



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

October 7, 2015

Mr. Thomas J. Palmisano
Vice President and Chief Nuclear Officer
Southern California Edison Company
San Onofre Nuclear Generating Station
P.O. Box 128
San Clemente, CA 92674-0128

SUBJECT: SAN ONOFRE NUCLEAR GENERATING STATION, UNITS 2 AND 3 – AUDIT
OF THE LICENSEE'S MANAGEMENT OF REGULATORY COMMITMENTS
(TAC NOS. MF5175 AND MF5176)

Dear Mr. Palmisano:

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's Office of Nuclear Reactor Regulation has instructed its staff to perform an audit of the 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 if regulatory commitments are being effectively implemented.

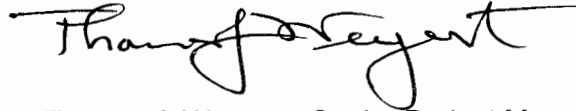
An audit of the San Onofre Nuclear Generating Station (SONGS), Units 2 and 3, commitment management program was performed during the period from December 17, 2014, through December 23, 2014. The audit was performed at NRC Headquarters using documentation provided by Southern California Edison Company as requested by the NRC staff. The NRC staff concludes, based on the audit, that SONGS, Units 2 and 3, has (1) implemented NRC commitments on a timely basis or is tracking future implementation of regulatory commitments made to the NRC, and (2) implemented an effective program for managing regulatory commitment changes. The details of the audit are set forth in the enclosed audit report.

T. Palmisano

- 2 -

The NRC staff appreciates the resources that were made available by your staff, both before and during the audit. If you have any questions, please contact me at (301) 415-4037 or Thomas.Wengert@nrc.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas J. Wengert". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Thomas J. Wengert, Senior Project Manager
Plant Licensing and Decommissioning
Transition Branch IV-2
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-361 and 50-362

Enclosure:
Audit Report

cc w/enclosure: Distribution via Listserv



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

AUDIT REPORT BY THE OFFICE OF NUCLEAR REACTOR REGULATION

LICENSEE MANAGEMENT OF REGULATORY COMMITMENTS

SOUTHERN CALIFORNIA EDISON COMPANY

SAN ONOFRE NUCLEAR GENERATING STATION, UNITS 2 AND 3

DOCKET NOS. 50-361 AND 50-362

1.0 INTRODUCTION AND BACKGROUND

In Regulatory Issue Summary (RIS) 2000-17, "Managing Regulatory Commitments Made by Power Reactor Licensees to the NRC Staff," dated September 21, 2000 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML003741774), 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" (ADAMS Accession No. ML003680088), contains acceptable guidance for controlling regulatory commitments. RIS 2000-17 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. NEI 99-04 describes a "regulatory commitment" as an explicit statement to take a specific action agreed to, or volunteered by, a licensee by a certain date and submitted in writing on the docket 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 3 years to determine whether the licensees' programs are consistent with the industry guidance in NEI 99-04 and if regulatory commitments are being effectively implemented. An audit of the San Onofre Nuclear Generating Station (SONGS), Units 2 and 3, commitment management program was performed during the period from December 17, 2014, through December 23, 2014. The audit was performed at NRC Headquarters using documentation provided by Southern California Edison Company (the licensee) as requested by the NRC staff.

NRR guidelines direct the 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 (i.e., amendments, reliefs, exemptions, etc.) and activities (i.e., bulletins, generic letters, etc.).

2.0 AUDIT PROCEDURE AND RESULTS

The audit reviewed commitments made, changed, or closed since the previous audit conducted in December 2011, as documented in a report dated May 31, 2012 (ADAMS Accession

Enclosure

No. ML121030472). The 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) verification that all regulatory commitments reviewed were correctly applied in NRC staff licensing action reviews.

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 and activities. For commitments not yet implemented, the NRC staff determines whether they have been captured in an effective program for future implementation. 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.

2.1.1 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, relief requests, etc.) or licensing activities (bulletins, generic letters, etc.). Commitments made in Licensee Event Reports or in response to Notices of Violation may be included in the sample, but the review will be limited to verification of restoration of compliance, not the specific methods used. Before the audit, the NRC staff searched ADAMS for the licensee's submittals since the last audit and selected a representative sample of regulatory commitments for verification. The identified list of commitments was forwarded to the licensee with a request to locate documentation for the listed regulatory commitments prior to the NRC staff audit.

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 and technical specifications. 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 NRC staff reviewed internal reports generated by the licensee's tracking program for regulatory commitments listed in Table 1 to evaluate the status of completion. The staff found that the licensee's commitment tracking program appeared to capture all the regulatory

commitments that were identified prior to the audit and that the licensee had implemented the commitments on a timely basis. Table 1, which is attached, summarizes the staff's observations regarding the current status of licensee commitments.

The licensee has implemented Procedure S0123-XV39, Revision 13, "Regulatory Commitments Tracking (RCT) Program," which establishes its methods for identifying, documenting, tracking, and dispositioning regulatory commitments and for justifying changes to regulatory commitments. The procedure specifies the objectives, procedures, definition of terms, responsibilities and tracking procedure, authorities and responsibilities, requirements for effective management of regulatory commitments, and tracking of commitments. From the collected information, the NRC staff developed a representative sample of regulatory commitments that met the selection criteria identified in NRR's guidance.

The documents furnished by the licensee included summary sheets providing the status of the regulatory commitments, source documents, and appropriate backup documentation as needed (i.e., plant procedures, commitment changes reported to the NRC staff, and other plant documentation). The NRC staff reviewed the database and documents and summarized the selected commitment information in the attachment to this audit report.

This portion of the audit was intended to confirm that the licensee has documented its implementation of its regulatory commitments made to the NRC staff as part of past licensing communications, and the commitments that had not yet been implemented or incorporated in design bases documents are captured in an effective manner for future implementation.

The process described in Procedure S0123-XV-39 provides acceptable tools for the licensee to capture the NRC regulatory guidance on commitment management programs. The licensee enters the regulatory commitments made to the NRC into regulatory commitments identification, tracking, and change forms. Each commitment is numbered and described by a commitment title and brief description. These commitment forms are reviewed and approved by dedicated staff. The licensee's staff was knowledgeable of procedures for entering and updating the regulatory commitments status. The regulatory commitment program Procedure S0123-XV-39 provided guidance in documenting, tracking, implementing, and changing the regulatory commitments. Some observations from this portion of the audit are noted below:

- (1) The RCT system database is inconsistent in the way it refers to source documentation (i.e., the "SOURCE DOC" field). The licensee generated a Corrective Action Program item (No. NN-203140723) to address this issue and the extent of condition.
- (2) Commitment No. 2010-01-001 (Item #3 in attached Table 1) should have been closed following the issuance of license amendments issued by the NRC on October 16, 2013. However, at the time of the audit, the RCT identified this commitment as "Pending NRC" in the database, rather than "Closed."
- (3) Since the certification of permanent cessation of operations of SONGS Units 2 and 3 in June of 2013, the licensee has cancelled or closed many open commitments that are no longer applicable to a permanently shutdown and defueled facility. This has significantly reduced its inventory of open commitments.

Otherwise, the status of the commitments was found to be well documented. No other deficiencies were noted.

Licensee personnel were able to demonstrate effective use of the commitment management database and provided status tracking to the applicable implementation documents. The NRC staff found that generally, the selected commitments in the audit sample were effectively implemented. Using the licensee's RCT program as the typical starting point, the staff sought to determine that commitments were implemented in documents, such as plant procedures, or in appropriate implementation documents. In addition, the NRC audit confirmed that the process to close out commitments and provide sufficient justification for closure was adequate. The attached summary provides details of the audit and its results.

Based on the results of the audit, the NRC staff concludes that the licensee has adequately implemented the regulatory commitments management program. The attachment to this audit report contains references to the licensee's commitments selected for review and a summary of the audit results.

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 process used at SONGS, Units 2 and 3, is contained in Procedure S0123-XV-3.4, Revision 3, "Regulatory Burden Reduction Process." The audit reviewed a sample of commitment changes, which included changes that were or will be reported to the NRC, and changes that were not, or will not be, reported to the NRC.

The NRC staff also reviewed the following summary reports of commitment changes reported by the licensee to the NRC during the audit period:

- March 8, 2013 (ADAMS Accession No. ML13081A142)
- April 17, 2014 (ADAMS Accession No. ML14108A458)

2.2.1 Audit Results

The NRC staff reviewed the licensee's procedure S0123-XV-3.4, Revision 3, "Regulatory Burden Reduction Process" against NEI 99-04. Section 6.2.2.2 of the procedure is an important step, directing the reviewer to evaluate the proposed modification per the NEI 99-04 guidance, which is included as Attachment 1 to the procedure. The NRC staff found that S0123-XV-3.4 follows the guidance of NEI 99-04 and provides detailed instructions for evaluating and documenting commitment changes.

Based on the review of the reports provided by the licensee as described above, the accompanying change review, and tracking forms provided during the audit, the NRC staff concludes that the licensee has established effective administrative controls for managing NRC commitment changes.

2.3 Review to Identify Misapplied Commitments

The commitments reviewed for this audit were also evaluated to determine if they had been misapplied. A commitment is considered to be misapplied if the action comprising the commitment was relied on by the NRC staff in making a regulatory decision such as a finding of public health and safety in an NRC safety evaluation associated with a licensing action. Reliance on an action to support a regulatory decision must be elevated from a regulatory commitment to a legal obligation (e.g., license condition, condition of a relief request, regulatory exemption limitation or condition). A commitment is also considered to have been misapplied if the commitment involves actions that were safety significant (i.e., commitments used to ensure safety).

Each of the commitments selected for the audit sample was reviewed to determine if any had been misapplied. No misapplied commitments were identified within the audit scope.

2.3.1 Review of Safety Evaluation Reports for Licensing Actions Since the Last Audit to Determine if They are Properly Captured as Commitments or Obligations

In addition to the commitments selected for the audit sample, all license amendment safety evaluations, exemptions, and relief request safety evaluations that have been issued for a facility since the last audit were identified. These documents were evaluated to determine if they contained any misapplied commitments as described above. There were no misapplied commitments found in the NRC staff evaluations for amendments, exemptions, relief requests, or other licensing tasks since the last commitment management audit.

3.0 CONCLUSION

Based on the results of the audit, the NRC staff concludes that the licensee has implemented the regulatory commitment management program effectively and implemented regulatory commitment changes appropriately, in accordance with LIC-105 and consistent with NEI 99-04. The specific observations identified during the audit are detailed in Section 2.0 of this report.

4.0 LICENSEE PERSONNEL CONTACTED FOR THIS AUDIT

Mark Morgan, Regulatory Affairs
Andrea Sterdis, Regulatory Affairs

Principal Contributor: T. Wengert

Date: October 7, 2015

Attachment:
Regulatory Commitments and
Summary of Audit Results

**REGULATORY COMMITMENTS AND SUMMARY OF AUDIT RESULTS
SAN ONOFRE NUCLEAR GENERATING STATION, UNITS 2 AND 3**

| Item No. | Licensee Correspondence | Commitment No. | Description of Commitment | Implementation Status |
|-----------------|---|-----------------------|---|--|
| 1 | Southern California Edison Company (SCE) letter dated 1/30/2009 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML090360738) | 2009-01-014 | 4) The AREVA LFAs will be placed in core locations where the peak integrated radial power peaking factor in the LFAs will be 0.95 or less of the core maximum integrated radial power peaking factor at all times in life. | Fulfilled Commitment was implemented (fulfilled) in U2 Cycle 16 reload process as documented in U2C16 Reload ECP (Order 800247870). |
| 2 | SCE letter dated 11/12/2009 (ADAMS Accession No. ML093210174) | 2009-11-001 | As discussed in the SCE supplement to response 11/22/29 submittal letter Attachment 1, Section 3.n.i; Attachment 2, Open Item 20; and Attachment 3, Item B.1, SCE plans to perform the necessary evaluations prescribed by Westinghouse topical report WCAP-16793-NP relative to potential fuel debris blockage, once the associated NRC safety evaluation is issued. | Cancelled This commitment was cancelled on 7/23/13 by the licensee due to the permanent cessation of operations of the SONGS reactors in June 2013. |
| 3 | SCE letter dated 1/14/2010 (ADAMS Accession No. ML100210200) | 2010-01-001 | SONGS will continue to implement revised applicability of technical specifications that are pertinent to the movement of fuel assemblies using administrative controls in accordance with NRC Administrative Letter 98-10. Due: Until NRC completes its review and issues revised technical specification pages. | Pending NRC NRC issued amendment Nos. 226 and 219 on 10/16/2012 (ADAMS Accession No. ML12215A399). Note: This commitment should have been "closed" following issuance of the amendments. |
| 4 | N/A – Commitment associated with industry Buried Piping Program Initiative | 2010-09-002 | 1) By June 30, 2010, Procedures and Oversight: Ensure clear roles and responsibilities including senior level accountability for the Buried Piping Integrity Program. Develop a Buried Piping Integrity program document and implementing procedures. | Fulfilled Verified that Procedure SO123-XV-110 was issued to fulfill the commitment. |

| Item No. | Licensee Correspondence | Commitment No. | Description of Commitment | Implementation Status |
|----------|--|----------------|--|--|
| 5 | SCE letter dated 7/29/2011 (ADAMS Accession No. ML112510214) | 2011-07-011 | Implement the following commitment after NRC approval of PCN 599: SCE will ensure procedures are in place to require the continuing performance of the Hazardous Cargo Traffic Report in accordance with Regulatory Guide 1.78, "Evaluating the Habitability of Nuclear Power Plant Control Room During a Postulated Hazardous Chemical Release." The report will include hazardous cargo traffic on Interstate 5 and the Atchison, Topeka, and Santa Fe Railway and be submitted to the NRC regional administrator every three years. | Cancelled The commitment was cancelled because the associated license amendment request was withdrawn by SCE. Per SO123-XV-3.4, the NRC was notified of this commitment change in the 7/30/13 letter (ADAMS Accession No. ML13212A250). |
| 6 | SCE letter dated 3/23/2012 (ADAMS Accession No. ML12086A182) | 2012-03-011 | Prior into entry of Unit 2 into Mode 2, SCE will submit to the NRC in writing the results of your assessment of Unit 2 steam generators, the protocol of inspections and/or operational limits, including schedule dates for a mid-cycle shutdown for further inspections, and the basis for SCE's conclusion that there is reasonable assurance, as required by NRC regulations, that the unit will operate safely. | Closed Implemented via NRC letter dated 8/1/2013, "Closure of Confirmatory Action Letter – SONGS Commitments to Address Steam Generator Tube Degradation" (ADAMS Accession No. ML13213A238) |
| 7 | N/A | 2012-11-004 | Resolve deficiencies as identified in the San Onofre Nuclear Generating Station (SONGS) Flood Walkdown Report. | Closed Closed via NRC letter dated 1/22/2014 (ADAMS Accession No. ML13329A826) that acknowledged SCE's letter dated 9/30/2013 (ADAMS Accession No. ML13276A020), which notified NRC of termination of actions required by the March 12, 2012, NRC 50.54(f) letter concerning NTTF recommendation 2.1, 2.3, and 9.3 because SONGS 2 and 3 are permanently shut-down and defueled. |

| Item No. | Licensee Correspondence | Commitment No. | Description of Commitment | Implementation Status |
|----------|--|----------------|--|---|
| 8 | SCE letter dated 3/27/2013 (ADAMS Accession No. ML13168A590) | 2013-03-002 | The SONGS National Fire Protection Association 805 plant modifications will be completed for each of Unit 2 and 3 by end of their respective second scheduled refueling outage after NRC approval of these license amendment requests. | Cancelled License amendment request and associated commitments were withdrawn by SCE letter dated 11/21/2013 and acknowledged by the NRC by letter dated 5/8/2014 (ADAMS Accession No. ML14043A002). |
| 9 | SCE letter dated 4/26/2013 (ADAMS Accession No. ML13120A007) | 2013-04-004 | Southern California Edison will submit to the NRC an Expedited Seismic Evaluation process report by following the approach and schedule provided in Reference 3. | Cancelled NRC letter dated 1/22/2014 (ADAMS Accession No. ML13329A826) acknowledged SCE's letter dated 9/30/2013 (ADAMS Accession No. ML13276A020), which notified NRC of termination of actions required by the March 12, 2012, NRC 50.54(f) letter concerning NTTF recommendation 2.1, 2.3, and 9.3 because SONGS 2 and 3 are permanently shut-down and defueled. |
| 10 | SCE letter dated 9/9/2014 (ADAMS Accession No. ML14258A003) | 2014-09-001 | Procedures will be revised to ensure that walk-downs and patrols [of spent fuel pool (SFP) systems] are periodically (no less than once a shift) performed. | Working (In Progress) |
| 11 | SCE letter dated 10/27/2014 (Accession No. ML14303A257) | 2014-10-002 | SCE will implement a routine activity to periodically operate the spent fuel purification pumps. Initial operation will be performed prior to end of year. | Working (In Progress) |

T. Palmisano

- 2 -

The NRC staff appreciates the resources that were made available by your staff, both before and during the audit. If you have any questions, please contact me at (301) 415-4037 or Thomas.Wengert@nrc.gov.

Sincerely,

/RA/

Thomas J. Wengert, Senior Project Manager
Plant Licensing and Decommissioning
Transition Branch IV-2
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-361 and 50-362

Enclosure:
Audit Report

cc w/enclosure: Distribution via Listserv

DISTRIBUTION:

PUBLIC
LPL4-2 R/F
RidsACRS_MailCTR Resource
RidsNrrDorIDpr Resource
RidsNrrDorLpl4-2 Resource
BWatson, NMSS

RidsNrrPMSanOnofre Resource
RidsNrrLAPBlechman Resource
RidsRgn4MailCenter Resource
TOrf, NRC
RKellar, RIV
MVaaler, NMSS

ADAMS Accession No.: ML15254A518

*via e-mail

| OFFICE | DORL/LPLIV-2/PM | DORL/LPLIV-2/LA | DORL/LPLIV-2/BC* | DORL/LPLIV-2/PM |
|--------|-----------------|------------------------------|------------------|-----------------|
| NAME | TWengert | (LRonewicz for) PBlechman | MKhanna | TWengert |
| DATE | 10/05/2015 | 9/15/2015 | 10/06/2015 | 10/07/2015 |

OFFICIAL RECORD COPY