

September 10, 2012

MEMORANDUM TO: Meena K. Khanna, Chief
Plant Licensing Branch I-2
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

FROM: John D. Hughey, Project Manager */ra/*
Plant Licensing Branch I-2
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

SUBJECT: CLOSURE OF WORK ITEM TRACKING SYSTEM ITEMS
ASSOCIATED WITH THE OFFICE OF INSPECTOR GENERAL AUDIT
REPORT OIG-11-A-17 (TAC NOS. ME7527, ME7529 AND ME7530)

BACKGROUND

The Office of Inspector General (OIG) issued audit report OIG-11-A-17, "Audit of NRC's [Nuclear Regulatory Commission] Management of Licensee Commitments (OIG-11-A-17)," on September 19, 2011 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML112620529). The audit report provided recommendations to address findings regarding the Office of Nuclear Reactor Regulation's (NRR's) management of regulatory commitments. NRR responded to the OIG with corrective actions to resolve the recommendations by letters dated October 18, 2011 (ADAMS Accession No. ML112700129), and March 1, 2012 (ADAMS Accession No. ML120260304).

The OIG audit report recommendations and associated corrective actions included the revision of Office Instruction LIC-105, "Managing Regulatory Commitments Made by Licensees to NRC," Revision 3 (ADAMS Accession No. ML090640415), to include specific guidance regarding the conduct of commitment management audits performed by the Division of Operating Reactors (DORL) project managers (PMs). Revision 4 of LIC-105 (ADAMS Accession No. ML12251A203) was approved on September 10, 2012, to address audit report Recommendations 1, 2 and 4 as described below.

LIC-105 REVISIONS

Recommendation No. 1: Revise the section of LIC-105, "Managing Regulatory Commitments Made by Licensees to NRC," on conducting triennial commitment management audits to include detailed sampling direction, such as a checklist of sources to be used in identifying a universe of commitments from which to sample.

Sample selection guidance was added to Section 4.3.1 of LIC-105, Revision 4, and a new Enclosure 2, "Triennial Commitment Audit Sample Selection Guidance," was also added. The revised guidance includes a list of NRC sources to be used in determining audit samples, as well as a list of sources to be requested from the licensee. An example e-mail to request documents and commitment lists from the licensee is also provided to promote uniformity and thoroughness in the audit samples developed by DORL PMs. These revisions to LIC-105 implement Recommendation No. 1 from OIG audit report OIG-11-A-17 and justify closure of Technical Assignment Control (TAC) No. ME7530 (Work Item Tracking System (WITS) 201100241/EDATS OEDO-201100690).

Recommendation No. 2: Revise LIC-105, "Managing Regulatory Commitments Made by Licensees to NRC," to include well-defined expectations and guidelines regarding the conduct of commitment management audits. The guidelines should include an expectation that audited commitments are reviewed to ensure that they have been appropriately implemented in the plant facility, procedures, program, or other plant documentation.

Section 4.3.1 of LIC-105, Revision 4, provides a list of documents to be reviewed to assess the licensee's implementation of a regulatory commitment. Specific direction is included to review the implementation documentation and confirm that all appropriate plant documentation has been revised and that the changes accurately and fully implement the commitment. Additional guidance is provided regarding fleet and site-specific programs/procedures and physical, plant verifications. These revisions to LIC-105 implement Recommendation No. 2 from OIG audit report OIG-11-A-17 and justify closure of TAC No. ME7529 (WITS 201100242/EDATS OEDO-201100691).

Recommendation No. 4: Identify actions to determine the extent to which commitments that are considered safety significant and/or necessary for approval of proposed licensing actions exist. This could be accomplished by either: (1) NRR project managers identifying any such commitments as part of the triennial commitment management audits, or (2) conducting a review of all existing commitments and identifying any inappropriately applied commitments. Any such commitments should be identified to NRC management for appropriate action.

In accordance with the NRC staff's status update to the OIG dated March 1, 2012, LIC-105 has been revised to implement option (1) of Recommendation No. 4. Section 4.3 of LIC-105, describes and defines misapplied commitments and provides specific guidance to DORL PMs regarding identifying and addressing misapplied commitments. The newly added Enclosure 2 regarding sample selection also provides guidance to focus the commitment audit on identifying misapplied commitments.

Specifically, in addition to the 10 or more commitments selected for the audit sample, Section 4.3 requires DORL PMs to identify all license amendment safety evaluations, exemptions and relief request safety evaluations that have been issued for a facility during the previous 3 years. PMs are directed to review all commitments in these documents and identify and evaluate each commitment to determine if it has been misapplied per the criteria in Section 4.2 of LIC-105.

Enclosure 2 also directs DOLR PMs to review the licensee's full list of all open regulatory commitments, noting commitment descriptions that appear to be associated with license amendment requests, exemptions and relief requests, as these documents involve regulatory decisions made by the NRC staff. PMs will consider the item descriptions on this list that may indicate safety significance or a regulatory requirement for inclusion in the audit sample. This effort will apply a first level screening for potentially misapplied commitments to the full scope of all open commitments tracked by the licensee.

These revisions to LIC-105 implement Recommendation No. 4 from OIG audit report OIG-11-A-17 and justify closure of TAC No. ME7527 (WITS 201100244/EDATS OEDO-201100693).

CONCLUSION

Office Instruction LIC-105, Revision 4, implements Recommendation Nos. 1, 2 and 4 from OIG audit report OIG-11-A-17, as described above. Therefore, the actions required by TAC Nos. ME7527, ME7529 and ME7530 are complete and will be closed.

Enclosure 2 also directs DOLR PMs to review the licensee's full list of all open regulatory commitments, noting commitment descriptions that appear to be associated with license amendment requests, exemptions and relief requests, as these documents involve regulatory decisions made by the NRC staff. PMs will consider the item descriptions on this list that may indicate safety significance or a regulatory requirement for inclusion in the audit sample. This effort will apply a first level screening for potentially misapplied commitments to the full scope of all open commitments tracked by the licensee.

These revisions to LIC-105 implement Recommendation No. 4 from OIG audit report OIG-11-A-17 and justify closure of TAC No. ME7527 (WITS 201100244/EDATS OEDO-201100693).

CONCLUSION

Office Instruction LIC-105, Revision 4, implements Recommendation Nos. 1, 2 and 4 from OIG audit report OIG-11-A-17, as described above. Therefore, the actions required by TAC Nos. ME7527, ME7529 and ME7530 are complete and will be closed.

DISTRIBUTION:

Public	RidsOgcRp	MSpencer, OGC	LPLI-2 R/F
RidsNrrMailCenter	RidsOgcMailCenter	RidsEdoMailCenter	RWild, OIG
JArildsen, EDO	RidsNrrDorl		

ADAMS Accession No.: ML12249A108

OFFICE:	DORL/LPL1-2/PM	DORL/LPL1-2/LA	DORL/LPL1-2/BC	DORL/LPL1-2/PM
NAME:	JHughey	ABaxter	MKhanna	JHughey
DATE:	09/ 10 /2012	09/06 /2012	09/ 10 /2012	09/ 10 /2012

OFFICIAL RECORD COPY