

RS-15-261

September 30, 2015

U.S. Nuclear Regulatory Commission
ATTN: Regional Administrator Region III
2443 Warrenville Road Suite 210
Lisle, Illinois 60532

Clinton Power Station, Unit 1
Facility Operating License No. NPF-62
NRC Docket No. 50-461

Subject: Concerns with NRC's Inappropriate Application of Significance Determination Process

- References:
1. Letter from C. D. Pederson (U.S. NRC) to B. C. Hanson (Exelon Generation Company, LLC), "Final Significance Determination of a White Finding with Assessment Followup and Notice of Violation; NRC inspection Report No. 05000461/2015009; Clinton Power Station," dated August 11, 2015
 2. Letter from P. R. Simpson (Exelon Generation Company, LLC) to U.S. NRC, "Request for Extension to Submit an Appeal," dated September 9, 2015
 3. Letter from P. L. Loudon (U.S. NRC) to B. C. Hanson (Exelon Generation Company, LLC), "Request for 10-Day Extension to Submit Appeal Regarding White Finding Associated with the Division 3 Shutdown Service Water Pump," dated September 11, 2015

In Reference 1, the NRC provided the final significance determination of a preliminary finding related to the failure of the Division 3 Shutdown Service Water (SX) system pump to perform its intended safety function. Reference 1 stated that an appeal of the NRC's determination of significance for the identified White finding should be submitted within 30 days (i.e., by September 10, 2015). However, in Reference 2, Exelon Generation Company, LLC (EGC) requested a 10-day extension to allow additional time to evaluate the merits of an appeal for the basis of the White finding. The NRC approved EGC's request for a 10-day extension in Reference 3, which stated that any appeal of the White finding must now be submitted by September 20, 2015.

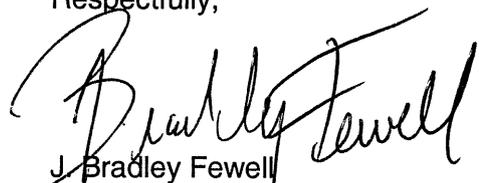
After further evaluation, EGC has elected not to appeal the White finding. EGC understands its responsibility for identifying components that will perform reliably in their operating environment.

However, as discussed in Reference 2, EGC is concerned over the reasonableness of holding a licensee accountable for the actions of a qualified vendor manufacturing components under its own 10 CFR 50, Appendix B, quality assurance program who supplies a component (i.e., Division 3 SX pump) to a licensee that subsequently fails through no fault of the licensee. The pump failure was caused by a deficient hardface application, which ultimately caused failure of the bushing because cooling water flow was blocked. The hardface application technique (i.e. hardface thickness) is below the level of detail of the design and it is not reasonable for EGC to specify in a procurement specification.

Notwithstanding the above, EGC disagrees with the NRC's conclusion. Nonetheless, EGC has decided not to further appeal, in part, due to EGC's informed view that the NRC's decision was based on totality of the circumstances present in this matter as opposed to intending to establish a requirement where a licensee is expected to specify such a level of detail to the vendor in a procurement document for a safety-related structure, system, or component. Such a requirement by the NRC would be beyond its own precedent and regulatory guidance.

There are no regulatory commitments contained in this letter. Should you have any questions concerning this letter, please contact Glen Kaegi at (630) 657-2811.

Respectfully,


J. Bradley Fewell
Senior Vice President Regulatory Affairs

cc: NRC Document Control Desk
NRC Senior Resident Inspector – Clinton Power Station
Illinois Emergency Management Agency – Division of Nuclear Safety