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PREDECISIONAL INSPECTION INFORMATION – DO NOT DISCLOSE

3. If needed, summarize that which is NOT in the public domain vs. the issues that are in public references for details – see attachment 3

4. Liston Carefully – To the Technical Issues

NOTES:

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5. Next Steps: If they ask what are their options, then we can offer for them:

- a. In accordance with the MOU, wait until the inspection report is issued and file a report with the agency.
- b. What would they like to do/Review Concerns ???

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January 6, 2008 Brief Material

Purpose:

To communicate staff's proposed response to the State of New Jersey (NJ)

Success:

Agree on approach and understand the planned script for communicating to NJ

Understand that parties have sufficient information in the public domain with respect to issues if they which to raise safety matters or other contentions (inspection report will not identify new issues, just details to those issues already in the public domain).

Agenda:

1. (5 min) Statement of Problem – attachment 1
2. (10 min) Planned Script for Communications with NJ – attachment 2
3. (10 min, if needed) Gap Information – attachment 3
4. (5 min) Review/Actions/Critique

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Attachment 1 to ORA Brief of Jan. 6, 2009 (NJ Concern on Information Gap)

Statement of the Problem

A representative of the State of New Jersey indicated on December 23, 2008 after the exit meeting with Amergen on the 71003 inspections the following concerns:

1. State raised concern that there was more information conveyed in the exit (related to all of the observations made during the outage) than what had been conveyed in the public domain. Dr. Lipoti was concerned that the information gap was "relevant and material" to the current licensing proceedings and that parties/public have a right to know.
2. Further, the State of New Jersey would like to comment on those matters formally, but they believe they agreed not to do so prior to issuance of the NRC's inspection report in the memorandum of understanding between New Jersey and the NRC staff.

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Attachment 2 to ORA Brief of Jan. 6, 2009 (NJ Concern on Information Gap)

Planned Script for Communications with NJ

NOTE:

Based on attached details and conference with NRC office representatives on December 30, 2008 – Region I: Marsha Gamberoni, Richard Conte, Nancy McNamara; Karl Farrar, Chris Newport, Heather Jones; DLR: David Pelton; OGC: Mary Baty

Communicate to Dr. Lipoti in a conference call as soon as possible after discussions with ORA the below listed talking points - since New Jersey is a litigant in a license renewal matter, regional counsel should be present in addition to Director DRS, EB 1 Branch Chief and SLO:

1. We reviewed all the matter found as a result of the 71003 inspection and we find that no additional board notification is needed in terms of new information (from about the time of startup Nov. 17-18, 2008) being relevant and material.

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2. We are prepared to discuss any "gap" in information that is important to the state with respect to the difference between the exit notes as communicated in the exit meeting of Dec. 23, 2008 and that which is in the public domain. Refer them to these references in the public domain:

[the Staff's and AmerGen's notifications of November 6 and 7, the Staff's PNO-1-2008-012, and AmerGen's November 17, 2008 follow-up board notification]

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3. We understand the issue of the report being generated while a decision is being made and we are attempting to move the report issue date up.

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4. If they are not satisfied, and if they ask what are their options, then we can offer for them:
1) to follow existing regulatory processes for them to comment on that which is in the public domain; OR, 2) in accordance with the MOU, wait until the inspection report is issued and file a report with the agency.

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Attachment 3 to ORA Brief of Jan. 6, 2009 (NJ Concern on Information Gap)

Gap Information

Dr. Lipotti did not provide specific information related to the information gap. The region I inspection staff acknowledges that the information is more detailed but, preliminarily, it appears to be minor or not substantially new from what is already reported in three documents that are in the public domain (Amergen BN of Nov. 7, Amergen BN of Nov. 17, NRC Staff BN of Nov. 6, and PN-1-2008-012). An additional review was conducted in light of New Jersey's concern.

In summary the gap information from the exit notes that is NOT in the public domain is:

1. Issue No. 1 of Amergen BN of 11/17: Cause of Sand bed Bay 11 Blistered Area
 - a. Size of blisters in terms of inches of diameter
 - b. NDE Level of review
 - c. **Bay 9 coating problems and fact that 2006 VT inspection did not identify the Bay 9 coating problems (layers of coating apparently deficient based on differences in visual shades of color in the epoxy).**
2. Issue No. 2 of Amergen BN of 11/17: Damaged Moisture Seal in Sand Bed Bay 3
 - a. Surface cracks in this bay floor or 6 other sand bed bays
 - b. 2006 VT not identifying seal cracks between the floor and drywell in any of the sand bed bays
3. Issue No. 3 of AmerGen BN of 11/17: Chips in the Epoxy Coating System in Sand Bed bays 3, 5, and 7.
 - a. List here for completeness - nothing in exit notes – found in AmerGen BN which is in the public domain.
4. Issue No. 4 of AmerGen BN of 11/17: Water in the Sand Bed Bays 11, 13, 15, and 17.
 - a. AmerGen's characterization of cause of strippable coating de-lamination.
 - b. Increase monitoring frequency
5. Others:
 - a. Part 50 vs. Part 54 infrastructure information and the need for an unresolved item with respect to monitoring drain activity along with the effectiveness of the strippable coating.
 - b. All details on cavity trough drain line found isolated or poly bottles being disconnected - the issue of water getting into the gap area where it is not wanted is well known in the public domain.
 - c. Details of drain flow monitoring plan and design flow for water to not spill into gap - the issue of water getting into the gap area where it is not wanted is well known in the public domain.

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Issues were tabulated based on the most detailed document as a reference point – The Amergen BN of Nov. 17. In relation to the issue the other two documents are discussed including the exit notes of December 23. Residual information of the exit notes is summarized.

1. For the issues documented in Amergen BN of Nov. 17 Amergen stated that they may be relevant and material to the pending appeal and that the AMP for the drywell shell in the sand bed region remains adequate and the new information does not raise a significant safety issue and that the information provides no basis to reconsider the boards earlier rejection of a contention challenging the adequacy of the AMP.
2. For the issue documented in NRC BN of Nov. 6, NRC staff stated that the information provided as an issue is considered to be of very low safety significance and the BN was considered prudent due to interest in the drywell.
3. For the issues discussed in PNO-1-08-012, NRC staff noted UT measurements of the drywell met acceptance criteria IAW CLB, no identified significant conditions affecting drywell structural integrity, that inspection and identification of conditions in Bay 11 and Bay 3 were acceptable, and that Amergen provided an adequate basis to conclude the drywell primary containment will remain operable during the period until the next scheduled examination, in the 2012 refueling outage. The PNO went on to say that the activities to monitor and mitigate water leakage from the reactor refueling cavity onto the external surface of the drywell shell and into the sand bed region are still under evaluation.

4. Issue No. 1 of Amergen BN of 11/17: Cause of Sand bed Bay 11 Blistered Area

- a. Considerable detail is given on the chemical makeup of the affected blisters area along with the 6" rust stain found - most likely cause being due to very small deposits of soluble salts that remained on the steel surface of the drywell (moisture occurred due to osmosis through coating) – not safety significant due to estimated corrosion rate of 3.4 mils
- b. Missed blister in video on closeout inspection (not part of actual VT in 2006)
- c. This expands on the detail provided by Amergen in their BN of Nov. 6.
- d. NRC BN of Nov. 6 did not have this level of detail since it wasn't known at the time of issuance.
- e. NRC PNO-1-08-012 did not go into the details of cause and said NRC staff will review AmerGen's apparent cause evaluation after it is completed.

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5. Issue No. 2 of Amergen BN of 11/17: Damaged Moisture Seal in Sand Bed Bay 3

- a. Considerable detail is given on finding a wet "goeey" material after the cracked seal was removed for repairs – laboratory analysis found that the material is consistent with an uncured epoxy coating which could have been caused by mis-mixing (i.e., mixing two components in the wrong ratio) or incomplete mixing at the time of application in 1992 – the uncured caulk was evaluated as not having an adverse impact on the integrity of the drywell by AmerGen because the presence of impurities is too low a concentration.
- b. This expands on the detail provided by AmerGen in their BN of Nov. 6.
- c. NRC BN of Nov. 6 did not have this information in it.
- d. NRC PNO-1-08-012 did not go into the details of cause and said they were repaired.

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6. Issue No. 3 of AmerGen BN of 11/17: Chips in the Epoxy Coating System in Sand Bed bays 3, 5, and 7.
 - a. AmerGen reported that they were about the size of a dime most likely due to mechanical damage during inspection and repairs.
 - b. Not in the AmerGen BN of Nov. 6 (most likely not known at the time).
 - c. NRC BN of Nov. 6 did not have this information in it.
 - d. NRC PNO-1-08-012 did not have this information in it.

7. Issue No. 4 of AmerGen BN of 11/17: Water in the Sand Bed Bays 11, 13, 15, and 17.
 - a. Cause due to de-lamination of the strippable coating applied to the reactor cavity – gives some additional detail on the leakage not being noted and then water found in bays about 2 days after the de-lamination was reported – in the conclusions section the de-lamination is described as "unexpected" and that they will investigate the cause.
 - b. Not in the AmerGen BN of Nov. 6 (most likely not known at the time).
 - c. NRC BN of Nov. 6 did not have this information in it.
 - d. NRC PNO-1-08-012 does go into some detail on this describing leak rate as initially < 1 gpm and going to 4-6 gpm in the cavity trough and the water spilling into the gap area leading to the sand bed region – puddles were noted in the bays but bay Nos. were not given.

