



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

March 28, 2011

Mr. M. J. Ajluni
Nuclear Licensing Director
Southern Nuclear Operating Company, Inc.
40 Inverness Center Parkway
Post Office Box 1295, Bin - 038
Birmingham, AL 35201-1295

SUBJECT: VOGTLE ELECTRIC GENERATING PLANT, UNITS 1 AND 2 - AUDIT OF SOUTHERN NUCLEAR OPERATING COMPANY, INC.'S (SNC'S), MANAGEMENT OF REGULATORY COMMITMENTS (TAC NOS. ME5000 AND ME5001)

Dear Mr. Ajluni:

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.

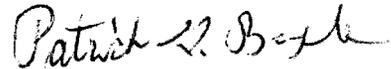
An audit of the Vogtle Electric Generating Plant, Units 1 and 2 (VEGP), commitment management program was performed at the plant site during the period of February 23 -24, 2011. The NRC staff concludes, based on the audit, that SNC has implemented NRC commitments on a timely basis.

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However, the NRC staff also identified that SNC's process to document and manage NRC regulatory commitment changes could better align with the guidance contained in NEI 99-04. The recently approved corporate procedure appears likely to be able to address some of these concerns. Details of the audit are set forth in the enclosed audit report.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick G. Boyle". The signature is fluid and cursive, written in a professional style.

Patrick G. Boyle, Project Manager
Plant Licensing Branch II-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-424 and 50-425

Enclosure:
Audit Report

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UNITED STATES
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AUDIT REPORT BY THE OFFICE OF NUCLEAR REACTOR REGULATION

LICENSEE MANAGEMENT OF REGULATORY COMMITMENTS

VOGTLE ELECTRIC GENERATING PLANT, UNITS 1 AND 2

DOCKET NOS. 50-424 AND 50-425

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 three 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, reliefs, exemptions, etc.) and activities (bulletins, generic letters, etc.). The audit is to be performed every 3 years.

2.0 AUDIT PROCEDURE AND RESULTS

An audit of the Vogtle Electric Generating Plant, Units 1 and 2 (VEGP) commitment management program was performed at the plant site on February 23 and 24, 2011. The audit reviewed commitments made since the previous audit on April 10, 2007. The interval between the previous audit and the current audit was extended beyond the normal 3-year interval to allow the licensee additional time to implement its revised regulatory commitment procedures. This audit focuses on how the regulatory commitments have been managed during the past 3 years. The new procedure (and associated process changes) was reviewed as well.

Enclosure

The audit consisted of two major parts: (1) verification of the licensee's implementation of NRC commitments that have been implemented and (2) verification of the licensee's program for managing changes to NRC commitments.

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, etc.) or licensing activities (bulletins, generic letters, etc.). Before the audit, the NRC staff searched ADAMS (Agencywide Documents Access and Management System) for the licensee's submittals since the last audit and selected a representative sample for verification.

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 (TSs), 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

The attached Audit Summary provides details of the audit and its results.

The NRC staff reviewed documents generated by the licensee for the commitments listed in Table 1. After identification, most commitments were managed through the action item process. The NRC staff found that SNC was able to identify the regulatory commitments contained within the licensing actions selected for this audit and provided documentation of the status of the commitment implementation.

While the NRC staff's audit of SNC's commitment management program for VEGP did not identify any regulatory commitments that were not satisfied, the NRC staff identified concerns with the program in place during the audit interval. However, a new commitment management

process and associated procedure has been developed with improvements to the data handling. The new flow path for identifying and tracking of regulatory commitments is in closer alignment with the guidance in NEI 99-04 than the previous program.

Condition reports were generated by the licensee when preparing materials for the NRC review for items that had not been properly tracked within the previous system. These items have been added to the new tracking system and the condition reports will allow for capture of lessons learned to use for improving the new process.

A meeting was conducted as part of the on site visit between the NRC and site personnel to discuss the interaction of the commitment tracking program and the site work control and corrective action program processes.

Based on a review of the current procedure and the discussion mentioned above the flow path for a licensing related commitment item is as follows:

- The concept of a commitment associated with a licensing action is formulated by corporate licensing.
- The commitment is typically vetted with site management as part of the development of the associated regulatory action, with senior site approval.
- The commitment is entered into the commitment tracking system by corporate management and the site coordinator is informed (this is an improvement over the previous system that did not enter an item into the system until the licensing action was complete. NEI 99-04 recommends entry into the system at the time of initiation so the change is in close alignment with that guidance)
- The site coordinator will then generate condition reports or action items as needed to ensure the commitment management item is properly tracked and executed.
- Closure/Resolution is tracked in the commitment management item database.

Corporate licensing is responsible for identifying commitments associated with licensing actions and initiates the item in the database. This does not have any direct actions so the site coordinator is responsible for creating the action items or condition reports needed to support the commitment. SNC has a single individual assigned with this responsibility. During the time period when the assigned individual was not able to perform this function the items were not being updated. SNC needs to develop a method to address the lack of depth associated with this responsibility as timeliness can be important for some of the commitments.

The new program is in its infancy. The problems identified during this audit were a direct result of poor procedural guidance, from the previous program, and a lack of depth in the site coordination role. The new program has the potential to address these concerns.

While the licensee's response to EA-02-026 included the use of the commitment program to track the actions needed to support those actions, it appears that the B.5.b actions have been well incorporated into the existing site material management system. The effectiveness of the

B.5.b activities and their ultimate implementation are beyond the scope of this regulatory commitment audit.

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 audit also verifies 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

The current process used at VEGP is contained in corporate procedure NMP-GM-019, "Commitments Management." The process in use during the audit period was contained in site procedure 00409-C, "Commitment and Action Item Tracking." Although the NRC staff did not identify any major deficiencies in commitments that were modified or deleted, the licensee's procedure did not adequately address changes to the commitments. This was evidenced by two discrepancies that were observed between the item in the tracking database and the actual status of the commitment. One item was a change in the value used for adjusting the leakage factor associated with the steam generator tube integrity testing. The value listed in the commitment was 2.5, but the actual Technical Specification value is 2.48, which is the value recorded in the NRC Safety Evaluation used to approve the license amendment change.

A second discrepancy was identified with a commitment that contained an error associated with the required completion date. It had been corrected in subsequent correspondence to the NRC, but the commitment tracking system did not flag the change to the commitment or the associated correspondence. SNC does appear to have adequate tracking of the implementation of commitments contained in plant procedures as the procedures affected by the commitment have flags for the steps that are commitment related. The guidance for procedure revisions includes the requirement to review the commitments associated with that procedure before the procedure can be revised.

VEGP has not provided any updates to regulatory commitments to the NRC during the 3-year interval covered by this audit. Some of the commitments were updated in related correspondence as licensing actions were revised. The new regulatory commitment procedure (NMP-GM-019) provides adequate guidance to obtain NRC approval prior to changing a commitment that has an impact on safety. The NMP requires submittal of commitment changes as part of the 50.59 Summary Report and Updated FSAR submittal. The changes will be reported to the NRC in a report submitted annually or along with the FSAR updates to the NRC as required by 10 CFR 50.71(e). The recommendation was made to add a positive statement to the annual report that no commitments were changed so the NRC is aware that a review has been completed and that the lack of reporting does not indicate a lack of awareness on the part of the licensee.

3.0 CONCLUSION

The NRC staff concludes that, based on the above findings: (1) SNC identified the regulatory commitments contained within the licensing actions selected for this audit and was able to document the status of the commitment implementation; (2) SNC did not have a program in place that adequately tracked changes to commitments, however, the revisions to the commitments were reported to the NRC in other docketed correspondence; and (3) the NRC staff could not confirm the effectiveness of the new program for making periodic reports, but NMP-GM-019 appears to align well with the guidance in NEI 99-04.

4.0 LICENSEE PERSONNEL CONTACTED FOR THIS AUDIT

Sherry Chandler	Nuclear Specialist, Site Commitment Coordinator
David Midlik	Senior Engineer Nuclear Licensing, Corporate Headquarters
Tim Mattson	Senior Engineer, Site CAPCO (Corrective Action Program Coordinator)
Debbie Puckett	Performance Improvement Supervisor (for VEGP)
Mark Hickox	Site Licensing Engineer, Principle Nuclear Licensing, Corporate Headquarters

Attachments:

1. Audit Summary
2. Management of Changes to Regulatory Commitments

Principal Contributor: P. Boyle, NRR

AUDIT SUMMARY

Sample Commitments for Vogtle 1 & 2 - February 2011

SNC'S Submittal	Regulatory Issue	Commitment	Scheduled Completion Date (Type)	Status
1. NL-06-1483 (07/28/2006) CMT: 2008105750	Installation of Unit 1 Emergency Core Cooling System flow orifices	Southern Nuclear Operating Company, Inc. (SNC), in response to Generic Letter (GL) 2004-02 agreed to install flow orifices over the sump screens	Modification package demonstrated component has been installed in the plant.	Closed
2. ML071940003 (07/18/2007) CMT: 2008203182	B.5.b Implementation	In compliance with EA-02-026 SNC agreed to implement the measures prescribed in the accompanying Safety Evaluation.	The associated actions were executed and a review of a data search of the corrective actions database revealed equipment issues associated with the B.5.b requirements are being identified and corrected consistent with existing Problem Identification and Resolution practices. Items identified include equipment maintenance and repair, training, component labeling, and environmental conditions.	Closed
3. NL-07-1969 (12/07/2007) CMT: 2008202759	Submit License Amendment Request (LAR) to revise Refueling Water Storage Tank (RWST) trip level	In additional response to GL 2004-02 (this represents a modification to an existing commitment) SNC agreed to submit a license amendment request to modify the Technical Specifications (TSs) associated with the minimum RWST tank level.	LAR submitted on 01/09/2008 (NL-07-2168) and issued on 07/07/2008. This item is tracked through the system in the procedure for cold leg switch over, which uses the containment sumps.	Closed
4. NL-09-0172 (05/19/2009) CMT: 2009300019	Create procedures to address Part 26 requirements	As part of the LAR to remove the requirements in TS 5.2.2, which are redundant to Part 26, SNC agreed to create procedures to ensure the actions are performed to comply with the regulations.	Procedure NMP-AD-016 was created concurrent with the license amendment approval, additionally this document is updated on a regular basis, with the most recent date being 11/29/2010.	Closed
5. NL-08-0869 (06/27/2008) CMT: 2009300025	Use leakage factor of 2.5 for accident leakage integrity	As part of the LAR for H* SNC agreed to use a leakage factor penalty to account for uncertainties associated with the H* length.	The current value for the leakage is 2.48 not the 2.5 in this commitment. The commitment tracking database did not reflect the changes made, but the correct value is in the TSs.	Open

<p>6. NL-07-2346 (12/21/2007)</p>	<p>Participate in Materials Reliability Program standard development</p>	<p>In the Request for Additional Information response SNC agreed to participate in standards development for aging effects on reactor vessel internals.</p>	<p>This is an ongoing commitment; additionally the item was not originally identified in the cover letter or added to the commitment management database. A CR (2011102399) has been generated and a new item has been added to the commitment management database for this action. SNC has participated with this panel in the past and is expected to maintain that status. Addition of that to the commitment tracking system will flag any deviations.</p>	<p>Open</p>
<p>7. NL-08-1340 (10/10/2008)</p>	<p>Corrective actions related to GL 2008-01</p>	<p>Nine-Month response to GL 2008-01 "Managing Gas Accumulation in Emergency Core Cooling, Decay Heat Removal, and Containment Spray Systems," SNC committed to completing the identified corrective actions by the end of the refueling outage.</p>	<p>The commitment has been completed. This was an example of an item tracked well with the NEW system. SNC had a list of Action Items associated with the Commitment 2008300121 and was able to produce the action items on demand. This was a well-tracked activity. An additional NRC response was sent on January 20, 2010, creating new commitments and superseding the existing commitment, which is why it was updated in the new system.</p>	<p>Closed</p>
<p>8. NL-08-1340 (10/10/2008)</p>	<p>Submit updated corrective action list for GL 2008-01</p>	<p>Nine-Month response the NRC GL 2008-01 includes the need to provide additional updates following the discovery from the refueling outages.</p>	<p>The commitment has been completed with a letter dated January 20, 2010, as noted above.</p>	<p>Closed</p>
<p>9. NL-05-1699 (02/17/2006)</p>	<p>Establish Bases document for Limiting Condition for Operation (LCO) 3.0.8.</p>	<p>In the LAR to add LCO 3.0.8 on the Inoperability of Snubbers using TS Task Force TSTF-372 SNC committed to ensure the Bases documents were updated to reflect the change.</p>	<p>The Bases documents were updated as required on 09/06 per Revision 2 within 90 days of the license amendment approval. Tracked under Action Item 2007202932.</p>	<p>Closed</p>

10. NL-07-0483 (03/06/2007)	Develop contingency plans and update NRC with results of bare metal visual examination	Industry correspondence (Nuclear Energy Institute) to the Nuclear Regulatory Commission regarding actions to respond to identified primary water stress corrosion cracking (PWSCC) indications, SNC committed to follow the industry recommendations and provide inspections results and develop contingency plans.	Commitment Item 2007300003 was created to track to completion. The contingency plans are in place to address the PWSCC concern via site procedures and the inspection results were reported in letters dated April 18, 2008, and May 23, 2008.	Closed
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MANAGEMENT OF CHANGES TO REGULATORY COMMITMENTS

The following commitments were modified over the audit period:

- Response to GL 2004-02 – This is an ongoing industry/Nuclear Regulatory Commission issue that does not currently have a final resolution. As new actions are identified for extending the responses, updated GL correspondence is created, but not as a result of the commitment management program.
- H* - A leakage factor of 2.5 was to be used for the 2R13 inspections for Section 4.2.1.2 "Accident Leakage Integrity Considerations," the subsequent review and approval changed this value to 2.48, which is the value in the TSs. However, the regulatory commitment management database could not identify this change and did not properly reference the original commitment.
- Response to GL 2008-01 (gas binding) - The incorrect outage date was included for Unit 1 in the original submittal. This was subsequently modified to reflect the correct outage number, however, the commitment management database was not updated to reflect the change and when preparing for this audit the licensee thought the commitment was still in error. So, a Condition Report (CR) was written flagging the error in the commitment. When the CR was investigated it was discovered that the error in the commitment had been previously identified and was adequately addressed.

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However, the NRC staff also identified that SNC's process to document and manage NRC regulatory commitment changes could better align with the guidance contained in NEI 99-04. The recently approved corporate procedure appears likely to be able to address some of these concerns. Details of the audit are set forth in the enclosed audit report.

Sincerely,

/RA/

Patrick G. Boyle, Project Manager
Plant Licensing Branch II-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-424 and 50-425

Enclosure:
Audit Report

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