



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

July 5, 2012

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: EDWIN I. HATCH NUCLEAR PLANT, UNIT NOS. 1 AND 2 - AUDIT OF SOUTHERN NUCLEAR OPERATING COMPANY, INC.'S , MANAGEMENT OF REGULATORY COMMITMENTS (TAC NOS. ME7931 AND ME7932)

Dear Mr. Ajluni:

In Regulatory Issue Summary 2000-17, "Managing Regulatory Commitments Made by Power Reactor Licensees to the NRC [U.S. Nuclear Regulatory Commission]Staff," dated September 21, 2000, the NRC informed Southern Nuclear Operating Company, Inc. (SNC or the licensee) 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.

In addition, all regulatory commitments generated since the last audit were reviewed to identify if any commitments were safety significant or necessary for approval of a proposed licensing action. None of the reviewed regulatory commitments were determined to be in this category.

An audit of the Edwin I. Hatch Nuclear Plant, Unit Nos. 1 and 2 (Hatch), commitment management program was performed at the plant site during the period of May 15-16, 2012. The NRC staff concludes, based on the audit, that SNC has implemented NRC regulatory commitments on a timely basis consistent with the guidelines in NEI 99-04. In addition, the NRC staff has determined that the previously identified programmatic weakness of not fully implementing the NEI 99-04 guidance has been addressed by the revised processes and procedures.

M. Ajluni

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If you have any questions please feel free to contact me at (301) 415-3936.

Sincerely,

A handwritten signature in black ink that reads "Patrick G. Boyle". The signature is written in a cursive style with a long, sweeping underline.

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

Docket Nos.: 50-321 and 50-366

Enclosure: Audit Report

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AUDIT REPORT BY THE OFFICE OF NUCLEAR REACTOR REGULATION

LICENSEE MANAGEMENT OF REGULATORY COMMITMENTS

EDWIN I. HATCH NUCLEAR PLANT, UNIT NOS. 1 AND 2

DOCKET NOS. 50-321 AND 50-366

1.0 INTRODUCTION AND BACKGROUND

In Regulatory Issue Summary 2000-17, "Managing Regulatory Commitments Made by Power Reactor Licensees to the NRC [Nuclear Regulatory Commission] Staff," dated September 21, 2000 (Reference 1), the NRC informed Southern Nuclear Operating Company, Inc. (SNC or the licensee) that the Nuclear Energy Institute (NEI) document NEI 99-04, "Guidelines for Managing NRC Commitment Changes," (Reference 2) 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 per Office Instruction LIC-105, "Managing Regulatory Commitments Made by Licensees to the NRC," (Reference 3) 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 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 Division of Operating Reactor Licensing (DORL) Project Manager (PM) 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.

DORL PMs were informed of additional actions for the regulatory commitment audit via a memo dated November 29, 2011 (Reference 4). The actions include: 1) obtain a briefing, 2) determine if any of the commitments reviewed during the audit involve actions that were safety significant, and 3) determine if any of the commitments reviewed during the audit were necessary for approval of a proposed licensing action.

2.0 AUDIT PROCEDURE AND RESULTS

An audit of the Edwin I. Hatch Nuclear Plant, Units 1 and 2 (Hatch), commitment management program was performed at the plant site during the period of May 15-16, 2012. The current audit reviewed commitments made since the previous audit conducted July 14-16, 2009

Enclosure

(Reference 5). The current audit consisted of three major parts: (1) verification of the licensee's implementation of NRC commitments that have been completed, (2) verification of the licensee's program for managing changes to NRC commitments, and (3) review of commitments made since the last audit to identify if any commitments were safety significant or necessary for approval of a proposed licensing action.

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 Agencywide Documents Access and Management System (ADAMS) 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.

The NRC staff requested SNC to submit a list of its open regulatory commitments, those changed in the past three years, and those completed in the past three years. NRC staff utilized this list in selecting its sample set and to perform additional actions in response to the OIG audit recommendations. All items identified in the NRC document search were identified in the list provided by SNC.

2.1.2 Audit Results

The attached Audit Summary provides details of the audit and its results. The list of items to be checked during the onsite portion of this audit was communicated to the licensee in on May 4, 2012 (Reference 6).

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

The NRC staff's audit of SNC's commitment management program for Hatch verified that all of the reviewed commitments were satisfied. Some items (eight of the ten selected for this audit) on the list provided to the NRC were not captured in the commitment tracking database. Condition Reports (CRs) 449595 (Corporate) and 44894 (Hatch) were written to capture this improvement item. All items on the list were properly executed in either the corrective action program or the design change process. They were also properly flagged within the other processes as commitments that would require additional review prior to revision of the item.

The licensee misidentified several items on the list provided to the NRC as regulatory commitments when they were in fact obligations. When SNC generated the list in response to the NRC request, the person creating this list reviewed SNC correspondence with the NRC and captured all of the commitments without regard to the commitment being an obligation or a regulatory commitment. SNC generated CR 455035 to identify the fact the commitment tracking program cannot distinguish among "obligation," "mandated licensing basis documents," and "regulatory commitments."

The licensee is currently following the recommended practice of entering commitments into the tracking system when they are created instead of waiting for the licensing action to be approved. The tracking database has a status for new items that is updated when the commitment is made permanent.

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 2009 audit recommended that regulatory commitments should be placed into the commitment tracking program when the commitments were submitted to the NRC in the original document. The practice at the time of the 2009 audit was to wait until the associated licensing action was approved. SNC has adopted the recommended NRC guidance as reflected in current practices and corporate procedure NMP-GM-019, "Commitments Management." NMP-GM-019 also includes the NEI 99-04 flow charts for management of regulatory commitment changes. SNC has self-identified some deficiencies in this practice as reflected in the Condition Reports generated in response to this audit as documented in the relevant sections.

Procedure steps and plant equipment are flagged when they are related to some type of "commitment." When a change to the flagged item is desired, the "commitment" is reviewed per NMP-AD-008 "Applicability Determinations" to determine which process is required to be utilized in order to make the desired change. If a change is being made to a regulatory commitment then the procedure step is to "perform an evaluation consistent with NEI 99-04."

CR 454912 was written in response to this audit to document a procedural weakness relating to the situation where an item submitted to the NRC as a regulatory commitment becomes an obligation. For example, in its response to a request for additional information associated with the license amendment request (LAR) for the alternate source term (AST) SNC submitted a commitment for manual switching of the turbine building exhaust fans to an alternative power source. In the safety evaluation report associated with the amendment approval the NRC staff considered this action as material to its regulatory finding and changed the regulatory commitment to a license condition. The commitment tracking program and associated procedures are unable to address this change. However, any subsequent change to this equipment would have resulted in a review of the license and would have properly identified the equipment installation as a license condition. Revision to the commitment tracking database and/or associated procedures are considered to be an enhancement.

2.3 Completion of Additional Actions per DORL Memo

A DORL commitment management briefing was conducted by the DORL Commitments Subject Matter Expert, on March 19, 2012. The briefing outlined the DORL actions being taken in response to the OIG audit report recommendations.

2.3.1 Review for Safety Significant Commitments

All of the regulatory commitments identified by the NRC staff from the ADAMS search were reviewed and it was determined that none were safety significant. The licensee list of regulatory commitments was reviewed and two items were identified as being safety significant and should not be managed as regulatory commitments. The first item identified was the action associated with the AST LAR that started as a regulatory commitment, but was subsequently changed to an obligation. As stated in Section 2.2.1 SNC has properly identified this as a license condition. Also, it was appropriate that SNC initially captured this as a regulatory commitment when it was submitted. The second item on the list that would not be considered to be a regulatory commitment was the requirement to perform a permanent repair of a flaw in the Unit 1 Plant

Service Water piping as an action associated with the safety evaluation for the Inservice Inspection alternative. Discussions with SNC personnel revealed they understand that this is not regulatory commitment, but an obligation and should not have included it on the list of regulatory commitments provided to the NRC staff in preparation for this audit.

2.3.2 Review for License Approval Commitments

The attached License Review Summary provides the detail of the documents that were reviewed.

The safety evaluations for all license amendments, relief request, alternatives, and exemptions were reviewed to determine if the associated actions were properly captured as commitments or obligations. All items were properly captured. In fact, one item initially submitted by SNC as a regulatory commitment was appropriately changed to a license condition as discussed in Section 2.2.1.

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's commitment management program has improved in the area of tracking commitments with future implementation, (3) the NRC staff has confirmed that SNC has established a process for changing commitments consistent with the NEI 99-04 guidance, and (4) the additional review in response to the OIG audit report recommendations did not identify any commitment that was misapplied.

4.0 LICENSEE PERSONNEL CONTACTED FOR THIS AUDIT

- R. Reddick
- S. Tipps
- K. Underwood

5.0 REFERENCES

1. Regulatory Issue Summary, RIS 2000-17, "Managing Regulatory Commitments Made by Power Reactor Licensees to the NRC Staff," dated September 21, 2000 (ADAMS Accession No. ML003741774)
2. Nuclear Energy Institute publication, NEI 99-04, Revision 1, "Guidelines for Managing NRC Commitment Changes," dated July 1999 (ADAMS Accession No. ML003680088)
3. NRR Office Instruction, LIC-105, Revision 3, "Managing Regulatory Commitments Made by Licensees to the NRC," (ADAMS Accession No. ML090640415)

4. DORL Memo, "Commitment Management Audit – Identification of Inappropriately Applied Commitments," dated November 29, 2011 (ADAMS Accession No. ML113190085)
5. "Audit Report by the Office of Nuclear Reactor Regulation, Licensee Management of Regulatory Commitments, Edwin I. Hatch Nuclear Plant Units 1 and 2, Docket Nos. 50-321 and 50-366," dated October 29, 2009 (ADAMS Accession No. ML092990218)
6. Email from Patrick Boyle (NRC) to Steve Tipps (SNC), "Hatch 2012 Regulatory Commitment Management Audit," dated May 4, 2012 (ADAMS Accession No. ML12128A050)

Principal Contributor: P. Boyle, NRR

Attachment: Summary of Audit Results

AUDIT SUMMARY

Sample Commitments for Hatch 1 & 2 - May 2012

SNC'S Submittal	Regulatory Issue	Commitment	Scheduled Completion Date (Type)	Status
10/18/2007 NL-07-0894 ML072910399	AST Amendment request	Provide alternative safety related power supply to HNP Units 1 and 2 turbine building ventilation exhaust systems with a manual switchover	04/30/2010	Closed/Converted to license condition
03/07/2008 NL-08-0345 ML080670427	Relief Request/Alternative HNP-ISI-ALT-08 weld inspection RAI response	Perform Section XI, Appendix VII, Supplement 10 examinations of dissimilar metals welds	Prior to end of 1R24	Closed
03/26/2008 NL-08-0512 ML080570109	Rx Core Shroud inspection relief request	"Perform inspections for items a – f and re-examine support plate gussets associated with the anchorages for the shroud tie rods using an enhanced visual inspection (EVT – 1)	Following Modification during 1RF023 February 2008 , Spring 2010 PLUS 1RF28 (Spring 2018) and 1RF32 (Spring 2026)	Partially Closed – Tech Evaluations tracking remaining items in CAP
10/10/2008 NL-08-1340 ML082880119	Generic Letter GL2008-01 ECCS Voids	Revise procedures to provide assurance that gas in affected systems suction piping is limited to the acceptance criteria determined by the HNP specific analyses. Additionally, HPCI system post maintenance fill and vent procedures used to provide assurance that gas in the HPCI system suction piping is limited to within the acceptance criteria (including the impact of gas trapped in valve bonnets) will be revised based on the HNP specific analyses.	End of 1R24, 03/17/2010 and end of 2R20 03/18/2009	Closed

SNC'S Submittal	Regulatory Issue	Commitment	Scheduled Completion Date (Type)	Status
05/19/2009 NL-09-0172 ML091400381	LAR for TSTF-511, Rev. 0, Eliminate Working Hour Restrictions from TS 5.2.2 to Support Compliance with 10 CFR Part 26	SNC will implement the requirements of 10 CFR Part 26, Subpart I, concurrent with the elimination of TS 5.2.2(e).	Concurrent with license approval No later than 10/01/2009	Closed
03/06/2009 NL-09-0344 ML090680143	Appendix R enforcement discretion	Implement design changes to eliminate operator manual actions not in compliance with 10 CFR Part 5, Appendix R, III.G.2.	End of Unit 1 2010 Outage 03/17/2010	Closed
12/14/2009 NL-09-1803 ML093480120	RAI response associated with GL2008-01	Submit a TS request based on TSTF-523 when approved	Based on NRC approval date	Open – tracked via Technical Evaluation 62664
06/11/2010 NL-10-0858 ML101620579	Unit 1 90-day post outage response associated with GL2008-01	Submit a TS request based on TSTF-523 when approved	Based on NRC approval date	Open – tracked via Technical Evaluation 62664
06/07/2010 NL-10-1001 ML101590185	EA-10-009 Failure to establish Appropriate Preventative Maintenance for Electrolytic Capacitors	Complete a root cause determination that address the broadness review and extent of condition for issues associated with preventative maintenance schedules of safety-related components that have a service life. If further actions develop as a result that impact compliance, then this response letter will be updated to include additional actions.	16-Aug-10	Closed
01/14/2011 NL-11-0167 ML110050494	HNP-ISI-ALT-10 Unit 1 temporary non-code repair	Perform code repair of identified flaw in Unit 1 PSW system at intake structure	Spring Outage, March 2012	Closed – Obligation of SER not a Regulatory Commitment

LICENSE REVIEW SUMMARY

Licensing Actions Reviewed for Commitments

SNC Submittal	Description	SER	Commitment (Y/N)	Proper Category	Comments
ML082490744 09/03/08 NL-08-1301	Core Shroud Stabilizer Assemblies Unit 2 NL-08-1301	ML090440578 02/13/09	Y	Y	SE discusses commitment to perform inspections at the first refueling outage per BWRVIP-76 as required by NUREG 0619
ML090260295 06/11/08 NL-08-0877	Code Case N504-3 and N 638 1 Weld Overlay	ML090340017 06/24/09	None in Application, RAI response or SE	N/A	None
ML083570437 01/08/09 NL-08-1798	HNP-ISI-RR-01 – Relief Request for Unit 1 Reactor Pressure Vessel Welds	ML092290012 08/25/09	None in application or SE	N/A	None
ML100480010 02/16/10 NL-10-0246 ML100890051 03/29/10 NL-10-0618	HNP-ISI-ALT-09 Alternative Testing for Safety Relief Valve (SRV) Leakage Testing	ML100980214 04/08/10	None in Application, supplement, or SE	N/A	None

SNC Submittal	Description	SER	Commitment (Y/N)	Proper Category	Comments
ML101890572 07/08/10 NL-10-0989 ML103280372 11/23/10 NL-10-2175 ML110820261 03/22/11 NL-11-0482 ML111170439 04/27/11 NL-11-0768	Fourth 10-year ISI [In-Service Inspection], HNP-ISI-RR-02 through HNP-ISI-RR-11	ML11164A133 07/15/11	None in Application, supplements or SE	N/A	None
ML102000178 07/16/10 NL-10-1377 ML102010574 07/20/10 NL-10-1419	HNP-ISI-ALT-10 Alternative to code requirements, Unit 1 temporary non-code repair	ML110050494 01/14/11	None in Application, RAI Response, or SE	Y	Additional actions (permanent repair) required were a condition of the SE not a commitment
ML103090168 10/29/09 NL-10-1021	SRV Later Operations and Maintenance Code	ML11084A004 03/31/11	None in Application or SE	N/A	None
ML11347A197 12/13/11 NL-11-2464 ML113480294 12/31/11 NL-11-2498	HNP-ISI-ALT-15 , Alternative to Code requirements for, Unit 2 SRV testing at reduced pressure	01/30/12 ML12025A010	None in Application, Supplement, or SE	N/A	None

SNC Submittal	Description	SER	Commitment (Y/N)	Proper Category	Comments
ML113570234 12/23/11 NL-11-2556	HNP-ISI-RR-12, Relief Request for, Residual Heat Removal wall thinning of Service Water Piping	ML12034A126 WITHDRAWN	N/A	N/A	None
ML112980122 10/24/11 NL-11-2155 ML12027A047 10/27/10 NL-11-2187	HNP-ISI-ALT-14 Alternative, Non-Code repair Service Water piping near Condensate Storage Tank	03/06/12 ML12058A413	None in Application, Supplement, or SE	N/A	None
ML081970620 07/15/08 NL-07-2111	Ventilation Filter Testing, Amendments 261 and 205	ML090340465 04/15/2009	None in Application or SE	Y	Actions are captured in TS 5.5.7.c
ML091400381 05/19/2009 NL-09-0172	Elimination of work hour restriction; Amendments 262 and 206	ML091770664 09/08/09	Y	Y	Administrative control of program update is appropriate
ML100190316 12/17/09 NL-09-1380 RAI ML102790096 10/05/2010 NL-10-1895	LCO 3.1.2, "Reactivity Anomaly" ; Amendments 263 and 207	ML101800331 11/04/10	None in Application, RAI response, or SE	N/A	None
ML103550234 12/16/10 NL-10-0794 RAI ML111300428 05/10/11 NL-11-0805	2.0 Safety Limit Notification Requirements; Amendments 264 and 208	ML11096A064 06/13/11	None in Application, RAI response, or SE	N/A	None

M. Ajluni

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If you have any questions please feel free to contact me at (301) 415-3936.

Sincerely,

/RA/

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

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