

Senior Management Briefing Oyster Creek License Renewal Regulatory Footprint

Oct 1, 2008
10:45 to 11:45 AM

Purpose Working Discussion of Issues and Options.
In response to RA questions on a LR Regulatory Footprint.

Success Determine Where We Are Headed.
Management Information Needs are Satisfied.

Agenda

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| 1. Opening Remarks | rjc (2 minutes) |
| 2. Current Course | jer (1 minute) |
| 3. Key Stakeholders and Stakeholder Interests | all (10 minutes) |
| 4. Current Regulatory Footprint | all (10 minutes) |
| 5. Perceived Problems with Current Footprint | all (10 minutes) |
| 6. Regulatory Options - Pros & Cons | all (20 minutes) |
| 7. Future Steps | jer (5 minutes) |

1. OPENING REMARKS

Conduct briefing as a working discussion

Focus on desired outcome - not the details of how to get there

2. CURRENT COURSE

2.1 NRC to continue on course [

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- a. We Assume AmerGen will continue to implement commitments, with no gaps
- b. R-1 Inspection Activities - 71003 Planning in-progress, no gaps expected
71003 Inspection, per 2515 App-C, with RA approval
- c. In assuming AmerGen will implement commitments and the Region will inspect them, this does not imply that the license will be renewed, nor does it imply that a final decision will not be reached before April 9, 2009.

3. KEY STAKEHOLDERS AND STAKEHOLDER INTERESTS

3.1 Stakeholders

- a. NRC [Commission, ASLB, DLR, OGC, Region-1]
- b. AmerGen
- c. NJ State DEP
- d. NJ Congressional Members, and NJ State & Local Legislators
- e. Media [Local NJ Press]
- f. Webster [Citizens]

3.3 Stakeholder Interests and Perceptions

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b. AmerGen

- Discussions with the OC License Renewal Coordinator indicate they intend to implement all commitments for aging management programs prior to April 2009

c. NJ State DEP

- NJ DEP seem satisfied - have not expressed any concern [yet]
- Interface with NJ DEP has been, and will continue to be an Open & Transparent Sharing of Information, as allowed by the MOU

Four Principle DEP Concerns

- (1) Drywell Liner Condition - current operability
 - 71003 Outage Inspection Item
 - Discussed inspection scope with NJ DEP, no concerns expressed
- (2) 3-D Finite Element Analysis - Technical Review
 - Currently discussing options with DLR for an NRR review of AmerGen's Analysis Summary Report
- (3) Fatigue Monitoring Calculation
 - DLR documented their technical review in SER Sup-1
 - DLR discussed their review with NJ DEP - no concerns expressed
- (4) Combustion Turbine Maintenance Program - Verification of Commitment
 - Future 71003 Non-Outage Insp. Item, NJ DEP satisfied with status

d. NJ's Congressional Members, and State & Local Legislators

- PAO & OE expect to receive questions and concerns, based on expected public reaction following any media coverage

e. Media & Press

f. Webster & Citizens

Oyster Creek Matters Pending Before the Commission and Board

1. Citizens' Appeal of ASLB's Dec 2007 Initial Decision resolving Citizens' contention regarding frequency of planned UT inspections of the drywell shell in the sand bed region in AmerGen's Factor.

- The Appeal was filed Jan 14, 2008. We filed our reply Jan 24.
- In May 2008, (CLI-08-10) the Commission requested further briefing as to whether AmerGen's planned 3-D analysis addresses and bounds the sensitivity analyses Judge Baratta would impose, and, in any event, whether further analysis is needed. Briefs and reply briefs were filed in June.
- In August, the Commission referred the question in CLI-08-10 and the parties' briefs to the Board for expeditious resolution. The Board held oral argument on Sept 18. Post-argument briefs will be due around Oct 1.
- The Board anticipates responding to the Commission in October.

2. Citizens' Appeal of the ASLB's July 2008 Order denying their Motion to Re-open Record and Admit New Contention on Metal Fatigue.

- SECY issued Memo on Sept 5 extending the Commission's time for reviewing the appeal to Nov 10, 2008.

3. Petitions to Suspend VY, OC, Pilgrim, and IP license renewal proceedings filed in January and May 2008 are still pending with the Commission.

4. CURRENT REGULATORY FOOTPRINT

4.1 What happens if the license is not renewed by April 9, 2009?

- Existing license will continue [2.109(b) Timely Renewal Exemption granted, 12/24/04]

The exemption is contingent upon the following two conditions being met:

(1) On or before July 29, 2005, AmerGen must submit a sufficient license renewal application for OCNGS which the NRC staff finds acceptable for docketing in accordance with 10 CFR 2.101 and the requirements of 10 CFR Part 54.

(2) To ensure timely completion of the review process, AmerGen must provide any requested information as necessary to support the completion of the NRC staff's safety and environmental reviews in accordance with the review schedule issued by the NRC.

In addition, the exemption stated that pending final action on the LR Application, the NRC will continue to conduct all regulatory activities associated with licensing, inspection, and oversight, and will take whatever action may be necessary to ensure adequate protection of the public health and safety. The existence of this exemption does not affect NRC's authority, applicable to all licenses, to modify, suspend, or revoke a license for cause, such as a serious safety concern.

- Regional 71003 Inspections will be performed

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4.3 What about SER "Proposed Conditions of License" and SER "Commitment List"

PRIOR to the License being Renewed

- CLB does NOT include Proposed Conditions of License or SER Commitments
- AmerGen is NOT required to implement LR Aging Management Commitments
- AmerGen is NOT required to revise their FSAR to add Aging Management Programs
- AmerGen is NOT required to use a Commitment Management Program for LR items
- AmerGen can NOT be held accountable to do anything as stated in the LR Application

4.4 Voluntary Actions AmerGen could take that would change Regulatory Footprint

- AmerGen could docket a letter stating commitments have been implemented
- AmerGen could revise the FSAR prior to the license being renewed, to add a LR supplement and Aging Management Programs (required post approval)
- The AMPs would then become part of the CLB. The AMPs might NOT be enforceable, because they are only commitments. However, under ROP, a failure to implement a commitment might be a finding.

5. PERCEIVED PROBLEMS WITH CURRENT FOOTPRINT

- [(b)(5)] *2.109(b)*
- 2.109(b) Timely Renewal Exemption allows continued operation without a specific condition dependent upon anything in the LR SER
 - LR Application not yet approved

- [(b)(5)] *2.109(b)*
- Docketed AmerGen Letters describe various actions and analysis they will take prior to and after entering the extended period of operation

- [(b)(5)] *2.109(b)*
- No docketed correspondence from AmerGen regarding commitment compliance
 - NRC Letters to Congressional stakeholders imply we will perform future reviews

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- SER concluded there was reasonable assurance to allow OC to enter the extended period, but relied on numerous future licensee actions (list of commitments) to reach that conclusion
- SER commitments and proposed conditions of license are not part of the CLB
- OC FSAR not yet updated
- 71003 Commitments Inspection - what do we do if we find something wrong

6. REGULATORY OPTIONS

6.1 Keep Current Footprint

Intent

- Continue on course, [(b)(5)] 15x5
- Assume AmerGen continues to implement commitments & license conditions
- Perform two 71003 inspections (Outage & Non-Outage)

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6.2 Exchange of Correspondence with AmerGen

Intent

6.3

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7. FUTURE STEPS

7.1 Communication Plan with an FAQ

- Develop a communication strategy well before April 2009

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7.2 Gov't to Gov't Meeting

- Pro-active meeting, well before April 2009