commitments are implemented and that changes to the regulatory commitments are evaluated and, when appropriate, reported to the NRC.

The NRC Office of Nuclear Reactor Regulation has instructed its staff to perform an audit of licensees' commitment management programs once every 3 years to determine whether the licensees' programs are consistent with the industry guidance in NEI 99-04, and that the regulatory commitments are being effectively implemented.

An audit of Duane Arnold Energy Center (DAEC) commitment management program was performed at the plant site on October 30 and 31, 2008. The NRC staff concludes, based on the audit, that (1) FPL Energy Duane Arnold, LLC (the licensee) has implemented NRC commitments on a timely basis, and (2) the licensee has implemented an effective program for managing NRC commitment changes at DAEC. The details of the audit are set forth in the enclosed audit report.

The NRC staff appreciates the resources that were made available by your staff, both before and during the audit. If there are any questions, I can be contacted at (301) 415-3079.

Sincerely,

Karl Feintuch

Karl Feintuch, Project Manager
Plant Licensing Branch III-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-331

Enclosure:
Audit Report

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AUDIT REPORT BY THE OFFICE OF NUCLEAR REACTOR REGULATION

LICENSEE MANAGEMENT OF REGULATORY COMMITMENTS

FPR ENERGY DUANE ARNOLD, LLC

DUANE ARNOLD ENERGY CENTER

DOCKET NO. 50-331

1.0 INTRODUCTION AND BACKGROUND

In Regulatory Issue Summary 2000-17, "Managing Regulatory Commitments Made by Power Reactor Licensees to the NRC Staff," dated September 21, 2000, the U.S. Nuclear Regulatory Commission (NRC) informed licensees that the Nuclear Energy Institute (NEI) document NEI 99-04, "Guidelines for Managing NRC Commitment Changes," contains acceptable guidance for controlling regulatory commitments and encouraged licensees to use the NEI guidance or similar administrative controls to ensure that regulatory commitments are implemented and that changes to the regulatory commitments are evaluated and, when appropriate, reported to the NRC.

The NRC Office of Nuclear Reactor Regulation (NRR) has instructed its staff to perform an audit of licensees' commitment management programs once every 3 years to determine whether the licensees' programs are consistent with the industry guidance in NEI 99-04, and that the regulatory commitments are being effectively implemented.

NEI-99-04 defines a "regulatory commitment" as 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. NRR guidelines direct 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, relief requests, exemptions, etc.) and licensing activities (bulletins, generic letters, etc.). The audit is to be performed every 3 years.

2.0 AUDIT PROCEDURE AND RESULTS

An audit of the Duane Arnold Energy Center (DAEC) commitment management program was performed at the plant site on October 30 and 31, 2008. The audit reviewed commitments made since the previous audit on June 21 through 25, 2004, which was documented as an Audit Report dated August 9, 2004 and is publically available electronically from the Agencywide Documents Access and Management System (ADAMS) using the ADAMS Accession No. ML041890282. The audit consisted 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.

ENCLOSURE

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.

2.1.1 Audit Scope

The audit addressed a sample of commitments made during the review period. The audit focused on regulatory commitments (as defined above) made in writing to the NRC as a result of past licensing actions (amendments, exemptions, relief requests, etc.) or licensing activities (bulletins, generic letters, etc.). Commitments made in Licensee Event Reports or in response to Notices of Violation could be included in the sample, but the review is limited to verification of restoration of compliance, not the specific methods used. Before the audit, the NRC staff searched the ADAMS for the licensee's submittals since the last audit and selected a representative sample of regulatory commitments for verification. The identified list of commitments was forwarded to the licensee with a request to locate documentation for the listed regulatory commitments ahead of the NRC staff visit.

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

FPR Energy Duane Arnold, LLC (the licensee) has implemented Administrative Control Procedure (ACP) 102.2, "Action Request System," which identifies the methods and site organization tools for managing development, review, and implementation of station commitments. The licensee's Procedure ACP 114.5, "Procedure for Evaluation of NRC Commitment Changes," establishes the processes, guidelines, and activities the licensee uses to manage the development, review, and implementation of commitments generated from regulatory obligations and self-imposed requirements. An Action Request System (ARS) database is used in conjunction with other information sources to address and track regulatory commitments.

The documents furnished by the licensee during the audit included summary sheets providing the status of the commitments and appropriate backup documentation, as needed (i.e., plant procedures, examination records, and/or other plant documentation). The NRC staff reviewed the documents and summarized the selected commitments information in the attachment to this audit report.

The NRC staff's audit was intended to confirm that the licensee has documented its implementation of its regulatory commitments made to the NRC staff as part of past licensing communications, and the commitments that had not yet been implemented or incorporated in design bases documents are captured in an effective manner for future implementation.

As discussed above, the ACP and ARS described in the licensee's procedures ACP 102.2 and ACP 114.5, provide acceptable tools for the licensee to capture the NRC guidance on commitment management programs. The licensee enters the regulatory commitments made to the NRC into a database. The regulatory commitments are labeled as NRC commitments. Each commitment is numbered and described by a commitment title and brief description. Status of the commitments, implementation dates, target implementation (documents which finally capture the commitment) document information associated with each specific commitment, and comments are captured in the database. The licensee's staff is well trained in updating the commitments management program.

The NRC staff's audit of the licensee's commitment management program for DAEC did not identify any regulatory commitments that were not satisfied or incorporated. The licensee has adequately maintained the database, and all the commitments selected for this audit were easily traceable. In case the commitment was already incorporated, the database provided an accurate status of the commitment providing reference to the implementation document.

To ensure that the regulatory commitments are not removed/changed in future revisions to the target documents, a database search is performed to identify all the open and closed commitments against the document/procedure being revised, and it is ensured that all the closed commitments are captured. Also, it ensures that the commitments are neither removed nor changed without management approval in accordance with the plant procedures.

Based on the results of the on-site audit, the NRC staff believes the licensee has implemented the regulatory commitments management program effectively in accordance with LIC-105, "Managing Regulatory Commitments Made by Licensees to the NRC," and consistent with NEI 99-04.

The attachment to this audit report contains details of the audit and a summary of the audit results.

2.2 Verification of the 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 process used at DAEC, is contained in procedures ACP 102.2 and ACP 114.5. The primary focus of the audit was to ensure that the commitments are implemented without a change and if a change is made, it is in accordance with the approved plant procedures, and with the approval of the plant's management. The audit also verified 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

Detailed processes are outlined by which the licensee carries out obligations under its regulatory commitments. Any changes to the commitments are processed through the ARS process. Changes to obligatory commitments are reported to the NRC in accordance with the recommendations of LIC-105. ARS identifies the affected commitments, their origin, original criteria, proposed changes, and justification for change. The commitment changes are documented in ARS forms for submittal to the NRC staff.

However, no commitment changes were identified during the audit (for the commitments included in the scope of review), except for change to the implementation date. In all such cases, the NRC staff was appropriately informed and a specific NRC approval was attained. Based on the results of the on-site audit, the NRC staff believes the licensee has implemented regulatory commitment changes appropriately, in accordance with LIC-105 and consistent with NEI 99-04.

3.0 OBSERVATIONS AND RECOMMENDATIONS

The auditors noted that the information requested to be on hand at the beginning of the audit was available and well organized. The information that was requested during the audit was readily retrieved and delivered. The system for managing regulatory commitments was both comprehensive and efficient and the support personnel were using the system in an efficient manner. Therefore, there are no observations leading to recommendations for change.

4.0 CONCLUSION

Based on the results of the audit, the NRC staff concludes that the licensee has implemented the regulatory commitments management program effectively, and implemented regulatory commitment changes appropriately, in accordance with LIC-105 and consistent with NEI 99-04.

5.0 LICENSEE PERSONNEL CONTACTED FOR THIS AUDIT

S. Catron
D. Barta

Principal Contributors: K. Feintuch
G. Lappert

Date: December 18, 2008

Duane Arnold Energy Center
AUDIT RESULTS

Letter Number and Date	Subject	Duane Arnold Commitment No.	Description of Commitment	Implementation Status
NG-06-0757, dated November 6, 2006	Letter from G. Van Middlesworth (NMC) to USNRC, "License Event Report # 2005-004-00," NG-05-2161, dated November 28, 2005, ML053360261	CAP038124 CA040831 CA041255 CAP041780 CA042899	Duane Arnold Energy Center will perform an analysis of the side effects pm HPCI discharge piping heating caused by "turbulent penetration." This action is due March 17, 2006.	CLOSED: Due date extended to May 3, 2006; commitment completed April 17, 2006. Licensee identified that the approval procedure within the Administrative Process and form NG-042G Rev 6 was not completed to revise the extension date from March 17, 2006 to May 3, 2006 on April 24, 2006. The licensee issued a CAP041780 on April 24, 2006 noting the Admin Process for CA41255 Due Date Extension Not Followed indicating human error type – knowledge based and a CA042899 was issued on April 24, 2006. CA42899 was closed on April 28, 2008 with the completion of the form. The form was completed and CA closed, which in turn closed the CAP41780 on May 10, 2006.
NG-06-0757, dated November 6, 2006	Letter from G. Van Middlesworth (NMC) to USNRC, "License Event Report # 2005-004-00," NG-05-2161, dated November 28, 2005, ML053360261.	CA041251	After the completion of the analysis performed under commitment 1, existing Technical Specification Surveillance Requirements basis will be reviewed and revised based on the results of the analysis. This action is due April 28, 2006.	CLOSED: COM42886 changed due date to May 31, 2006. Per NG-06-0757 due date changed to April 27, 2007. Commitment completion date in the Licensee's Action Request System (ARS) is March 13, 2007. TS bases update completed.

			due April 28, 2006.	
NG-08-0239, dated May 8, 2008	Duane Arnold Energy Center – Re: Generic Letter 2008-01, "Managing Gas Accumulation in Emergency Core Cooling, Decay Heat Removal, and Containment Spray Systems," Proposed Alternative Course of Action.	COM030103	Complete the detailed walkdowns and evaluations of those inaccessible sections of piping of GL-2008-01 subject systems, not otherwise exempted, prior to start up from the next refueling that is currently planned for early 2009.	OPEN: Due March 1, 2009. The ARS indicates active status in Section 4 of the state of change history.
NG-08-0239, dated May 8, 2008	Duane Arnold Energy Center – Re: Generic Letter 2008-01, "Managing Gas Accumulation in Emergency Core Cooling, Decay Heat Removal, and Containment Spray Systems," Proposed Alternative Course of Action.	COM030104	Submit a supplemental report to the original 9-month response, for those walkdowns and evaluations completed during the 2009 refueling outage, within 90 days after the start up from the outage.	OPEN: Due June 1, 2009 – The ARS indicates report due to NRC 90 days from the intended start up from the spring Outage. The ARS shows as an active status in Section 5 of the state of change history.
NMC letter dated November 25, 2003	Generic Letter 2003-01: Control Room Habitability	COM010906 COM036462 COM028326	Perform the ASTM E741 testing and [provide] the requested response to GL 2003-01	CLOSED: NMC letter to NRC dated August 11, 2003, provided partial response and NMC letter dated January 28, 2005, indicating in the Enclosure supplements the Responses to GL 2003-01 and provided a schedule for completion of the commitments related to the compliance. All commitments have been completed successfully and satisfactorily.

NMC letter dated November 25	Generic Letter 2003-01: Control Room Habitability	COM010906 COM036462 COM028326	Verifying by ASTM E741 testing that the most limiting inleakage has been incorporated into the hazardous chemical assessments (GL 2003-01 item 1(b) part 2).	CLOSED: NMC letter to NRC dated August 11, 2003, provided partial response and NMC letter dated January 28, 2005, indicating in the Enclosure supplements the Responses to GL 2003-01 and provided a schedule for completion of the commitments related to the compliance. All commitments have been completed successfully and satisfactorily.
NMC letter dated November 25	Generic Letter 2003-01: Control Room Habitability	COM010906 COM036462 COM028326	[Perform a] smoke assessment (GL 2003-01 item 1(b) part 2).	CLOSED: NMC letter to NRC dated August 11, 2003, provided partial response and NMC letter dated January 28, 2005, indicating in the Enclosure supplements the Responses to GL 2003-01 and provided a schedule for completion of the commitments related to the compliance. All commitments have been completed successfully and satisfactorily.
NMC letter dated November 25	Generic Letter 2003-01: Control Room Habitability	COM010906 COM036462 COM028326	Development of technical specification changes (and any associated plant modifications) to support requested information GL 2003-01 item 1(c).	CLOSED: NMC letter to NRC dated August 11, 2003, provided partial response and NMC letter dated January 28, 2005, indicating in the Enclosure supplements the Responses to GL 2003-01 and provides a schedule for completion of the commitments related to the compliance. All commitments have been completed successfully and satisfactorily.
NG-07-0495, dated June 11, 2007	Licensee Event Report # 2007-008-00	CAP049511	Review O-Ring procurement and quality level process.	CLOSED: August 27, 2007. Condition Evaluation completed.
NG-07-0495, dated June 11, 2007	Licensee Event Report # 2007-008-00	CA045429 CA046878	Development of the lessons learned from the cylinder liner work in RF020.	OPEN: When all lessons learned are collected, the corrections to resolve the problem need to be incorporated into the Preventative Work Order (PWO) for the 'A' EDG Cylinder liner

				replacement scheduled for RFO21 in spring 2009.
NG-07-0292, dated March 26, 2007	Licensee Event Report # 2007-001	COM045505	Submit a supplement to LER 2007-041 that contains the completed safety significance of the subject event by June 1, 2007.	WITHDRAWAL: LER 331/2007-001 Cancellation in letter dated June 1, 2007, letter number NG-07-0466. November 1, 2007, letter re-iterated to the NRC that the LER was retracted and cancelled.
NG-06-0601 dated September 6, 2006	Withdrawal of TSCR-076: "Relaxation of Emergency Diesel Generator Testing Criterion"	COM043709	Prior to startup from the next refuel outage (RF020), FPL Energy Duane Arnold will implement the provisions of NRC Safety Guide 9 for the EDGs to maintain minimum bus voltage (>75% nominal) between load groups, as described in the DAEC Section 1.8.9.4.	WITHDRAWN: Action being addressed at a site level with the corrective action program. Commitment withdrawn.
NG-07-0571, dated September 14, 2007	TSTF-476, Rev 1 "Improved Banked Position Withdrawal Sequence (BPWS) Control Rod Insertion Process (NEDO-33091)"	OTH022501	Revise Bases Sections 3.1.6 abd 3.3.2.1 to allow use of the improved BPWS shutdown sequence per Amendment No. 268.	CLOSED: TS updates completed and approved by DAEC management concurrence dated April 3, 2008.
NG-06-0439 dated June 30, 2006	Relief Request NDE-R001		Use of the DAEC Technical Requirements Manual for Snubber Visual Examination and Testing.	CLOSED: Incorporated into DAEC Fourth 10-Year ISI Plant – Relief Requests Section H by the Engineers.
NG-06-0439 dated June 30, 2006	Relief Request NDE-R002		Approved use of PDI for Overlays in Lieu of Supplement 11 to Appendix VIII.	CLOSED: Incorporated into DAEC Fourth 10-Year ISI Plant – Relief Requests Section H by the Engineers.
NG-06-0439 dated June 30, 2006	Relief Request NDE-R005		Risk Informed ISI for Class I B-F and B-J Welds and Class 2 and C-F-2 Welds.	CLOSED: Incorporated into DAEC Fourth 10-Year ISI Plant – Relief Requests Section H by the Engineers.
NG-06-0439 dated June 30, 2006	Relief Request NDE-R008		Request approval to use Appendix VIII examinations for the Fourth 10-year Interval	CLOSED: Incorporated into DAEC Fourth 10-Year ISI Plant – Relief Requests Section H by the Engineers.

			reactor vessel-to-flange weld and head-to-flange weld in Lieu of the existing requirements to use Section V.	
NG-06-0622, dated September 29, 2006	Request To Allow Use Of The Provisions Of IWA-4132 For The Remainder Of The Third 10-Year Inservice Inspection Interval And The Fourth Ten-Year Inservice Inspection Interval	OTH021846	Request To Allow Use Of The Provisions Of IWA-4132 For The Remainder Of The Third 10-Year Inservice Inspection Interval And The Fourth 10-Year Inservice Inspection Interval	CLOSED: Withdrawn with letter number NG-07-0270 dated March 20, 2007.
Dated June 28, 2007	Duane Arnold Energy Center, Issuance of Amendment No. 265.	PCR020616, OTH020627 and LAR020625	Implementation of Amendment No. 265 to remove requirements for CAD System.	CLOSED: Incorporated using various action requests depending on which department was responsible for the updates.

The NRC staff appreciates the resources that were made available by your staff, both before and during the audit. If there are any questions, I can be contacted at (301) 415-3079.

Sincerely,

/RA/

Karl Feintuch, Project Manager
Plant Licensing Branch III-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

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