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50-528-529/530

MEMORANDUM FOR: Frank Miraglis, Acting Chief
Licensing Branch #3
Division of Licensing

FROM: Robert Bosnak, Chief
Mechanical Engineering Branch
Division of Engineering

SUBJECT: MEB LICENSING REVIEW FOR PALO VERDE SER

memo 4

US NRC
DIVISION SERVICES
BRANCH

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STATION UNIT

The MEB and its contractor, Pacific Northwest Laboratory (PNL), have chosen not to develop the usual Q1/Q2 round of questions but to proceed directly to a draft SER input for the Palo Verde Nuclear Generating Station Units 1, 2; and 3. This innovative process for the licensing review has been used by the MEB for the Grand Gulf 1 & 2, Susquehanna 1 & 2, and Waterford 3 plants and has proven to be successful for all the participants involved. The use of the draft SER meetings to resolve the open licensing issues should reduce the scheduled 15 month review schedule significantly. In addition, valuable man-hours are conserved when questions are fully understood and the resolutions are immediately available.

The meeting usually involves the utility, its architect/engineer, the NSSS supplier, and the NRC staff and their consultants. The location of the meeting has been proven to be most successful when held at the architect/engineer's offices where the design information is readily available.

The meeting attendees should include persons of sufficient status within the utility, its AE, and its NSSS supplier to negotiate positions of difference and to make binding commitments. The NRC representatives must include the project manager, the review personnel, and the appropriate section leader and branch chief.

Attached to this memorandum is a set of guidelines relative to the preparation for and the logistics of such a SER meeting. Also attached is a list of observations based on previous SER meetings and may be helpful.

The MEB contractor (PNL) was scheduled to begin the licensing review in November 1980. However, to date, they have not received the copies of the FSAR. It is imperative that PNL receive the FSAR within the next month if we are to meet your proposed schedule.

Robert J. Bosnak, Chief
Mechanical Engineering Branch
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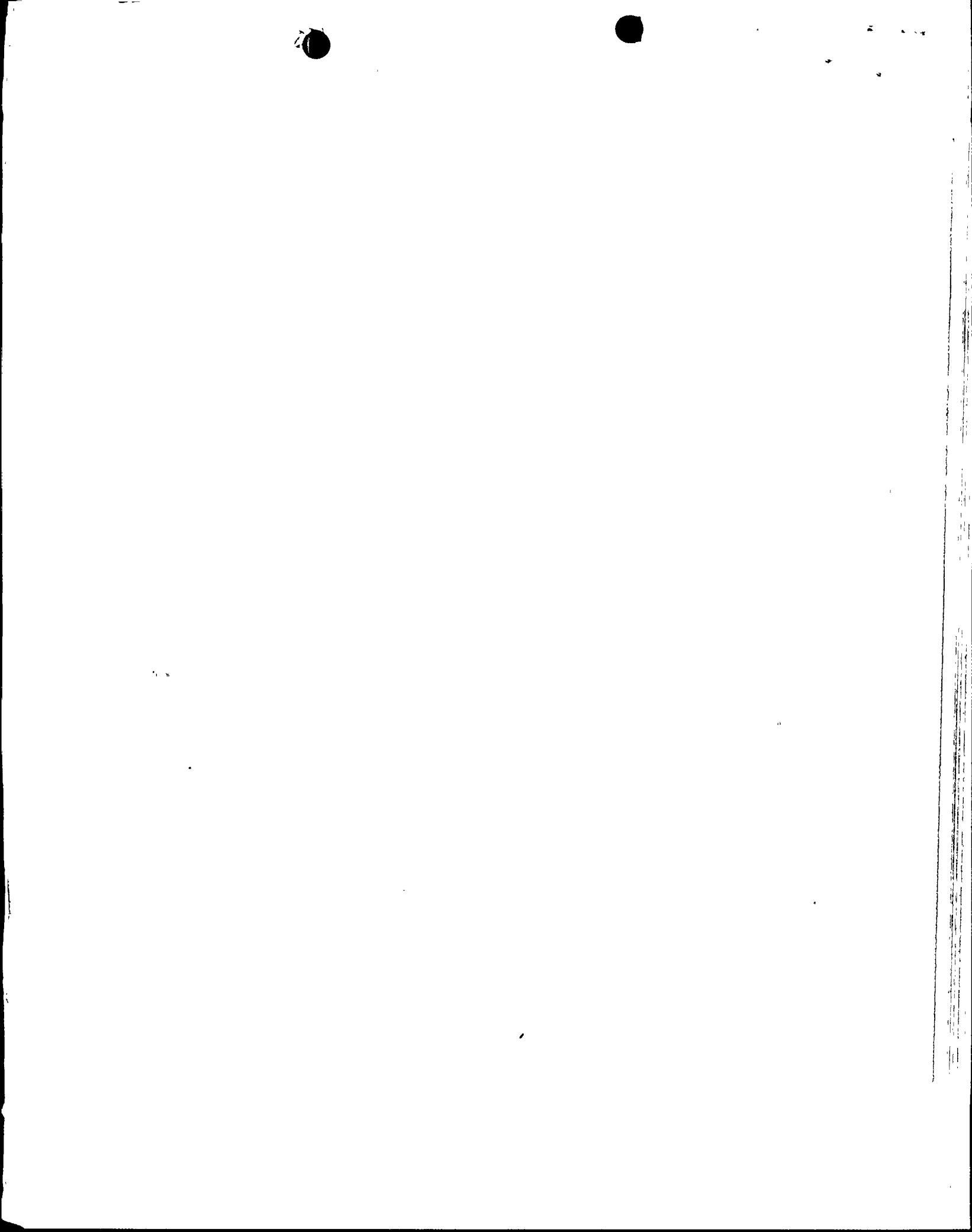
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Attachment 1

Guidelines for SER Meeting Preparation

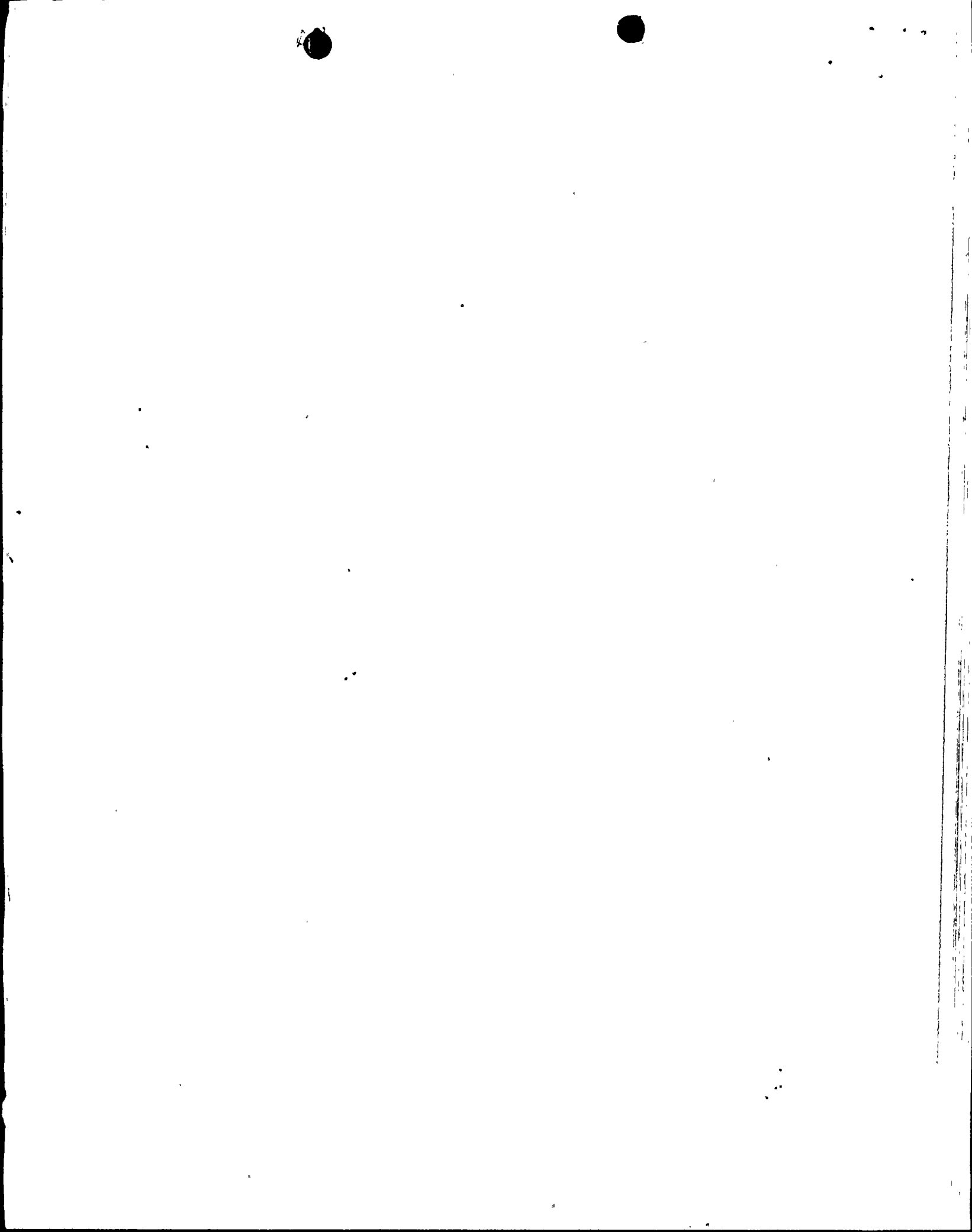
1. The review branch should prepare a draft SER which describes the open issues in its review. The review branch must consult other branches as necessary if the issue crosses jurisdictional lines. It may be necessary for these interfacing branches to appear at the SER meeting or to be available via conference call.
2. The open issues in the draft SER should be described in sufficient detail to allow the applicant to prepare an appropriate response. The applicant should be encouraged to request any necessary clarification by phone.
3. The draft SER should be sent to the applicant by the project manager with explicit instructions that the applicant be prepared to meet until all the open issues are resolved. In isolated cases resolution includes an agreement to disagree. This ground rule has been found to be a key in setting the tone of the meetings.
4. The applicant should prepare a detailed agenda, issue by issue, so that one may ascertain on which day a particular issue will be discussed.
5. The applicant should prepare draft responses to each open issue, and if possible, provide these to the NRC a few days before the SER meeting.
6. It is essential that both sides enter this meeting with an open mind, ready to pursue a variety of alternative approaches for achieving the necessary level of safety. This may be more difficult for the NRC than the applicant if we lose sight of the fact that SRP's and Regulatory Guides present one acceptable approach. There may be others equally as acceptable.
7. The period from receipt of the draft SER by the applicant until the SER resolution meeting is expected to average about 2 to 3 months.



Attachment 2

Guidelines for SER Meeting Logistics

1. The meeting room should be as small as practical to comfortably hold the participants. It is important that the acoustics be adequate to allow a conversation across the room. A podium and microphone was found to be inhibiting and should not be used.
2. We have found that the meeting runs most smoothly when chaired by the applicant. Ideally, the applicant should lead off the discussion of each open issue by providing an oral presentation of its proposed response. Slides and handouts are also helpful in this regard.
3. The meeting room should be located as near as possible to files, calculations, or other supplementary information. The engineers who actually performed the work in question should also be readily available.
4. A working lunch is quite useful as it saves time and does not disrupt the flow of thought. Box lunches seem to be adequate. NRC staff should reimburse the applicant for these.
5. Phones and telecopiers should be readily available for communications with the home offices. Provisions for conference calls would also be useful.
6. Evenings should be used to caucus and work out revisions to positions on both sides.
7. At the meeting's end, the applicant and NRC should review each issue and agree upon the required follow-up actions by both sides.
8. Typically, the issues can be closed out when the applicant formally makes the agreed upon FSAR changes. Other documentation, such as a letter formally submitted by the applicant on his docket may also be adequate. The NRC project manager should be consulted.



Attachment 3

Observations Based On Grand Gulf & Susquehanna SER Meetings

1. The use of draft SER meetings to resolve open licensing issues should cut the current 18 month review schedule significantly. Such meetings are very successful because the ground rules are quite clear; the participants (including the NRC) are committed to extend the meeting until the issues are resolved. In practice, of the 50-60 issues discussed during two SER meetings, all but two were resolved during the course of the meeting. These two required additional information from GE, not available at the meeting site.
2. Extended face-to-face discussions permit the NRC and applicant to better understand each other's real concerns and problems. We found the discussions with the applicant were among the most frank and open we have experienced in quite some time. Quite often we were able to find a middle ground from which a solution agreeable to both sides could be fashioned.
3. Hopefully, the applicant will leave the meeting not feeling as if it had been bullied by the regulators. We believe that the applicant will better and more carefully carry out its commitments when the required actions are mutually agreed upon.
4. Such an SER meeting requires all participants to do their homework. We were told by the applicants that even its pre-meeting preparation was valuable because the intense interaction and discussion with its contractors gave it a better handle on its plant design.
5. Similarly, we in the staff were forced to specifically state our safety concerns and get to the heart of the matter. Once we did so, both we and the applicant rather quickly agreed upon a resolution.
6. Because we covered so much of the plant review during a three day period, both we and the applicant were better able to place the various issues into context. It quickly became clear that some issues really affected plant design while others would have negligible impact. These lesser issues could be quickly resolved.
7. Especially during the Grand Gulf meeting held at the Bechtel offices in Gaithersburg, we were able to audit a wide variety of calculations and verify on the spot whether the applicant was actually meeting its commitments. This was useful and afforded the staff the opportunity to verify procedural details and assumptions.
8. We found that the applicant, AE, and NSSS supplier were generally represented by high quality personnel, both working level and supervisory. A vice-president of Pennsylvania Power & Light attended the Susquehanna meeting. What this means is that the applicants and their contractors are willing to commit their resources if they feel that these SER meetings will really further their review. We believe that the staff should take advantage of this attitude and spend the relatively small amount of staff resources necessary to achieve a large return in licensing progress.

