



OFFICE OF THE  
CHIEF FINANCIAL  
OFFICER

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

April 5, 2017

Ms. Victoria K. Anderson  
Senior Project Manager  
Nuclear Energy Institute  
1201 F Street NW, Suite 1100  
Washington, DC 20004

Dear Ms. Anderson:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am responding to your letter dated October 20, 2016 (ADAMS Accession No. ML16295A105), requesting a fee waiver under Title 10 of the *Code of Federal Regulations* (10 CFR) 170.11(a)(1)(ii) for NRC review of Nuclear Energy Institute (NEI) 16-04, "New PRA Method Evaluation Process Guidelines", and for NRC activities performed using the process outlined in NEI 16-04, including future submissions of this guidance document and future respective NRC activities.

The NRC has established regulations for the granting of fee exemptions under 10 CFR 170.11, "Exemptions," for which licensees may apply in accordance with 10 CFR 170.5, "Communications." The NRC staff has reviewed your request based on the following regulation, 10 CFR 170.11(a)(1)(ii):

*10 CFR 170.11(a) No application fees, license fees, renewal fee, inspection fees, or special project fees shall be required for: (1) A special project that is a request/report submitted to the NRC—(ii) When the NRC, at the time the request/report is submitted, plans to use the information in response to an NRC request from the Office Director level or above to resolve an identified safety, safeguards, or environmental issue, or to assist the NRC in generic regulatory improvements or efforts (e.g., rules, regulatory guides, regulations, policy statements, generic letters, or bulletins).*

In this case, your letter states that NEI 16-04 details a process to be used by a joint NRC-industry methods vetting panel to make new probabilistic risk assessment (PRA) methods available for use in regulatory applications in a more expeditious manner. Your letter further states that it is anticipated that the process used by the vetting panel will substantially reduce NRC resources devoted to reviewing PRA technical adequacy in support of risk-informed licensing applications, and will therefore support more widespread use of these applications throughout the industry.

The NRC staff anticipates a significant increase in the number of risk-informed license amendment requests (LARs) in fiscal years (FYs) 2017, 2018, and 2019. As such, a process for obtaining NRC review and approval of new PRA methods in a more efficient and effective manner has the potential to save significant NRC and industry resources. In this case, a single, upfront review of each new PRA method by recognized industry and NRC experts is proposed to support NRC acceptance of the method, rather than repeated review of the method during

individual LAR submittals. The staff position regarding new PRA methods is planned to be addressed in a future revision of RG 1.200, Revision 2, "An Approach for Determining the Technical Adequacy of Probabilistic Risk Assessment Results for Risk-Informing Activities," which provides guidance to licensees for use in determining the acceptability of the base PRA used in a risk-informed regulatory activity, and endorses standards and associated industry peer review guidance.

In your letter dated April 28, 2016 (ADAMS Accession No. ML16158a054), you proposed three fire PRA methods (taken from EPRI Report No. 3002005303 (Fire Modeling Enhancements for Fire Probabilistic Risk Assessment, Fire Location Factor, Transient Fires, and Liquid Spill Heat Release Rate) (November 2015)) to be used as pilots to assess the process in NEI 16-04. EPRI provided the subject reports (proprietary) to the NRC by letter dated January 12, 2016. These reports address technical areas identified since the joint NRC/EPRI publication of NUREG-CR-6850 Supplement 1, EPRI 1019259, "Fire Probabilistic Risk Assessment Methods Enhancement," that supported fire PRA development for the transition to 10 CFR 50.48(c), the National Fire Protection Association Standard 805.

NEI proposes to use these fire PRA methods pilots to assist the NRC in formulating a regulatory position for the use of a vetting panel process for evaluating new PRA methods in RG 1.200, as well as assist NRC in considering NEI 16-04 for possible endorsement in RG 1.200. Thus, the request from NEI with regards to NRC review of the pilot PRA methods applies to 10 CFR 170.11 in that it assists the NRC in generic regulatory improvements since the review of the pilot PRA methods supports the planned revision of RG 1.200, Revision 2.

The NRC staff concludes the review of NEI 16-04 and review of the three new pilot PRA methods, could provide a generic regulatory improvement. The expiration of the fee waiver will occur when any of the following occur: (1) endorsement of NEI 16-04 in the revision to RG 1.200 Rev. 2, (2) issuance of a decision letter regarding the acceptability of NEI 16-04 for use preceding publication of the staff position in the revision to RG 1.200 Rev. 2; or (3) issuance of the determination that the process will not be endorsed by the staff. Therefore, the NEI fee waiver letter satisfies the requirements stated in 10 CFR 170.11(a)(1)(ii).

*10 CFR 170.11(a)(13) All fee exemption requests must be submitted in writing to the Chief Financial Officer in accordance with 10 CFR 170.5, and the Chief Financial Officer will grant or deny this request in writing. The 10 CFR 170.5 states, "All communications concerning the regulations in this part should be addressed to the NRC's Chief Financial Officer, either by mail to the U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; by hand delivery to the NRC's offices at 11555 Rockville Pike, Rockville, Maryland; or, where practicable, by electronic submission, for example, via Electronic Information Exchange, or CD-ROM.*

The fee exemption request for NEI 16-04, "New PRA Method Evaluation Process Guidelines", and for NRC pilot activities performed using the process outlined in NEI 16-04 was submitted in writing by NEI; therefore, NEI's request meets this regulation.

Thus, the NRC staff concludes that NRC review of NEI 16-04, "New PRA Method Evaluation Process Guidelines", and the assessment of the process using three pilot methods meets the criteria under 10 CFR 170.11(a)(1)(ii). Therefore, the fee waiver request is approved only for the staff review of the three pilot PRA methods and NEI 16-04, as described above, but does not apply to any plant-specific licensing actions. Any future revisions of NEI 16-04 or any further NRC activities with NEI 16-04 beyond those cited in NRC's acceptance of the fee waiver will require you to submit a new fee waiver request for NRC consideration, pursuant to the new fee-exemption provisions under

10 CFR 170.11 (a)(1). If you have any technical questions regarding this matter, please contact, Mr. JS Hyslop at 301-415-4107. Please contact Mr. William Blaney, of my staff, at 301-415-5092, for any fee-related questions.

Sincerely,

*/RA/*

Maureen E. Wylie  
Chief Financial Officer

SUBJECT: LETTER TO VICTORIA K. ANDERSON RESPONSE TO FEE WAIVER (NEI),  
 dated, April 5, 2017

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**ADAMS Accession No: ML17044A071**

**\*via e-mail CFO-0009**

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