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Public Service
Electric and Gas
Company

Leon R. Ellason
Chief Nuclear Officer & President
Nuclear Business Unit

Public Service Electric and Gas Company P.O. Box 236, Hancocks Bridge, NJ 08038 609-339-1100

APR 19 1995

LR-N95062

U. S. Nuclear Regulatory Commission
475 Allendale Road
King of Prussia, PA 19406

Attention: Mr. William T. Russell - Director
Office of Nuclear Reactor Regulation

Dear Mr. Russell:

**COST BENEFICIAL LICENSING ACTIONS
HOPE CREEK AND SALEM GENERATING STATIONS**

Recently, during a visit with the PSE&G Board of Directors, an interest was expressed in the efforts being taken towards reduction of low value work from a regulatory perspective. This memo, addressing our Cost Beneficial Licensing Action (CBLA) process, is in response to your interest. PSE&G has been aggressively pursuing CBLA's with the NRC since the programs inception in 1993. PSE&G has developed a program to identify regulatory requirements that have a high cost with a low safety significance. Once a CBLA candidate is identified, a justification for relief is developed in accordance with appropriate regulatory requirements. Representatives from PSE&G met with the NRC staff on November 12, 1993 to brief the NRC staff on our program for identification of CBLAs and schedule for submission of initial requests, and to align with the NRC staff on the most effective means for processing CBLAs. We discussed our process and the NRC staff provided feedback, which we incorporated into our process, to most effectively utilize our resources and the NRC staff's resources.

PSE&G's CBLA process includes the following:

- * Identifying specific regulatory changes that would reduce cost without compromising safety by reviewing programs (value added versus resources expended), soliciting input from plant personnel to identify distractions or work they feel has low value added (i.e., distractions to operators), referring to the improved Standard Technical Specifications to identify changes that the NRC has approved from which we could benefit, reviewing submittals made by other utilities and the Federal Register, and maintaining awareness of NRC regulatory response group initiatives and NEI initiatives.

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APR 19 1995

Our process focuses on plant specific items, while any large scope, generic items are left for NEI to process with the NRC.

- * Researching the identified items to determine the feasibility of pursuing approval under the CBLA program: identify driving requirement/commitment and the reason for the requirement/commitment, determine regulatory significance (ease of approval), formulate estimated cost savings, determine safety significance.
- * Prioritizing the CBLAs based on the safety significance, estimated cost savings, regulatory significance, and implementation time; maintaining a mix of changes that can be processed fairly quickly and those that require more time; periodic meetings held with plant management to align on priority.
- * Categorizing the CBLAs based on the required relief process (i.e., 50.59 approval, NRC approval through a letter or requested change to the license, or an exemption).
- * Developing the justification for the specific CBLA by demonstrating that there is a minimal safety impact or there are alternative means of addressing the issue.
- * Ongoing communication with the NRC as to the progress in developing and implementing the program.
- * Keeping abreast of initiatives developed by peer groups and NEI.

In 1994 alone, PSE&G developed 52 licensing actions, for either internal review and processing or submittal to the NRC, that we characterized as CBLAs, 38 of which were Technical Specification change requests. While our definition of CBLA includes the \$100,000 threshold criteria defined by the NRC, it also includes those changes which provide either operating flexibility, reduced outage duration, or a reduction in unnecessary risk of plant shutdowns (i.e., without commensurate safety benefits). Our definition of CBLA also includes those changes approved on a generic bases. These latter items are captured because the benefits are considered significant, while the actual cost savings are difficult to quantify. In addition, many license changes that we categorized as CBLAs can be shown to increase safety and therefore are not always identified as CBLAs to the NRC on the docket.



APR 19 1995

Our progress to date is summarized in the Attachments to this letter. Attachment 1 indicates the number of PSE&G CBLA's approved in 1993 and 1994, and the associated cost savings over the life of the plants. In 1993, 7 PSE&G CBLA's were approved for the Salem Generating Stations (SGS), yielding a cost savings of approximately \$25,000,000 over the life of the SGS. Also in 1993, 7 PSE&G CBLA's were approved for Hope Creek Generating Station (HCGS), yielding approximately \$27,000,000 over the life of the HCGS. In 1994, an additional 28 PSE&G CBLA's were approved: 15 PSE&G CBLA's were approved for SGS yielding cost savings of approximately \$26,000,000 over the life of the SGS, 12 PSE&G CBLA's were approved for HCGS yielding cost savings of approximately \$31,000,000 over the life of the HCGS, and 1 PSE&G CBLA was approved that was common to all Stations yielding cost savings of approximately \$2,000,000 over the life of the Stations. As the figures show, we have been aggressively pursuing CBLA's with the NRC and have seen significant cost benefits. Our cost estimates are based on rules of thumb common throughout the industry. For example, the cost of an engineers time is \$50/hour. We currently have approximately 150 additional items identified as possible CBLAs, approximately 40 of which are currently under development. Our CBLA program continues to aggressively pursue regulatory relief where it can be shown that safety is not compromised.

Our success can be attributed, in part to, the support of our Nuclear Reactor Regulation Project Managers. We have very frequent communications with our Projects Managers specifically concerning the CBLA program. We have established and maintain a "Top Ten" list with each Project Manager that ranks the amendment requests in the order in which PSE&G would like them to be reviewed and approved. These "Top Ten" lists are shown in Attachment 2. The Project Managers have been very supportive of our schedule requests and have assisted us in streamlining the process. This communication has proven very successful.

I appreciate the support your staff has provided in eliminating low value work. We will continue to focus on plant specific changes as opposed to large scope generic changes. However, we will continue to support generic submittals with NEI. If you have any questions or comments regarding our CBLA program, please feel free to contact our Manager - Licensing and Regulation at (609) 339-1229.

Sincerely,



Attachments (1)

APR 19 1995

C Mr. J. Ferland
Chairman of the Board & CEO
Newark, 4B

Document Control Desk
United States Nuclear Regulatory Commission
Washington, DC 20555

Mr. T. T. Martin, Administrator - Region I
U. S. Nuclear Regulatory Commission
475 Allendale Road
King of Prussia, PA 19406

Mr. J. Taylor, Executive Director of Operations
U. S. Nuclear Regulatory Commission
One White Flint North
11555 Rockville Pike
Mail Stop 14E21
Rockville, MD 20852

Mr. L. N. Olshan, Licensing Project Manager - Salem
U. S. Nuclear Regulatory Commission
One White Flint North
11555 Rockville Pike
Rockville, MD 20852

Mr. D. Moran, Licensing Project Manager - HC
U. S. Nuclear Regulatory Commission
One White Flint North
11555 Rockville Pike
Rockville, MD 20852

Mr. C. S. Marschall (S09)
USNRC Senior Resident Inspector

Mr. R. Summers (S09)
USNRC Senior Resident Inspector

Attachment 1

PSE&G COST BENEFICIAL LICENSING ACTION PROGRAM

CBLA STATISTICS

1993 Approvals:

Station	# Approved	\$ Saved (over life of plants)
Salem	7	~\$25,000,000
Hope Creek	7	~\$27,000,000
Total	14	~\$52,000,000

1994 Approvals:

Station	# Approved	\$ Saved (over life of plants)
Salem	15	~\$26,000,000
Hope Creek	12	~\$31,000,000
Common	1	~\$2,000,000
Total	28	~\$59,000,000

Attachment 2

PSE&G COST BENEFICIAL LICENSING ACTION PROGRAM

TOP TEN LISTS

Salem

1. Individual Rod Position Indication
2. ILRT One Time Exemption
3. Pressure/Vacuum Relief Valve (VC4 & 6)
4. Battery Cell Voltage
5. Reactor Trip Switch and Reactor Trip Breaker
6. Turbine Driven Aux Feed Pump Steam Pressure
7. Add Type C Leakrate Testing Exemption Note to BF-22's
8. Extend Surveillance Frequency of Pressurizer Heaters
9. RCS Flow Requirements
10. Reduction in QA Audits

Hope Creek

1. Eliminate Appendix J Testing for Valves in Lines that Penetrate the Torus and Terminate Below the Water Line
2. EDG AOT Extensions
3. SACS/SSWS AOT Extensions
4. EDG On-line Maintenance
5. EDG SR Elimination: Inspect IAW Vendor Recommendation
6. LPCI Type C Test Elimination
7. Elimination of Selected Response Time Testing
8. STI/AOT Extensions for Selected Instrumentation
9. Establish AOT for HPCI Inop Coincident with LPCI or CS Inop
10. Relocation of Turbine Overspeed Protection System

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