

**Official Transcript of Proceedings**  
**NUCLEAR REGULATORY COMMISSION**

Title: Tabletop Exercise of Interim Staff Guidance  
(ISG)-06, Draft Rev. 2, "Licensing Process"

Docket Number: (n/a)

Location: Rockville, Maryland

Date: Thursday, June 14, 2018

Work Order No.: NRC-3769

Pages 1-136

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1 UNITED STATES OF AMERICA

2 NUCLEAR REGULATORY COMMISSION

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4 TABLETOP EXERCISE OF INTERIM STAFF GUIDANCE

5 (ISG)-06, DRAFT REV. 2, "LICENSING PROCESS"

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7 THURSDAY

8 JUNE 14, 2018

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10 The meeting convened in Room 1C03/1C05 of  
11 Three White Flint North, 11601 Landsdown Street,  
12 Rockville, Maryland, at 8:00 a.m., Joe Golla  
13 presiding.

14 INDUSTRY MEMBERS PRESENT

15 JANA BERGMAN, Curtis-Wright

16 MARK BURZYNSKI, NewClear Day, Inc.

17 STEVE DRAGOVICH, Exelon

18 PAREEZ GOLUB, Excel

19 JERUD HANSON, NEI

20 DAVE HARRELL, MPR Associates

21 RAYMOND HERB, Southern Nuclear

22 DAVID HOOTEN, Imperia Engineering Partners

23 FRANK NOVAK, GE Hitachi

24 WARREN ODESS-GILLETT, NEI

25 JOHN SCHRAGE, Entergy

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1        NRC STAFF PRESENT

2        JOSEPH GOLLA, NRR

3        ROSSNYEV ALVARADO, NRR

4        AARON ARMSTRONG, NRO

5        SHELDON CLARK, OGC\*

6        SAMIR DARBALI, NRR

7        JOHN HUGHEY, NRR

8        RICHARD STATTEL, NRR

9        BOOMA VENKATARAMAN, NRR

10       MICHAEL WATERS, NRR

11       DEANNA ZHANG, NRO\*

12

13       \*Present via telephone

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C-O-N-T-E-N-T-S

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P-R-O-C-E-E-D-I-N-G-S

(7:58 a.m.)

MR. GOLLA: Okay, folks, good morning. This is Joe Golla speaking, Project Manager for the ISG-06. This is the second day of our tabletop exercise. Why don't we just quickly go around the room again and also on the phone just to announce name and association. We don't need to pass this, just shout.

MS. VENKATARAMAN: Just shout?

MR. GOLLA: Okay, all right.

MS. VENKATARAMAN: Okay. My name is Booma Venkataraman. I am Acting Chief in the Division of Operator and Reactor Licensing. Here I am helping as Project Manager.

MR. ARMSTRONG: Hello. My name is Aaron Armstrong and I work in NRO in the Vendor Inspection Branch and I got involved in this when 35.710 was issued.

MR. DARBALI: Samir Darbali, Instrumentation and Controls Branch, Technical Reviewer.

MR. HERB: Ray Herb, Southern Nuclear.

MR. NOVAK: Frank Novak, GE Hitachi.

MR. HARRELL: Dave Harrell, MPR and

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1 Associates.

2 MS. GOLUB: Pareez Golub, Excel Services.

3 MR. ODESS-GILLERT: Warren Odess-Gillert,  
4 NEI.

5 MR. BURZYNSKI: Mark Burzynski, Rolls-  
6 Royce.

7 MR. DRAGOVICH: Steve Dragovich, Exelon.

8 MS. ALVARADO: Rossnyev Alvarado. I am  
9 the Branch Chief for I&C Branch.

10 MR. HANSON: Jerud Hanson, NEI.

11 MR. HOOTEN: Dave Hooten, Imperia  
12 Engineering Partners.

13 MS. BERGMAN: Jana Bergman, Curtis-Wright.

14 MR. STATTEL: Hi, I'm Richard Stattel, NRC  
15 I&C Branch.

16 MR. GOLLA: Okay. And how about the  
17 people on the phone, would you like to announce your  
18 name and affiliation? Do we have anyone on the phone?

19 MS. ZHANG: Deanna Zhang, NRC in the  
20 Office of New Reactors, I&C.

21 MR. GOLLA: Okay, Deanna. Okay, so first  
22 on the agenda this morning we've got -- The topic is  
23 vendor inspection, and I will turn it over to whomever  
24 on the staff is prepared to speak to that.

25 MR. DARBALI: Thank you, Joe, I want to

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1 apologize, I lost my voice so I'll do the best I can  
2 today. This is Samir Darbali. So the first topic is  
3 the Vendor Oversight Plan and I will turn it over to  
4 Pareez to describe the sample LAR text that you  
5 provided.

6 MS. GOLUB: Thank you, Samir. All right,  
7 so I am actually going to ask Ray and Steve to speak  
8 to this a little bit. As you know in ISG-06 one of  
9 the prerequisites is to provide a summary of the  
10 licensee's vendor oversight plan.

11 And so what we wanted to provide to you  
12 guys was what we thought that summary would look like,  
13 what would be submitted in the LAR so what was  
14 submitted was actual LAR language.

15 And I guess, Ray or Steve, did you guys  
16 want to say anything more or did you just want to open  
17 it up for the staff to provide feedback. I leave that  
18 up to you guys.

19 MR. HERB: I can just start out by saying  
20 that this is something that was added in the revision  
21 to ISG-06. It's always been under the responsibility  
22 of the licensees, but it's been something that we  
23 haven't really done that well in the past.

24 And so we welcome the opportunity to step  
25 up our vendor oversight process. It is key to an

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1 efficient and effective and correct design, so it's  
2 part of what we committed to do underneath of our new  
3 standard design process and the digital process as  
4 well.

5 So this is just a sample or this is --  
6 This is a different thing.

7 MS. GOLUB: Oh, wait. This is a different  
8 --

9 MR. HERB: Summary of vendor oversight  
10 planning activities. Yes, so this is just, was  
11 written to --

12 (Simultaneous speaking.)

13 MR. HERB: Yes, at a high level to  
14 indicate the requirements of C.2.2.1. And so if we  
15 have any -- Steve, do you have anything you want to  
16 say?

17 MR. DRAGOVICH: Just to say that at Exelon  
18 we would propose to --

19 MR. GOLLA: Closer.

20 MR. DRAGOVICH: Oh, it's not on, okay. At  
21 Exelon we would propose to have both process and  
22 technical oversight during each of the visits. This  
23 kind of outlines what we are going to have in our  
24 standard, you know, digital engineering guide so we're  
25 trying to follow industry standard.

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1           And, of course, we would be project  
2           specific so we would have to at the beginning of a  
3           project determine, you know, what the strategic vendor  
4           oversight timeframe would be and then who the  
5           stakeholders would be to attend those oversight  
6           visits. So it's kind of a case-by-case project-  
7           specific basis.

8           MR. DARBALI: So thank you for that  
9           description. I kind of made a mistake in the  
10          beginning and we are in the wrong section. So we'll  
11          keep that in mind when we come back to the vendor  
12          inspection plan, but actually the first item is the  
13          sample inspection items.

14          And we'll do the turnover just because we  
15          have Booma here in the room. So what we'll do is  
16          we'll come back to --

17          MR. HERB: Okay.

18          MR. DARBALI: -- the vendor oversight  
19          program.

20          MR. HERB: Yes, forget everything I said.

21          MR. DARBALI: No, no it's on the record.

22          (Laughter.)

23          MR. DARBALI: Okay. So we got on the  
24          screen the sample recommended inspection items, and  
25          these were provided by the staff. The idea is -- And

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1 we typically, we've done these in the past, we did it  
2 for Diablo, we did it for Oconee, where we -- And we  
3 have the guidance now in the SRP that kind of tells us  
4 this is a good idea, the region likes to have this.

5 We draft these items and we kind of get  
6 the regions involved as we do our license amendment  
7 request review and this just kind of guides them on  
8 activities to perform after the license amendment is  
9 issued.

10 In the past with the tier process these  
11 activities just focus on site activities, so site  
12 acceptance testing, operations, installations, startup  
13 testing.

14 With the alternate review process we have  
15 added some sample activities that would apply to those  
16 implementation and test activities that would occur at  
17 the vendor.

18 It is true that, yes, those activities do  
19 tie back to the vendor oversight plan. Those  
20 activities used to be reviewed, audited, by the staff.  
21 We will get a chance to do that and the licensee will  
22 take the oversight role, even though you actually  
23 always had that oversight role as part of your  
24 contract with a vendor.

25 So the list of items, let's see, we

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1 separated them between what we considered to be  
2 alternate review process-specific and then I think  
3 it's on Page 4 that we have those specific, those that  
4 wouldn't apply to either process at this site.

5 The ones that came from, that are site  
6 inspection items actually came from the Diablo Canyon  
7 Safety Evaluation Report. We just changed the  
8 language where it said the platform, we just, it would  
9 say Tricon, we just changed it to the platform where  
10 it said Diablo Canyon on it.

11 PG&E we just changed it to the licensee.  
12 And maybe we changed some of the language to make it  
13 more generic, but those should be the same. So I will  
14 turn it over to the industry if you have questions on  
15 those alternate review process items.

16 MS. GOLUB: All right, so we provided a  
17 version of this with our questions list.

18 MR. DARBALI: Yes.

19 MS. GOLUB: I don't know if that would be  
20 helpful to put up. We can speak to them, that's not  
21 a problem.

22 MR. DARBALI: So --

23 MR. STATTEL: Yes, let me add a few words.

24 MR. DARBALI: Yes.

25 MR. STATTEL: Hi, this is Rich Stattel

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1 again. So I just wanted to cover the origin of these  
2 inspection items.

3 So with the Oconee review you have to  
4 understand we were following our branch technical  
5 position standard review plan guidance and we  
6 encountered several guidance criteria that we weren't  
7 able to accomplish for whatever reasons, the  
8 procedures for the plant had not been written.

9 There were several associated with the  
10 cybersecurity evaluation, because this preceded the  
11 development of ESSO guidance and so we troubled with  
12 how to deal with them.

13 Originally they were proposed to be  
14 conditions. We proposed to include them as conditions  
15 of the issuance of the license amendment, and that  
16 would push back to us, we weren't allowed to do that.

17 So our only alternative was to make them  
18 recommend it, right, so that it's, in other words,  
19 fulfillment of these actions was not, did not have any  
20 bearing on the safety conclusions in our license  
21 amendment.

22 So they were recommended for inspection,  
23 for inspection only, because that's essentially after  
24 the license amendment was issued. That's our  
25 opportunity to basically follow up with them.

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1           Most of them are confirmatory in nature,  
2 right, and that's why we were able to basically reduce  
3 them to recommended items. If the inspectors chose  
4 not to inspect these items that was okay, right, and  
5 not 100 percent of them were actually inspected at the  
6 level at the recommendation.

7           Okay, so that was kind of the origin of  
8 them. With Ocone the inspectors basically when they  
9 prepared their inspection plan they used them pretty  
10 extensively.

11           They contacted Samir and I and the  
12 reviewers and we participated and we were members of  
13 the inspection team. So we were able to provide, you  
14 know, what did we mean by that, you know, answering  
15 those types of questions.

16           There were several of those items that the  
17 licensee for one reason or another was not able to  
18 fulfill and we encountered that during the  
19 inspections.

20           We wrote those into the inspection reports  
21 and we basically provided them, basically we approved  
22 not meeting those items, okay. Some of them had to do  
23 with testing methods, the testability of the system  
24 that they installed.

25           It was things that we really had just not

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1 anticipated during the license review. Now it's  
2 interesting because that has come up over and over  
3 again since that time, so it's been like ten years  
4 since that started.

5 One of the things we have noticed is  
6 common among these upgrades is that the licensees will  
7 specify the system, the vendors will design the  
8 system.

9 We think we have a pretty good  
10 understanding of how the system works and we think we  
11 know how the operators are going to operate, but we  
12 don't write the procedures for operating it or update  
13 the OIs until the very end.

14 We don't update the emergency procedures  
15 until the very end. We don't update the key control  
16 logs and those types of things. Those are typically  
17 last minute activities.

18 And at Oconee during the inspection they  
19 had written a procedure and they were validating the  
20 procedures in their simulator, so they were basically  
21 -- They had the system simulated and they were having  
22 the operating crews go through the procedures for  
23 operating the system and it kind of goes to our HFE  
24 discussion yesterday.

25 So even though they really didn't change

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1 any of their HFE they kind of did because the way they  
2 operate the system did change and it was impacted by  
3 the system modification.

4 In the case of Oconee they had installed  
5 a diverse actuation system, which did not exist in the  
6 past, and some of their emergency response procedures  
7 failed to work because the diverse actuation -- They  
8 hadn't anticipated that the diverse actuation system  
9 would prevent the operator from being able to operate  
10 certain equipment.

11 And it wasn't a big deal. I mean they had  
12 to revise the procedures and overcome that, but it's  
13 things that we had not anticipated during their  
14 license review.

15 And that's where I think a lot of these  
16 inspection items actually do have a lot of value. So  
17 we were able to work through that and approve all of  
18 that and that's all documented in the Oconee  
19 inspections.

20 Diablo Canyon never made it to that point  
21 because they chose not to install the system. And we  
22 don't always do the inspections, so for Hope Creek,  
23 for example, there was no follow-up inspection.

24 Okay, so now what we are seeing here is  
25 basically we took that as a starting point, what are

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1 the recommended inspection items for Diablo, I realize  
2 Samir just mentioned, but we also looked at this and  
3 I had identified several -- So basically I was kind of  
4 putting a lens on and looking at the Diablo Canyon  
5 application as if we had issued this license amendment  
6 prior to implementation of the design and prior to  
7 installation, right, or testing.

8 So we added some additional activities  
9 that we thought, well, we're not going to be able to  
10 complete these review activities that are in the  
11 review plan, therefore, I am anticipating we would  
12 have to include these as recommended inspection items,  
13 right.

14 So that's essentially what we have in  
15 front of us here. I did read through your comments  
16 and a lot of them are very good comments and we have  
17 actually noticed this ourselves, there is some  
18 repetition, right, and that's kind of an outcropping  
19 of the way we perform our evaluations.

20 So these are, you know, we don't write  
21 these evaluations sequentially, right, we perform  
22 different activities and we parse them out. So we  
23 will have one reviewer assigned to perform the SDO  
24 evaluation, another reviewer perform D3, you know, so  
25 we basically parse them out by section.

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1           And as you know there is a lot of overlap,  
2 particularly when you get into the IEEE 603 and 7432  
3 sections. They have criteria that covers all aspects  
4 of the design.

5           So, therefore, you know, these are being  
6 generated as we perform our evaluation and that's why  
7 you see the overlap and the repetition. We have  
8 actually recognized this in more recent reviews and we  
9 have actually done the same thing as what you are  
10 recommending here.

11           So, you know, I have notes here. You  
12 know, I agree with pretty much all of your  
13 recommendations and these are things that, you know,  
14 these are subjective and we understand that, and we  
15 can choose not to cover them, right.

16           So, in other words, the SRP, it's  
17 basically an all things and all people type guidance  
18 document and it covers all aspects, all phases of  
19 development processes.

20           So it is intended to be comprehensive in  
21 that manner and, you know, being diligent and trying  
22 to be organized evaluators we tried as best as we can  
23 to follow all of that guidance.

24           So when we encounter something that we are  
25 unable to review for whatever the reason is typically

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1 that gets, it's -- Think of it as like a parking lot  
2 board, right, so we put that out in the parking lot  
3 and then when we have finished our evaluations we look  
4 through that board and see which ones of these we want  
5 to retain as inspection items and, again, just  
6 recommended inspection.

7 And some of them we just that's not  
8 important, you know, it doesn't matter that much, and  
9 we leave them off. So we are not really holding  
10 ourselves to 100 percent of the criteria within the  
11 Standard Review Plan.

12 So these are, I don't want to use the word  
13 negotiable, but they are very subjective and it is up  
14 to the evaluator, so the evaluator decides what  
15 recommendations to make to the inspectors.

16 And Samir mentioned, we did have very  
17 positive feedback from the inspectors from both Region  
18 II and Region IV and they help us, right, they  
19 actually have gotten involved with our licensing  
20 evaluations and they come along with us.

21 We invite them and they typically will  
22 come with us when we perform our audits. So --

23 MS. GOLUB: Oh, so they are involved  
24 early.

25 MR. STATTEL: Yes. Yes, absolutely.

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1 Shiattin Makor was involved with the Diablo Canyon  
2 audits. She was present at every one of those audits  
3 and she would be the one, you know, hadn't Diablo  
4 Canyon gone through with installation, she would have  
5 been the one performing and leading those inspections,  
6 right. And the same was true at Ocone, right.

7 So the inspectors really like them  
8 because, you know, they are not familiar with the  
9 system, they don't know the system as well as the  
10 evaluators do, so they like having us on the team and  
11 they like basically us to explain those  
12 recommendations to them.

13 So they actually had provided us feedback  
14 to update the Standard Review Plan, which we did, and  
15 we actually have guidance within our Standard Review  
16 Plan, Chapter 7, it's basically telling us to include  
17 these recommended items, but it is still very  
18 subjective.

19 MS. GOLUB: The inspection items. You  
20 know, as I told you yesterday, you know, Steve had  
21 actually compiled them all, we read them all.

22 Now so you said that you concurred with  
23 the comments that we made. I would like to talk about  
24 the first comment if we could because that's the one  
25 for us is a sticky one.

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1 MR. DARBALI: Yes.

2 MS. GOLUB: And I want to make sure that  
3 we are all on the same page.

4 MR. DARBALI: So I want to say where the  
5 alternate review process items came from.

6 MS. GOLUB: Mm-hmm.

7 MR. DARBALI: So we didn't, because we  
8 didn't have a LAR in front of us, I took Inspection  
9 Procedure 35.710, which is the one Aaron worked on,  
10 which is specific to NRO-type new reactor reviews, but  
11 because they cover some of the development activities  
12 that we typically review or audit I felt it was  
13 appropriate to identify those generically as some of  
14 the activities an inspection can cover. So that would  
15 be Items 1 through 6.

16 And then Item 7 is for secure development  
17 and operational environment. The 7a and 7b are, it's  
18 language that was described in the LAR an SDOE example  
19 as activities that would be performed.

20 So I figured those would be some good  
21 activities to inspect and those are related to the  
22 vulnerability assessment. And 7c and 7d are the  
23 implementation and testing of regulatory precision  
24 from Reg Guide 1152.

25 So I felt that being those the late stage

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1 life cycle activities those would be good activities  
2 to inspect. So with that, yes, we can go to your  
3 first overall comment and --

4 MR. STATTEL: And 8 through 20, the  
5 remaining ones were derived from the Diablo Canyon  
6 application.

7 MR. DARBALI: Right.

8 MS. GOLUB: So I think the comments that  
9 we provided on 8 through 20, you know, for your  
10 consideration we can certainly go through those today  
11 --

12 MR. STATTEL: Right.

13 MS. GOLUB: -- but that I think what  
14 struck us when we looked at this was the way these  
15 inspection items were phrased, verify licensee and  
16 vendor activities related to application design, so  
17 based on the vendor oversight plan, based on at least  
18 how we saw the framework of the alternative review  
19 process, we thought that that activity would be a  
20 licensee activity to do those audits, inspections,  
21 oversight of their vendor, and that the staff would be  
22 inspecting how well the licensee performed their  
23 oversight activities relative to what they had put  
24 into their license amendment.

25 So whatever their licensing obligation was

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1 in the LAR and then, you know, reflected in the SER  
2 license amendment, that that is where, you know, the  
3 staff would be.

4 So when we read this we almost felt like  
5 it was saying, okay, that's not the framework, in  
6 fact, you know, the NRC is going to be performing the  
7 inspections they performed previously and the licensee  
8 would also be doing vendor oversight.

9 You know, so the efficiencies we thought  
10 we were gaining maybe we were not.

11 MR. DARBALI: Right. And so we're talking  
12 about vendor oversight, and we'll get to that later,  
13 but, yes, both topics apply.

14 I think from the very beginning when we  
15 were considering an early approval we were saying,  
16 well, the purpose of the vendor oversight plan is for  
17 the staff to have reasonable activities that those  
18 activities that the staff would have reviewed before  
19 a license amendment is issued that we will have  
20 reasonable assurance that they would be performed.

21 So the licensee is describing in their  
22 oversight plan how they make sure those are covered.  
23 That doesn't -- But we always said, and we included  
24 the vendor inspection team from the very beginning  
25 because we were saying, yes, we are getting that

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1 information that you will do these activities,  
2 however, we will still, and especially for these very  
3 early plants we still want to inspect how the vendor  
4 is doing those activities and make sure that those  
5 implementation activities are performed and it is  
6 within the purview of the NRC and the vendor  
7 inspection team to perform those activities.

8 So I would like to turn that over to Aaron  
9 to provide some background on that.

10 MR. ARMSTRONG: Yes. What happened was we  
11 were aware of a thing called ISG-06 in NRO, but that's  
12 NRR, we were busy doing our own things.

13 So what happened was during an inspection  
14 we started looking at software, because we do have the  
15 commercial grade dedication of design and analysis  
16 software.

17 So after doing an inspection on that for  
18 Enercon we identified that some design things were not  
19 turned over to the licensee TVA for an evaluation of  
20 flooding, and that was an inspection that was  
21 requested from the licensing staff.

22 So that kind of got the ball rolling. We  
23 came up with what, really the birth of this came out  
24 of the review that we performed for NRO where there  
25 were a lot of hours burned up and we wanted to

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1 streamline it.

2 So in the evolution of the developing this  
3 we took all the Reg Guides, the IEEE standards that  
4 were endorsed, 2.7, the guidance for dedication of  
5 design and analysis software, and we rolled it up and  
6 together to come up with kind of a hit list of things  
7 inspectors should be aware of in the life cycle for  
8 quality assurance for software that they should be  
9 asking or looking at.

10 I think that's why it says "verify,"  
11 because it was really written for an inspector at a  
12 vendor inspection plant or doing some kind of  
13 licensing inspection for software.

14 So I'm sorry it caught you guys off guard  
15 that it said "verify" but I wrote it in intention for  
16 the inspectors to utilize it as an inspection guidance  
17 activity.

18 Now it just so happens that all of the  
19 IEEE guidance and NQA-1 2.7 and the design and  
20 analysis dedication and they are all interconnected,  
21 so when I issued that that's how we got involved in  
22 this.

23 So I think as a vendor group you are aware  
24 that most all licensees have to meet 10 C.F.R. Part  
25 50, Appendix B, that's a requirement of the license.

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1 Also, Part 21 is also applicable.

2 And I know that you contractually passed  
3 that down to your vendors and you do have NUPIC  
4 observations or audits that you do.

5 MS. GOLUB: Yes, that's right.

6 MR. ARMSTRONG: We do oversee the NUPIC  
7 observations as well, as you have seen our site. So  
8 where we are kind of is when Mike Waters's group  
9 contacted me, you know, we take the stance that we  
10 would do what they requested as part of the licensing.

11 It is not our intention to go out and  
12 routinely inspect every vendor that you have but if  
13 there is things that we need to look at, you know, we  
14 do have the right to go out to look and we will look  
15 according to Mike's group.

16 So that's kind of where we were coming  
17 from. I just wanted to clarify that how it came  
18 about. So I guess if there are any questions --

19 MS. GOLUB: Yes, so I was --

20 MR. STATTEL: Actually, I want to say a  
21 couple words. If you have an impression that somehow  
22 in the past we were vendor oversight instead of the  
23 licensee performing that activity I want to dispel  
24 that right now.

25 We don't do that, right. Where this comes

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1 from is we were thinking about the audits, okay. And,  
2 you know, we've had a lot discussion over this,  
3 because we did read your comment and we are definitely  
4 taking it to heart.

5 Now we looked back at some of the audit  
6 reports from the audits we have performed and what is  
7 apparent to us is that we won't have the opportunity  
8 perform those audit activities in an alternate review  
9 process because a lot of those audit activities are  
10 really dependent on having applications implemented,  
11 design implemented, and that's not going to be the  
12 case here.

13 So I really -- We have done audits in the  
14 early stage and they are not really productive. So in  
15 Diablo Canyon we went out at the early stage with ALS  
16 down to Scottsdale and we tried to perform an audit  
17 and essentially when you start pulling requirements  
18 threads they don't go anywhere because they have an  
19 implemented design. There is nothing to verify.

20 So we are trying to think of ways, well,  
21 how can we perform that activity that we would  
22 traditionally perform during an audit, you know, what  
23 would be the alternative here, because we do still  
24 have that guidance to do those, you know, basically do  
25 those confirmation activities.

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1           So I think we are talking past each other  
2           a little bit here. We are not implying that we are  
3           going to go perform the vendor oversight instead of  
4           the licensee. You still have that responsibility.  
5           That's in Appendix B, Responsibility.

6           We're really just confirming, and, again,  
7           this would be, I think this is recommended inspection,  
8           right, or -- Yes, this is recommended inspection. So,  
9           again, it's at the discretion of the evaluator of what  
10          recommendations he makes.

11          And now those recommendations in this case  
12          are kind of going over to Aaron's group and they would  
13          be putting those inspection plans together.

14          MR. ARMSTRONG: Well we would be working  
15          with NRR to put the plans together because we are more  
16          quality assurance and oversight of QA programs. I  
17          mean as you aware that your NUPIC audits is really to  
18          keep people on your ASLs for Appendix B supplies or  
19          maybe even dedication activities that the licensees --  
20          I guess I would ask a question, a NUPIC audit is  
21          really geared for a QA program to be put on an ASL.

22          I guess I would impose the question, is  
23          that going to be, is the audit the way it is now  
24          sufficient for the licensing activities that you plan  
25          to have an oversight?

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1 MS. GOLUB: No, it is not.

2 MR. ARMSTRONG: Okay.

3 MS. GOLUB: And fundamentally a NUPIC  
4 audit occurs every three years, it's not project  
5 specific.

6 MR. ARMSTRONG: Okay.

7 MS. GOLUB: The vendor oversight plan is  
8 project specific.

9 MR. ARMSTRONG: Okay, all right, great.

10 MS. GOLUB: So it's going to be in the LAR  
11 for only this project.

12 MR. ARMSTRONG: Yes, okay.

13 MS. GOLUB: So NUPIC would have nothing to  
14 do with it. Now I know one thing that the licensees  
15 have talked about, because I have heard Ray and Steve  
16 talk about this, is that, of course, they would pull  
17 those NUPIC audits, you know, when they are preparing  
18 to go in and do their audit, their inspections of  
19 their vendors, they are going to look at all of that  
20 material and they are going to, you know, see what  
21 they looked at, what the deficiencies were, and take  
22 that into account when they go in.

23 So I don't want to say that they are going  
24 to be ignored, but that's not at all what this is  
25 about. This is very project specific.

1 MR. ARMSTRONG: Okay, thank you.

2 MS. GOLUB: Yes.

3 MR. ARMSTRONG: That's awesome, thank you.

4 MS. GOLUB: Yes, no worries. So I do have  
5 a question for you, and maybe this is just my  
6 fundamental misunderstanding of how the agency  
7 operates, but I guess in our minds we thought after  
8 the SER was issued, the license amendment was issued,  
9 that it fell over into the regional inspection space,  
10 and so the regional inspectors would be coming in to  
11 the licensees facility and doing their inspection.

12 So they would be looking at these items  
13 and saying, okay, licensee, how well did you perform  
14 these activities, how well did you do this oversight.  
15 You committed to something, you know, you committed to  
16 this in your LAR.

17 Maybe you guys took a look at the actual  
18 vendor oversight plan, there's just a summary in the  
19 LAR, you know, as part of your review activities, how  
20 well did you perform to what you committed to?

21 And in our minds because that is done at  
22 the licensees' facilities, you know, either in their  
23 corporate or the site, that that was a regional  
24 inspection activity and we viewed the vendor  
25 oversight, the vendor quality branch, activities as

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1 being done on an as-needed basis, when requested  
2 basis, but not necessarily project specific, and I am  
3 only talking operating plants, okay, I want to leave  
4 the new plant world out of this, but that those  
5 activities were done at the vendor's facilities on an  
6 as-needed, non-project-specific quality process basis.

7 That was our impression. Does anybody  
8 disagree with that impression? Warren?

9 MR. HERB: No, that was it.

10 MS. GOLUB: Or want to supplement it?

11 MR. ODESS-GILLERT: I would like to  
12 supplement it if I can because if the regional  
13 inspector finds gaps in the vendor oversight process  
14 and says, well, you know, well I don't see in your  
15 documentation where you verified that you verified the  
16 implementation activities, okay, you don't have any  
17 documentation, then somehow the licensee would have to  
18 address that gap and maybe the region inspector will  
19 say, you know what, maybe I'll deploy my vendor QA  
20 branch to look at that gap in addition to maybe the  
21 licensing being responsible for filling that gap at  
22 the same time.

23 So I could see that, but the premise is  
24 that the starting point for the recommended inspection  
25 items would be the efficacy of the vendor oversight.

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1 MS. GOLUB: done by the licensee?

2 MR. STATTEL: Right. I mean if we can  
3 talk about, you know, were they an appropriate  
4 location for the audit or inspection activities,  
5 typically we do the audits at the vendor facilities  
6 because that's where all the documentation is, that's  
7 where we can speak to the people who are doing the  
8 development activities.

9 It's very, actually I think pretty much  
10 all of the time that the licensee is with us on those  
11 audits. So they are performing their oversight, you  
12 know, as we are performing our audit, in parallel.

13 Now in Oconee I will mention, Oconee  
14 performed some vendor oversight activities that we  
15 were not present for, right, they did that  
16 independently.

17 They audited and they spent time at the  
18 vendor facilities, they prepared an audit report. We  
19 did credit that audit report in our safety evaluation.  
20 So, you know, this kind of, I think this is a little  
21 bit what you are saying, so if the licensee is  
22 performing those oversight activities there would be  
23 documentation associated with those oversight  
24 activities and it's quite possible that our inspection  
25 might be a review of the reports for that.

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1           It doesn't necessarily have to be at the  
2 vendor facilities but sometimes that is a more  
3 convenient place to perform those activities.

4           MS. GOLUB: Okay. So I don't want to get  
5 too caught up on the where, I guess it was more is my  
6 description of your agency's activities, was that  
7 accurate?

8           MR. DARBALI: Well I will let Aaron talk  
9 about it, but he said that their inspections are not  
10 project specific, I'll let you talk about that, but  
11 when you described the region inspection of the vendor  
12 oversight activity that is true, so you might have a  
13 case where after a license amendment is issued you  
14 have a regional or site inspector looking at the  
15 licensee's vendor oversight planning implementation  
16 activities and you also have a vendor inspection on  
17 the vendor because they are different things. So I'll  
18 let --

19                           (Simultaneous speaking.)

20           MR. ODESS-GILLERT: Well that was just a  
21 different position I think because from our point of  
22 view, you know, the role of the vendor, I'm sorry, the  
23 role of the licensee is going to dramatically change  
24 as a result, that this is industry's position and this  
25 is what they are going to put in their industry

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1 guidance is that the role of vendor oversight is going  
2 to be significantly augmented as part of supporting  
3 the alternate review process.

4 MR. STATTEL: I would hope not. I would  
5 hope you are performing your oversight activity, I  
6 mean you've always had that responsibility, the  
7 licensees have always had that responsibility.

8 MR. ODESS-GILLERT: But in reality, Rich,  
9 even if you look at the Diablo Canyon work the audits  
10 that the licensee performed were not nearly the same  
11 level of audit as the NRC.

12 And what we are proposing is that the  
13 licensee would be informed by the audits and reports  
14 and plans that the NRC has done in the past, put that  
15 in industry guidance as the role of the licensee to  
16 conduct the same level of inspection on the vendor as  
17 it has been done in the past by the NRC staff.

18 And that's why we are proposing that if  
19 that is the case and we can show you the industry  
20 guidance that tells the licensees to do that that the  
21 role of inspection, or the focus of inspection would  
22 then turn from the vendor to the licensee, did you  
23 conduct your oversight to the extent that we would  
24 have done it in the old process, and if you find that  
25 the results are inadequate then additional inspection

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1 would be required plus the licensee would address why  
2 the licensee did not meet the expectations of the NRC  
3 inspection staff in their inspection of the vendor.

4 MR. STATTEL: Okay. I would point out  
5 that vendor oversight goes way beyond just performing  
6 inspections and performing audits. So, for example,  
7 one of the vendor oversight activities that I have  
8 seen at both Diablo Canyon and Oconee and other plants  
9 is it's typical for a licensee to send a QA inspector  
10 to witness and participate in the factory test  
11 activities and they will typically verify results and  
12 they are there basically the entire time, right.

13 It's not just a spot check audit, they are  
14 verifying it. Also, vendor documents, they are  
15 typically sent to the licensee, the licensee reviews  
16 them, you now, performs detailed reviews of those.

17 We don't do that. We don't do those  
18 activities. We look at the reports that are generated  
19 by the licensee, we verify that the licensee is  
20 performing those appropriate activities.

21 But, you know, we're not duplicating that,  
22 we're not going behind and, you know, we don't have  
23 the resources to do those kind of things. So, yes, I  
24 guess I kind of see what you are saying maybe  
25 documentation wise, but I would certainly expect, you

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1 know, maybe not equivalent but some level of the  
2 licensee performing those types, those same activities  
3 that we would do during those audits.

4 I mean our audits are typically one week,  
5 right. So we'll go one week, we'll perform an audit,  
6 you know, and usually it's only three or four days of  
7 that week, and that's it, that's the extent of it.

8 We write a report. Basically there are  
9 spot checks. We are not going any kind of 100 percent  
10 review of anything. We might review three or four  
11 requirements out of thousands typically.

12 You know, we have interviews with the  
13 people performing the activities because we find that  
14 useful in understanding the processes so that we can  
15 write our, you know, evaluations accurately, but they  
16 are really not that extensive.

17 Those audits are really not that extensive  
18 efforts. You know, we're not talking thousands of  
19 hours of commitment, nowhere near what I would expect  
20 an actual licensee to, the level of effort the  
21 licensee would expend to perform oversight because the  
22 licensees should be involved basically throughout the  
23 development.

24 MS. GOLUB: Yes. But I just wanted to say  
25 that I guess what Warren described that was not

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1 intended to be the extent of the vendor oversight, I  
2 mean licensees. They are involved in all the stages  
3 of the process.

4 But Warren's description, we're really  
5 looking for a response on Warren's description of how  
6 we view who is doing what because I feel like we have  
7 a fundamental misunderstanding and I am hoping we do  
8 not.

9 But if you could speak to what Warren said  
10 that would be very helpful.

11 MR. STATTEL: All right.

12 MS. GOLUB: Please, go ahead.

13 MR. ODESS-GILLERT: Before you speak to  
14 what I said maybe I could just confirm what Rich said  
15 and that when I said "augmented" it would be the type  
16 of audit that the NRC staff has done for LAR reviews  
17 for digital I&C has not normally been something that  
18 the licensee did, because the licensee knew that the  
19 NRC was going to do it, right.

20 MR. STATTEL: Okay.

21 MR. ODESS-GILLERT: So now that the  
22 licensing is expecting, is not expecting the NRC to do  
23 it, it's not going to be part of the normal process,  
24 but that's the augmented activities of vendor  
25 oversight in addition to what they have done in the

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1 past for making sure we meet QA requirements and  
2 meeting technical requirements.

3 MR. STATTEL: And it really shouldn't be  
4 unique to digital I&C. I mean vendor oversight is  
5 something that's a lot broader than digital I&C.

6 MR. ODESS-GILLERT: Right.

7 MR. STATTEL: And digital I&C is not  
8 special. There are many cases and many examples where  
9 vendors, basically by proxy the vendors are performing  
10 development activities for whatever that may be,  
11 design, development. I&C is not unique in that area.

12 (Simultaneous speaking.)

13 MR. WATERS: I have a question as well.

14 MR. DARBALI: I want Aaron to talk about  
15 your role as far as, you know, getting all the project  
16 specific.

17 MR. ARMSTRONG: Okay. There is the  
18 inspection staff at the regions, or residents, and  
19 then there is the inventor inspection branch.

20 Now the difference is the resident  
21 inspectors look at everything at the licensee. The  
22 licensee will cut a purchase order and invoke the Part  
23 21 and Appendix B.

24 When that purchase order is accepted by an  
25 Appendix B holder, you've an audit, you've verified

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1 their program, that's where my job would start. So if  
2 you have a technical specification that you issued we  
3 would evaluate your purchase order, and I am going to  
4 say "you" is licensee, licensees purchase order  
5 downstream.

6 That would include sub-suppliers, your  
7 supplier and their sub-suppliers as well if they are  
8 procuring materials or doing anything. So that's  
9 probably the line between the two.

10 There are exceptions. Licensees do have  
11 labs where they do dedication, and, as you are aware,  
12 there was an Allen Bradley issue with the dedication  
13 of a relay.

14 I am a vendor person. We own dedication  
15 pretty much, all the reg guidance for dedication as  
16 the vendor group, I was actually at the plant looking  
17 at the relay.

18 So to say that I would never be in a plant  
19 is not correct because we would send whoever has the  
20 expertise to wherever they needed to go and to  
21 evaluate the issue.

22 So that's kind of how we are set up to  
23 regulate, or how we do our oversight now is downstream  
24 from the purchase order for vendors, but there are  
25 other opportunities where we would be involved at the

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1 licensee.

2 MS. GOLUB: Okay, so that's good.

3 MR. ARMSTRONG: So does that answer your  
4 question?

5 MS. GOLUB: That clears up one  
6 misconception, yes. But I guess, so when you say a  
7 purchase order to a vendor, so like the purchasing of  
8 relays or those kind of components, but are you saying  
9 that for all -- I'm trying to differentiate between  
10 like a purchasing --

11 MR. ARMSTRONG: An RPS, purchasing an RPS?

12 MS. GOLUB: Yes. Right, purchasing an RPS  
13 or that kind of a platform versus a component type of.

14 MR. ARMSTRONG: Right.

15 MS. GOLUB: But so I mean --

16 MR. ARMSTRONG: If it meets -- All right,  
17 50.2 has a definition of safety-related. A basic  
18 component is a subset of that. So if you are  
19 purchasing a basic component and as it is defined as  
20 a basic component I think in Part 21 with the four or  
21 five subparts, if you are procuring that, and it could  
22 be a service, I think it was NUREG 0302 that actually  
23 has services and software being identified as a basic  
24 component.

25 So if you are procuring it under those

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1 definitions you would have to invoke Part 21 in  
2 Appendix B and then I would be responsible from that  
3 purchase order down.

4 MS. GOLUB: Okay. So but for an  
5 organization like let's say, you know, Westinghouse or  
6 GE, I mean you are, I would assume, doing periodic  
7 inspections of their --

8 MR. ARMSTRONG: Right now we are in a very  
9 lengthy review of Westinghouse and our inspection  
10 reports are publicly available and you can see where  
11 Greg Galletti has been going to Westinghouse and  
12 looking at the MPS system and the architecture of the  
13 control equipment there and it has been routine.

14 I think he does two or three a year on the  
15 oversight in the development of that program. My  
16 branch chief thinks that that's a very useful way to  
17 do things. You know, I'm not going to say it is or  
18 isn't, I mean that's still something that I think we  
19 need to discuss.

20 But I mean if there if value added and it  
21 does the job then maybe it should be an alternative  
22 that would be looked at. So I don't I guess -- Does  
23 that make sense? Are you clear -- Am I clear?

24 MS. GOLUB: Mike, were you about to ask a  
25 question?



1 MR. WATERS: This is Mike. The first  
2 point is you have a September timeframe for a workshop  
3 and, obviously, we need to talk more about the  
4 programmatically the inspection from licensing to  
5 vendor to region.

6 And I applaud the idea of industry having,  
7 you know, a higher focus on its oversight process. One  
8 issue I have is I don't, we haven't seen that process,  
9 I mean will that be shared with us.

10 And I still believe as Rich had described  
11 and Aaron described I think part of verifying that  
12 would be at the vendor site pulling those few threads  
13 to verify the vendor is doing it correctly and, in  
14 fact, the licensee is correctly overseeing it as well  
15 as well as any regional inspections.

16 Another question I am trying to  
17 understand, because we view that our footprint is  
18 significantly shrinking here. We're not doing the  
19 paper review of a lot of details here, all their  
20 implementation details, all the -- We're not -- It's  
21 significantly -- The footprint of doing that paper  
22 review, do that, plus a few audits that Rich  
23 mentioned, that paper is significantly shrinking what  
24 we traditionally do with audit during licensing.

25 You know, you wouldn't get a license till

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1 an audit was satisfied, we may do now vendor  
2 inspection items. I am just trying to understand is  
3 that a misunderstanding or is there a concern with  
4 that. That's just what we are trying to understand  
5 here.

6 MS. GOLUB: Okay, so I'll -- Should I keep  
7 going? So I'll just, I'll be very blunt about what  
8 our concern is. So we are, of course, you know, we  
9 went through this entire process because we are trying  
10 to find deficiencies, we're trying to find -- Safety  
11 is, of course, the number one focus, but after safety  
12 there is, you know, we're hoping for cost savings,  
13 efficiencies, frankly, we're trying to keep the  
14 operating fleet operating.

15 That's, you know, the highest purpose  
16 here. From that perspective we are really concerned  
17 that now our vendors, like we're stepping up, right,  
18 the industry, the licensees, they are stepping up to  
19 take a closer look at the vendors, do much better  
20 audits, inspections, all of that, and our thought had  
21 been that we would be stepping up to do that and,  
22 therefore, the NRC could step back in that role from  
23 doing as much of that and would instead be making sure  
24 the licensees are doing adequate inspection of their  
25 vendors.

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1 think we did two vendor audits at the early stages and  
2 two vendor audits, and, again, two because two  
3 different vendors, in the late stages.

4 There wasn't a lot of value in those early  
5 audits. The way the alternate review process is set  
6 up that's where we would be doing our audits, if we do  
7 the audits.

8 We wouldn't be doing audits at the  
9 implementation and I think the late audits were during  
10 the fact. So those were the audits where we got a lot  
11 of value. But as of recently we had to come back for  
12 a second audit because the very first audits didn't  
13 get a lot of value.

14 So there is a possibility that in the  
15 alternate review process if an audit is performed the  
16 scope is a lot less because there is not a lot to see.

17 MR. STATTEL: Actually, I anticipate -- We  
18 have kind of talked about this in the last couple of  
19 weeks amongst ourselves, I actually don't think we  
20 would perform well during the license review. So I  
21 believe we would be stepping back in that manner and  
22 I think the inspections would be, you know, it  
23 wouldn't be performing the same activities that we  
24 have in the past performed during audit.

25 Now with that said I believe the audits,

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1 the activities we performed at audits were very  
2 instructive for both sides. It's not like we went,  
3 we were wasting our time, we go on these audits, we  
4 never find anything wrong and there's no value, right.

5 Well they are valuable. That's why we  
6 continue to perform them. They identify problems,  
7 they identify shortcomings, they increase awareness of  
8 the vendor personnel.

9 It helps -- In the past -- One of the main  
10 benefits of the audit for us when we perform it during  
11 a license evaluation is being able to sit down and  
12 talk with the actual people who are performing the  
13 development.

14 It helps us immensely to understand what  
15 it is we are approving and it gives us a lot of  
16 confidence in when we write our safety conclusions.  
17 You know, we have a whole lot of confidence in those  
18 safety conclusions.

19 We are not just, yes, what the vendor  
20 said, we're not just taking someone's word for it. We  
21 actually do understand these processes and we  
22 understand these systems pretty well.

23 So I don't think -- You know, I think we  
24 are backing off on that and we're going to have to  
25 figure out how to fill that gap, right, without -- I

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1 don't think audits are the answer, right.

2 I am just trying to project this for you,  
3 audits are optional. We don't always perform audits  
4 during license reviews and if we don't get to  
5 implementation and design and testing there is very  
6 limited value in performing those audits.

7 So I think what you said is correct. I  
8 think we are backing off on what our role would be in  
9 an alternate process, so it seems to me like we are in  
10 agreement on this.

11 I'm not sure if the words are right in the  
12 documentation. And if someone on the staff disagrees  
13 with anything I said please speak up.

14 MR. DARBALI: I would say that what the  
15 vendor oversight plan -- The licensee always performs  
16 vendor oversight, but because the staff reviews those  
17 implementation and testing activities we don't need to  
18 see your vendor oversight plans because we are not  
19 going to be looking at those activities.

20 That's where the plan comes from. The  
21 plan gives us reasonable assurance that what we can't  
22 see will be performed, but that doesn't mean that we  
23 don't need to inspect it or that we don't have the  
24 option to inspect it.

25 The ISG itself relies on that plan for the

1 alternate review process but it doesn't change our  
2 inspection activities, it doesn't change the way we  
3 treat commitments or conditions, it just changes how  
4 and when we give you that license amendment.

5 It doesn't affect all the other oversight  
6 activities that the NRC has the purview of. So we  
7 don't control that of which is outside licensing. We  
8 can inform it but we can't -- I mean we can, the ISG  
9 can't say we won't do that because that's outside of  
10 what an ISG can do, and we can verbally even tell you  
11 we are not going to do it, but that's within the  
12 purview of the inspection oversight activities.

13 So in a sense, and, right, we're trying to  
14 get to an agreement and that is the purpose of the  
15 tabletop and we'll have that September workshop, but  
16 there is a lot more going on outside of the digital  
17 licensing process.

18 MS. GOLUB: Yes, and the reason we are  
19 going down this path is not to have the whole workshop  
20 here, you know, today.

21 MR. DARBALI: Right.

22 MS. GOLUB: That's not at all the purpose.  
23 But, you know, I think yesterday when we went over one  
24 of the outcomes for this meeting was we want to make  
25 sure that when we come in September that on our side

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1 we have a good sense of what to expect, you know, what  
2 your position is, it kind of helps us be better  
3 prepared.

4 So all of these questions are really  
5 towards making sure we understand how the agency  
6 conducts its business so that we can be better  
7 prepared. So just to be clear that's where this is  
8 coming from.

9 But I guess I think I heard Rich say --  
10 Did somebody --

11 MR. DRAGOVICH: I just was going to add  
12 something.

13 MS. GOLUB: You go ahead.

14 MR. DRAGOVICH: I was just going to say,  
15 and we're not suggesting either that we want to  
16 guarantee that there wouldn't be inspections, I think  
17 we're just saying that we want the licensee to have  
18 the first crack at doing the inspection and then if  
19 there is any gaps then we would expect that either we  
20 would be challenged to go back and get more  
21 information or there would be a potential inspection.

22 MR. DARBALI: Right.

23 MR. DRAGOVICH: But any time we do  
24 something at the vendor it's a lot more costly. We  
25 have the type of vendor resources that could have an

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1 impact to schedule so it would be a lot easier for the  
2 licensee to have that auditor inspection, you know,  
3 our house and try to go through what we were supposed  
4 to address and then identify any gaps.

5 MR. STATTEL: I would also point out that  
6 I think there is an opportunity for improvement here  
7 because frankly the licensees are a lot better  
8 equipped to provide this oversight than we are.

9 So as an example during one audit that I  
10 participated we did a sampling, we sampled like 2  
11 percent of like condition reports or issue reports,  
12 and we found, you know, we found a list of problems,  
13 right.

14 So let's say we found, you know, five  
15 issues where procedures weren't followed or there was  
16 a problem and a typical response we would get from a  
17 licensee is, okay, we fixed those five problems.

18 Now given the fact that we only sampled 2  
19 percent of the condition reports it obviously leaves  
20 us open-ended here because we are thinking well what  
21 is the true extent of that condition.

22 So we will typically write a RAI please  
23 perform a extent of condition and please tell us what  
24 actions you are putting in place programmatically to  
25 prevent these types of errors from occurring, right.

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1 That's just an example.

2 And honestly, you know, we're just doing  
3 this really small sampling. I think, and correct me  
4 if I am wrong, but I know at the plant that I work at  
5 there was a vendor oversight group that had like seven  
6 or eight people in that group, you know, here, you  
7 know, we had one week and it's one or two people,  
8 staff members, who are not familiar with the processes  
9 of the licensee, so I think honestly it's -- These  
10 same activities that we have performing I think that  
11 the licensee should be a lot better equipped to  
12 perform those and perform them more efficiently.

13 MR. DARBALI: And I would like to stop the  
14 conversation. We do have from 10:00 to 11:00 the  
15 vendor oversight plan, so I imagine that we are going  
16 to continue this.

17 MS. VENKATARAMAN: Samir, may I add a  
18 comment?

19 MR. DARBALI: Oh, go ahead.

20 MS. VENKATARAMAN: I just thought I would  
21 piggyback on what he said yesterday and because the  
22 alternate review processes count in licensing space I  
23 think we had the conversation and probably the ISG-06  
24 talks about the vendor oversight could potentially  
25 become a license condition, so there is that.

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1           And that also goes to what Rich said that,  
2           you know, the licensee is more equipped and, you know,  
3           so that's something to keep in mind. That's the  
4           alternate review process.

5           The conventional process is a longer  
6           process so you probably didn't have anything, but I  
7           think this is something that ISG-06 alludes to so I  
8           just thought I would bring that here.

9           MR. WATERS: Yes, and I agree, too, and,  
10          again, I mean to summarize I personally applaud the  
11          idea of what was explained is a transition.

12          We don't want to go and inspect at a  
13          vendor site or a regional site if an inspection is not  
14          warranted. We want to completely trust the licensee  
15          to do that job under Appendix B and we believe they  
16          are doing that, but part of the inspections confirm  
17          that, but it seems like we are in a state of  
18          transition.

19          From a license standpoint we are looking  
20          at this oversight plan, but we have not seen the  
21          detailed execution, all your plans you would do as a  
22          licensee, and that's not our previous prior licensing,  
23          so maybe down the road, you're right, we'll just be at  
24          the site and granted the licensee is correctly doing  
25          the oversight, but we're not there yet.

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1 I think we need to work this out more  
2 internally. I do want to mention one thing, Rich  
3 asked if he was wrong. He is not wrong.

4 I do want to say during licensing, am I  
5 completely clear there will not be any licensing  
6 audits at all? Yesterday we talked about electronic  
7 audits as well, the electronic portal, maybe they are  
8 an option, so I don't want to completely preclude that  
9 right now unless we need to.

10 MR. DARBALI: Okay, so we'll come back to  
11 this conversation in 25 or one hour.

12 MS. GOLUB: I guess the only thing I want  
13 to say is that, you know, we had made a comment on the  
14 word "verify" and how that beginning part was phrased.

15 MR. ARMSTRONG: It was written for an  
16 inspector and it was --

17 MS. GOLUB: Yes, and so is it just  
18 possible to get a little feedback on our proposed  
19 wording?

20 MR. ARMSTRONG: I would have to leave it  
21 up to -- I'm not going to change an inspection  
22 procedure because I am an NRO and we are using this  
23 inspection procedure.

24 I would leave that up to Rich and Samir  
25 and his group how they wanted to connect the two or

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1 use the guidance in the inspection procedure. So --

2 MS. GOLUB: Okay. So maybe this could be  
3 a topic for our inspection workshop because that part  
4 I think would be important for us to understand.

5 MR. STATTEL: I had actually taken some  
6 notes and I agree with some of your wording on their  
7 comments. Yes, so I wrote down "review documentation  
8 related to the licensee oversight activity."

9 So I think we can work with you on this.  
10 I think we can come up with some acceptable middle-of-  
11 the-ground here.

12 MS. GOLUB: Okay. Very good, thank you.

13 MR. DARBALI: Okay. So the next topic is  
14 the Sample Commitments. We've got John Hughey here in  
15 the room, we've got Booma Venkataraman from DORL, and  
16 Aaron Armstrong from the Vendor Inspection Branch.

17 Do we have any other folks on the phone  
18 who just chimed in? Sheldon, are you on the phone?

19 MR. CLARK: Yes.

20 MR. DARBALI: Hi, Sheldon. Can you  
21 introduce yourself?

22 MR. CLARK: Yes. My name is Sheldon  
23 Clark. I am with the NRC Office of the General  
24 Counsel.

25 MR. DARBALI: Thank you. And do we have

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1 Bob Weisman on the phone?

2 (No audible response.)

3 MR. DARBALI: I think Bob is going to be  
4 calling in later. So we provided also a list of  
5 sample regulatory commitments. This is typically  
6 something that the licensee would provide, and we took  
7 the list that Diablo Canyon provided.

8 If you look at the Diablo Canyon safety  
9 evaluation there is a section at the end that points  
10 to the letters where the commitments came from but it  
11 doesn't list them because the safety evaluation didn't  
12 rely on them.

13 So Rich pulled those commitments and we  
14 changed the language, where it said Tricon we put  
15 platform, where it said PG&E we put licensee, and we  
16 kind of tried to make them more generic.

17 MS. GOLUB: Oh, but these are the actual  
18 formal regulatory commitments from the Diablo Canyon  
19 LAR? I don't think I realized that.

20 MR. STATTEL: Yes, they are. So just a  
21 couple notes on those, so for Diablo's Canyon case so  
22 we performed our evaluation being aware of what these  
23 commitments were so they were part of the application,  
24 right.

25 We did not reference them, we did not

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1 evaluate the commitments. When I went back and looked  
2 at them to prepare for this exercise I actually noted  
3 that many of those commitments were actually fulfilled  
4 by the time we had issued the license amendment.

5 So that was kind of interesting, I really  
6 wasn't aware of that. But, again, we don't rely on  
7 those commitments, we don't anchor our safety  
8 conclusions on those commitments at all, we don't  
9 reference them.

10 They are there, the licensee prepared  
11 them, they didn't talk to us about them in advance.  
12 I don't even recall having a lot of discussion about  
13 commitments during the Phase 0 meeting honestly.

14 I guess we could, but I do recognize that  
15 several of these commitments were issues that were  
16 discussed at that Phase 0 meeting so I think there was  
17 kind of a connection there.

18 So they are quite a bit different than the  
19 inspection items. We don't use them going forward.  
20 We don't -- I don't think there is really any ties  
21 between our recommended inspection items and those  
22 commitments.

23 Okay, so if you think about this it could  
24 have been. You know, we could have put recommended  
25 inspection items and make sure they make that

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1 commitment but we didn't do that, you know, we didn't  
2 consciously do that.

3 MS. GOLUB: So I guess is it possible, and  
4 I know Joe is not here, but it would be great if we  
5 could see the section of ISG-06 C.2.2.2, or C.2.2.1.

6 MR. STATTEL: C.2.2.1.

7 MR. DARBALI: Okay, I'll try --

8 (Simultaneous speaking.)

9 MS. GOLUB: Because -- Yes. So I mean the  
10 purpose of asking you to provide these to us was that  
11 we have this new section in the alternate review  
12 process for prerequisites and one of them was for  
13 licensees to propose this set of commitments.

14 So we are really looking for in this  
15 guidance document what are the kinds of commitments  
16 that you think meet the criteria that is in C.2.2.1.  
17 That's really, you know, that's really what we were  
18 looking for.

19 And I understand you took these out of  
20 Diablo Canyon, so is this, I mean is -- So Diablo  
21 Canyon, for whatever reason, they made these  
22 commitments, and I don't know why they made these  
23 commitments because I am not familiar with the process  
24 --

25 MR. STATTEL: Yes, it's unfortunate that

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1 PG&E is not here.

2 MS. GOLUB: I know.

3 MR. STATTEL: Because I know they --

4 (Simultaneous speaking.)

5 MS. GOLUB: I agree with you, Rich. We'll  
6 go back and -- We're still in touch with those folks.  
7 You know, they --

8 MR. STATTEL: Honestly, we did not drive  
9 any of these commitments. PG&E -- They came with the  
10 license amendment.

11 MS. GOLUB: But I guess the question --  
12 But the question I am asking for the purpose of the  
13 tabletop exercise and understanding that, you know,  
14 we're trying to write an industry guidance document  
15 for especially these unique aspects of the alternate  
16 review process what is the NRC's intent for that 022.  
17 Yes, so I think it's Item 3, Samir.

18 MR. DARBALI: So I want to point out --

19 MS. GOLUB: Okay.

20 MR. DARBALI: -- Commitment 13 and 14 I  
21 added those based on, so they are SDOE related based  
22 on the Reg Guide, and Commitment 15 that just will be  
23 Tricon and ASAI's, and I do realize it kind of ties it  
24 to an existing commitment, but that kind of gets you  
25 an idea of where I would pull, if I was license where

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1 I would pull I would pull a commitment from.

2 MS. GOLUB: Okay.

3 MR. STATTEL: Yes, and I also recognize  
4 some of these commitments are, they get down into some  
5 details, right, some design details. One has to do  
6 with isolation and I do have some understanding of why  
7 Diablo Canyon made those commitments.

8 So, for example, in the Diablo Canyon  
9 design there were several connection points to non-  
10 safety-related meters, instruments, and they were  
11 really not within the scope of the modification, of  
12 the vendor modification, the vendor system.

13 They were actually -- The licensee was  
14 actually adding isolators in and they were basically  
15 handling that separately and they hadn't completed  
16 that design so they recognized that, they recognized  
17 that it would have to meet certain criteria and they  
18 put that down as a commitment because they had  
19 fulfilled that at the time they submitted the license  
20 amendment.

21 And there was some like, there were some  
22 that were specific and when I read them I do  
23 understand why Diablo Canyon would make that  
24 commitment at the time of the license amendment  
25 because they hadn't, they didn't have the information

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1 to put right in the license amendment, okay.

2 I think there was some other ones  
3 related,, and I discussed this yesterday, power  
4 supply, so they had actually some commitments that  
5 were related to that as well.

6 MS. GOLUB: Thanks. So I am looking at  
7 the guidance in ISG-06, so this is what licensees  
8 would use to try to determine what do I need to make  
9 as commitments.

10 So the Item A I understand that's related  
11 to, you know, the PSAIs, and we talked about that  
12 yesterday --

13 MR. STATTEL: Is this in ISG-06?

14 MS. GOLUB: It is, yes.

15 (Simultaneous speaking.)

16 MS. GOLUB: So the request we had asked  
17 for you guys was if you looked at 3B, 3B under the  
18 C.2.2 licensing prerequisites for the alternate review  
19 process -- Joe, can you --

20 MR. ODESS-GILLERT: Joe, can you scroll  
21 down to the next page, to three.

22 MS. GOLUB: Can you scroll down to 3?

23 MR. ODESS-GILLERT: Thank you. Right  
24 there.

25 MS. GOLUB: Yes, right there is perfect.

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1 Thank you.

2 But if you look at 3B we were really  
3 looking for your feedback, and I heard Samir say that  
4 13 and 14 sound like they met the 3B item, that they  
5 were commitments from later life cycle activities  
6 under a licensee's purview when he was talking about  
7 SDOE later life cycle stuff.

8 But I guess we were looking for from the  
9 staff for this exercise what do you think meets that  
10 3B? So the reasons that Diablo did what they did  
11 maybe is a little bit different because, you know,  
12 they made regulatory commitments to complete  
13 activities that would be within the licensing review  
14 scope of a Tier 1/Tier 2 review.

15 In our case, you know, we are, the plan is  
16 especially understanding some of the risks associated  
17 with, you know, with saying we have a completed system  
18 level design.

19 We probably would not do that. You know,  
20 the licensees would make sure their system level  
21 design was complete. Samir, I was just saying that  
22 the purpose for this for us for this exercise was to  
23 understand what the NRC would consider meets the  
24 prerequisites of 3B.

25 MR. DARBALI: Oh.

1 MS. GOLUB: And, you know, I understand  
2 from what you said for your SDOE ones that maybe that  
3 does meet 3B because they are later life cycle  
4 activities.

5 But that was kind of the framework we had  
6 in mind when we made the request. It just, you know,  
7 reading the words you're never quite sure what they  
8 mean so we wanted to have a sense of, you know, what  
9 was your perspective on that new guidance for us?

10 MR. STATTEL: Well when I read it now this  
11 is certainly not comprehensive guidance on preparing  
12 commitments, right. I don't know if that exists.  
13 Actually, the licensees prepare them, so is there any  
14 industry guidance out there for preparing --

15 MS. GOLUB: There is industry guidance,  
16 yes. It's 9904 I think on doing that.

17 MR. STATTEL: I am honestly not familiar  
18 with that.

19 MS. GOLUB: Yes, and so, again, this is,  
20 it was more, the intent was just more around what, you  
21 know, in your minds like if you had to judge are the  
22 appropriate commitments included, right, if you were  
23 looking at that and saying are the appropriate  
24 commitments included.

25 We just wanted your perspective on what

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1 would those appropriate commitments be so we have some  
2 sense of whether we are hitting the mark when we  
3 submit the LAR.

4 MR. STATTEL: Yes, we could probably make  
5 some improvements to that. We saw the commitments as  
6 a venue or a way to address those activities,  
7 implementation, that basically wouldn't be in our  
8 purview for the license amendment review.

9 So we just saw that as the venue. We are  
10 no experts on creating commitments. We don't do that,  
11 right, and we don't really evaluate them either.

12 MS. GOLUB: Okay, so that's good feedback  
13 for us.

14 MR. STATTEL: So I would actually look at  
15 industry for what they would --

16 MS. GOLUB: Yes, thank you. Yes, and  
17 that's good feedback for us because I guess I didn't  
18 understand that part about that you don't evaluate  
19 them.

20 So maybe, you know, that's something for,  
21 you know, a future discussion. We could take that  
22 task and maybe take the next cut at this understanding  
23 everything, and especially, Samir, what you put in,  
24 which I think is along the lines we were thinking.

25 MR. DARBALI: Okay.

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1 MR. WATERS: So I think there is multiple  
2 angles here and we probably need to get back to you on  
3 the exact definition and regulatory, you know,  
4 legalistic regulatory connotation of "commitment," but  
5 I think there is two things here.

6 You mentioned that a lot of this may be  
7 artifacts of what Diablo did. You know, I think our  
8 focus is, you know in the past we traditionally made  
9 the licensing decision, that FAT, right, and we write  
10 the paperwork on that, somebody has also done the  
11 audits, there were significant amounts of regulatory  
12 assurance, and we issued a license.

13 So the real question to us and to staff is  
14 if we should write this amendment early what happens  
15 between that point and I guess traditionally FAT,  
16 because there are some things here that would still  
17 happen before that.

18 You know, as a regulator I don't know what  
19 the difference is between a commitment to do a process  
20 or a test in future versus getting a diagram of the  
21 architecture. Both are important to me in making my  
22 regulatory decision.

23 The ultimate question are significant  
24 commitments or actions you guys have committed to  
25 talk, or if you call it a commitment or not, that

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1 could require inspection focus and/or a license  
2 condition and/or something that is put into FSAR or  
3 not at all or if it's something that you develop in  
4 50.59.

5 So I think that's the real test that we,  
6 you know, need to sit down and hypothetically play  
7 this out. I think as Rich has also noted we are not  
8 going to have guidance in ISG-06 of this and I think  
9 it will be very, very application-specific as well.

10 MS. GOLUB: Yes, so typically, you know,  
11 we're not looking for more guidance in ISG-06, it was  
12 more a case of we don't want it to turn into bring me  
13 another rock, right.

14 So if we have some idea of what that rock  
15 looks like we can try our best to bring it to you the  
16 first time in the LAR. But I guess hearing that, you  
17 know, this is really on the licensees side, I mean the  
18 licensees are going to follow their processes to the  
19 best of their abilities.

20 So, you know, for the licensees to make a  
21 commitment to follow their own processes or to follow  
22 what they laid out in the LAR, right, if they laid out  
23 a process in the LAR they are going to follow it, they  
24 are going to treat it as a "commitment" to the staff.

25 The commitments typically, and, Booma, you

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1 can I am sure speak to this better than me, but  
2 commitments are typically are activities which are not  
3 something open-ended like follow your process, but  
4 they are more do this by a certain date and that's why  
5 the Diablo Canyon commitments are pretty specific on,  
6 you know, they are going to include this in their  
7 design or they are going to implement this in their  
8 procedures.

9 I just -- I want to make sure that we are  
10 all on the same page with the intent of 3B, because I  
11 don't think the licensees are going to propose  
12 something that says, you know, we are going to commit  
13 to following the process we put in the LAR unless that  
14 is required to be done for your review.

15 They are just going to follow their  
16 process and treat it as an obligation because they  
17 wrote it in their license amendment.

18 MR. HARRELL: So that makes sense, but  
19 look at Number 5.

20 MS. GOLUB: Yes, so that -- Yes, so that's  
21 what -- And maybe we could go through our comments,  
22 too, that -- You're right, Dave, we should also sort  
23 of -- Maybe you can respond to what I said and then we  
24 can --

25 (Simultaneous speaking.)

1 MS. VENKATARAMAN: Yes. I just wanted to  
2 have a comment. First of all, again, we have to put  
3 the alternate review process in perspective. It is a  
4 LAR process but it is again it's a very kind of a  
5 reduced more efficient process.

6 So, therefore, it appears that the  
7 licensee may put in more commitments and commitments  
8 are not requirements, right. So only the licensee can  
9 come up with those and they are right, you're right,  
10 they are very specific.

11 They may not be open-ended but they could  
12 not, they may not be very, sometimes they may say we  
13 will follow our procedures or, you know, by a certain  
14 date, or we will change our procedures.

15 And sometimes here we are talking that  
16 they may be elevated to a license condition or an  
17 implementation statement in the UFSAR, or a mandated  
18 licensing, depending on how important it is to safety  
19 and that we will know as the review progresses.

20 So but when you submit the application you  
21 may have some commitments in place and I think, you  
22 know, there are some examples that I believe, you  
23 know, I think maybe, Samir, you can put to that, this  
24 is my understanding based on this, like an  
25 implementation of high quality software or with

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1 respect to the vendor oversight.

2 But they may not describe everything of it  
3 but you may have something in there with knowing that  
4 it may become a license condition in the future. Does  
5 that make sense?

6 MS. GOLUB: It does, yes.

7 MS. VENKATARAMAN: Yes. Yes, the basic  
8 process, the overall process doesn't change. Our  
9 license amendment, 50.90 regulation, that doesn't  
10 change, but there is just nuance because it is a very  
11 crunch process.

12 MS. GOLUB: Okay. And I think that makes  
13 sense. I mean it sounds to me like you don't have lie  
14 a preconceived expectation, maybe aside from some of  
15 the examples given, of what would meet 3B and the  
16 licensee should just propose what they believe are the  
17 right commitments, which we could certainly do.

18 MS. VENKATARAMAN: Yes.

19 MR. WATERS: I think a challenge here if  
20 we look at part of it is commitments are not  
21 conditions of a license and so we kind of start  
22 backwards and we're trying to define that and in a  
23 normal discussion what is a commitment, right.

24 I mean I'll author a question back to you  
25 based on these slices of what are called commitments,

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1 forget about the title commitments and the numerical  
2 -- Is there any things in here in detail that you  
3 would not provide in some form of the LAR, and even an  
4 architecture description or when describing your  
5 plans, do you guys see something here that, hey,  
6 that's, you know, we're not going to even obligate  
7 ourselves to that in a LAR in some form?

8 That's the question I would have to get  
9 the conversation started I guess.

10 MS. GOLUB: Yes. No, so I don't think  
11 there is material here, and, you know, I am going to  
12 look to my colleagues because I am not looking at all  
13 of our comments, but it's not that there is items here  
14 that we would say, no, we're not looking at set  
15 points, forget it, that's out. It's not at all like  
16 that.

17 We just wanted to make sure that if you  
18 had specific expectations for 3B we understood what  
19 they are and what I am taking from this discussion is  
20 that you don't have something specific in mind, you  
21 want the licensees to evaluate it and propose  
22 regulatory commitments on a project-specific basis?

23 MR. WATERS: You're right, and all we have  
24 is a limited history of what we have done for a few  
25 sites and that's what Samir had pulled as --

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1 (Simultaneous speaking.)

2 MS. GOLUB: Absolutely, so that's a  
3 starting point, and that's fine. So we understand  
4 it's a starting point and --

5 MR. WATERS: Obviously, again, part of  
6 this will be hopefully a module in an application  
7 meeting of, you know, what to expect as far as  
8 content.

9 MR. DARBALI: You know, I'm thinking about  
10 the acceptance review process. If we get a LAR  
11 requesting to use the alternate review process and it  
12 doesn't include certain commitments to do FAT testing,  
13 implementation and test activities, I don't know if we  
14 would reject the LAR because it doesn't have those  
15 commitments because we don't need those commitments.

16 However, if we say, well, you didn't  
17 commit to that but I want that to be a condition then  
18 that's something we will work with our project manager  
19 and for the licensee during the review process.

20 So I think it helps the NRC and the  
21 licensee to be on the same page and it's very helpful  
22 for the staff to understand that licensee expects to  
23 do those activities and is willing to do that. It's  
24 always very helpful.

25 But if we need it for our regulatory

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1 evaluation then we'll make it a condition.

2 MS. GOLUB: Yes. So, okay, so, again, and  
3 I think we're okay here. Okay, I am just going to say  
4 that fundamentally I think we are okay here. The part  
5 is that I don't want to wait until we get to the  
6 acceptance review and then find out that we didn't  
7 meet your, you know, we didn't meet the mark with the  
8 regulatory commitments that were proposed and then,  
9 you know, and then you're kind of scrambling.

10 So I thinking that from a pre-application  
11 coordination meeting standpoint this is probably a  
12 good topic, you know, like we're given this specific  
13 application that we're going to be proposing the LAR  
14 for, you know, here are the types of commitments that  
15 we think meet this prerequisite.

16 I mean maybe that's a good, you know, a  
17 good way to make sure that before we hit that  
18 acceptance review we understand what the expectations  
19 are and we can meet them.

20 MR. WATERS: Right.

21 MR. DARBALI: So even if you don't have a  
22 commitment talking about those future activities I  
23 would expect the LAR to say these are the things we  
24 are going to be doing.

25 MS. GOLUB: Yes.

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1 MR. DARBALI: So that should be there.  
2 And if the LAR is silent then, assuming it gets  
3 accepted for review, would write a request for  
4 additional information asking what activities are you  
5 going to be doing past this date or you didn't cover  
6 this implementation activity.

7 So those are the things we would ask you,  
8 that you provide that information. And, again, we  
9 have a process for making that a condition.

10 MS. GOLUB: Absolutely. It's just, you  
11 know, part of this is, of course, informing our  
12 industry guidance document so we would love to be able  
13 to, you know, provide some guidance so an RAI may not  
14 be needed. You know what I mean? That's the purpose  
15 of doing this exercise, but understanding there is  
16 always a mechanism for you to get more information,  
17 but I am trying to make sure we understand the  
18 expectation so we can provide some appropriate  
19 guidance for it.

20 MR. DARBALI: Right.

21 MR. HUGHEY: So as I listen to the  
22 conversation what I hear both from fellow staff and  
23 from industry is a real grappling and a struggle to  
24 understand the value of regulatory commitments and to  
25 me that is very encouraging.

1 I think that your comment is well taken  
2 about well why would we write a regulatory commitment  
3 to do something that is part of our plant process  
4 already, why would we not just say in the LAR this is  
5 what we're doing, this is our normal plant process,  
6 this is the way we do things. I think that's exactly  
7 right on.

8 And I think that, you know, of course, we  
9 reference LIC-101, NRC has a checkered past with  
10 regulatory commitments and that is detailed in LIC-  
11 101, which is publically available.

12 And so there has been a lot of confusion  
13 in the past on our side about what a regulatory  
14 commitment is, how it is used, and so back several  
15 years ago there was an OIG report and a big  
16 undertaking, new training within the NRC to help us  
17 all get on the same page.

18 So the reason I wanted to say something is  
19 that I think it's good that we are struggling with,  
20 hey, what's the value of having these regulatory  
21 commitments, and I would suggest that we may all be  
22 better off for them to not see the light of day again  
23 anywhere because they really cause confusion and don't  
24 have a lot of, they have no legal value, you know.

25 However, at the same time what is really

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1 important is the concept of a license condition,  
2 especially for this alternative review process. So  
3 the limited time I was here yesterday for human  
4 factors, I feel that everything we talked about in  
5 that time period was applicable to the normal review  
6 process not just the alternate review process.

7 All those discussions I think were  
8 applicable, valuable, in our normal review process  
9 now. And the human factors team as we have gotten  
10 together and we thought about just the mechanics of  
11 how we would make this work in a license amendment  
12 review under the alternate review process we realized,  
13 as we said yesterday, it's all the same technical  
14 review.

15 What's different is how do we apply the  
16 right licensing mechanics to make us able to give a  
17 reasonable assurance review and keep the right  
18 regulatory footprint on our approval of that review,  
19 and that's where license conditions are going to  
20 become really important.

21 And I will just -- In a limited I just  
22 want to say the way we see that is that we would need  
23 to have license conditions, when necessary a license  
24 condition would talk about something that is going to  
25 happen in the design future and would be something

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1 that would draw an envelope with very clear boundaries  
2 and would say something like if something changes that  
3 is outside of this boundary then there is no approval  
4 for that, it's to be addressed.

5 I am not exactly sure how that would play  
6 out, I think we have to see, and every application is  
7 going to be different, every configuration is a little  
8 different, but I would also say that in the case of  
9 Diablo Canyon, you know, their human factors elements,  
10 if it was an application similar to Diablo Canyon  
11 where there is no change in human actions, there is no  
12 change in operator manual actions, and that is a  
13 definitive statement, that is the design, then we  
14 don't need any license conditions, we are able to  
15 review what the design is going to be and there is  
16 nothing in the future.

17 But even in that case where that would  
18 change is in the example amendment yesterday, so there  
19 is the second sentence that says "If the digital I&C  
20 modification adds or changes important human actions  
21 then appropriate evaluations would be performed.

22 So if there is a caveat like that in the  
23 LAR well then even though we can say everything you  
24 told us good, we're good with that, no further review  
25 is needed, if there is a caveat like that we would

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1 need a license condition that has very stringent  
2 envelopes.

3 And the last thing I will say about that  
4 is just our policy per LIC-101 is that we would be  
5 looking for -- it's a collaborative process to know  
6 what the license conditions are, which means there  
7 would necessarily need to be some public meetings.

8 In the course of the review of the audit  
9 there would need to be public meetings between staff  
10 and licensees to really determine what those are,  
11 unless it was straightforward enough that it could be  
12 done just with the public RAI process.

13 And so, anyway, those are just a few  
14 comments I wanted to make about that. Thank you.

15 MS. GOLUB: And I appreciate what you  
16 said, and very much so. So that, you know, part of  
17 this exercise for these sample regulatory commitments  
18 is that when we had talked about that 3B above there  
19 was an understanding that some of those commitments  
20 could turn into conditions.

21 And so that was one of the reasons that we  
22 were interested in understanding what the NRC's view  
23 of the commitments were because that would obviously  
24 inform us what you are considering to be conditions.

25 And a license condition is a, you know, a

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1 license condition is a serious item, right, we want to  
2 make sure that we had some understanding of what that  
3 looks like.

4 (Simultaneous speaking.)

5 MS. VENKATARAMAN: Can I add a comment?  
6 Yes, so what we are saying is the regulatory  
7 commitments are part of the licensing basis. They  
8 will -- But if when you propose them, maybe in the  
9 application or later, they have to be put in the  
10 docket.

11 But if they are not used to make the  
12 regulatory finding or the safety they will just be  
13 listed in a section in the license amendment. So the  
14 good thing is because you are making, you know, it  
15 known to us that this is what you are doing, but just  
16 like Samir said, to summarize, you don't have to,  
17 later on the reviewer may find and they ask questions  
18 in an RAI or it could be a public meeting and if  
19 necessary they will be elevated to a license condition  
20 or the other way is to make an implementation  
21 statement in the USFAR, then they become obligations  
22 as opposed to just not obligations, like a -- Yes,  
23 that's how it is. Thank you.

24 MS. GOLUB: Thank you. Thank you for that  
25 clarification. So we've had specific questions on

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1 these commitments do we want to go through those  
2 questions?

3 MR. STATTEL: Yes, I was just going to  
4 offer that up because I can't respond to any  
5 individual. Some of them are little bit, you know,  
6 very project-specific, but I do have an answer for  
7 them.

8 MS. GOLUB: Yes, and I don't want to get  
9 into some of the, you know, like the technical details  
10 of that project because I know that was a very  
11 specific project.

12 MR. STATTEL: I will mention though there  
13 is -- I don't want to downplay the value of the  
14 licensee making commitments because I think it's a  
15 communication avenue and so, for example, I look at  
16 Commitment Number 7, Number 7 has to do with the  
17 licensee's, that they really didn't make any changes  
18 to the set points in the license amendment.

19 However, they recognized that there were  
20 going to be changes to calculations and they wanted us  
21 to know, they wanted to communicate to us that we are  
22 going to be using approved set point methodologies  
23 and, you know, I mean you can read it, right.

24 So your comment was why did we need to  
25 create a commitment to do work that is normal plant

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1 practice, well that was really good for me to know  
2 that.

3 So this didn't get elevated into a  
4 condition, but it was very important for me to know  
5 that the licensee was aware that even though they  
6 weren't making a change to their license basis set  
7 point they still had that obligation to re-perform the  
8 calculations, consider the new uncertainties with the  
9 new equipment, and use their approved methodology.

10 So I feel that is valuable for me to be  
11 aware of that.

12 MS. GOLUB: So, Rich, if that was written  
13 into the LAR would that have been sufficient or would  
14 you have wanted it --

15 MR. STATTEL: Well it essentially was  
16 because it was an appendix to the LAR, so it was part  
17 of the LAR. Conditions sometimes, I mean different  
18 licensees format it differently, but this was part of  
19 the LAR.

20 MS. GOLUB: Correct. But this was a  
21 formal regulatory commitment. What I am saying if the  
22 licensee had written it in that sort of the  
23 description of how they are going to be conducting --

24 (Simultaneous speaking.)

25 MR. STATTEL: That would be acceptable,

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1 too.

2 MS. GOLUB: If that works. I just think  
3 --

4 MR. STATTEL: And I think the list of  
5 commitments Oconee had was a lot shorter, so Diablo  
6 Canyon chose to elaborate a lot more. And, you know,  
7 going to your comments, you know, you are asking well  
8 why would they have to make a commitment to do this,  
9 you know, why is this necessary, well, you know, the  
10 plant chose to do this as a way of letting us, the  
11 NRC, know that they intend to follow through with  
12 this, this is what they intend to do.

13 It didn't factor -- It didn't weigh or  
14 factor into their safety conclusion. We didn't  
15 identify these as being required for issuing a license  
16 amendment, but, again, we were aware of all of these  
17 issues.

18 So, you know, I mean we can talk about  
19 individual one you would like to, you know, but one  
20 had to do with time response, one had to do with some  
21 isolation testing, I believe it was Commitment Number  
22 9, and in that case they hadn't performed all of the  
23 EQ testing for the equipment at the time they prepared  
24 the license amendment and they hadn't done all of  
25 their Class 1E isolation testing, but they recognized

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1 that they were going to have to do that before they  
2 installed this system.

3 So they identified that, they committed,  
4 yes, we are going to follow through with that. So  
5 that is why they chose to include that.

6 MR. WATERS: I guess, Rich, the question  
7 is was that before or after we issued the license and  
8 was that something you ultimately looked at or  
9 considered in some other form of that LAR approval?

10 MR. STATTEL: Well that's a good question.  
11 So in that particular case they completed that test  
12 before we issued the license amendment. So that  
13 commitment was fulfilled.

14 That was one of many of these commitments  
15 that had been fulfilled at the time we issued the  
16 license amendment. We didn't make that -- You know,  
17 I think actually we probably would have held off on  
18 the license amendment if that one hadn't been  
19 fulfilled, but several of these they actually did  
20 complete during the course of our evaluation.

21 MS. GOLUB: Yes, this is good feedback  
22 though because the feedback is there for you. Diablo  
23 Canyon, they made the decisions they made based on  
24 their reasoning.

25 They are not here, so I am not going to

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1 speak for them, but it sounds, you know, that that's  
2 going to be a licensee decision not a project-specific  
3 basis to choose which commitments to make.

4 MR. STATTEL: Yes, I would say Diablo  
5 Canyon used these commitments more liberally than what  
6 --

7 (Simultaneous speaking.)

8 MS. GOLUB: Right, that's my  
9 interpretation as well.

10 MR. STATTEL: But I think that's okay,  
11 too.

12 MS. GOLUB: Right, absolutely, that's a  
13 choice that they made and, yes, there's nothing.

14 MR. HOOTEN: But at the same time we  
15 shouldn't interpret what they did as a model for  
16 everyone else to follow either, right, you know,  
17 that's what I am hearing you say.

18 MR. STATTEL: Well that is your decision,  
19 that's your choice.

20 MR. HOOTEN: I understand.

21 MR. STATTEL: You could. I don't see any  
22 problem with it because, again, they are not asking us  
23 to base our conclusions off of what they are  
24 committing to do and we still have -- If we see a  
25 commitment that we feel basically would prevent us

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1 from being able to have a safety conclusion like that  
2 one, if they hadn't completed their isolation testing  
3 that might have been a show stopper.

4 We might not have been able to issue their  
5 license amendment. We would certainly identify that,  
6 you know, we can do that, and we would do that. So  
7 having it as a commitment up front because they hadn't  
8 completed that activity and then closing it out during  
9 the process of our evaluation I think that's perfectly  
10 fine. It gets everything out in the open.

11 MS. GOLUB: Yes, that's right, and that's  
12 the choice that's being made, and, yes, absolutely.  
13 So I don't think from our perspective we need to go  
14 through all of the questions.

15 I think we have kind of the general basis  
16 for, yes, for what you guys had in mind, so I  
17 appreciate that.

18 MR. STATTEL: Okay.

19 MS. GOLUB: And I am thinking that maybe  
20 we could add something to our pre-application.

21 MR. DARBALI: And I am going to ask Booma  
22 and industry, but I don't how long the concept of  
23 commitments has existed in licensing, but --

24 MR. STATTEL: A long time.

25 MR. DARBALI: -- would imagine there would

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1 be some NRC or industry guidance document on --

2 MS. GOLUB: There is. Yes, there is.

3 MR. DARBALI: Okay. So I would refer back  
4 to those.

5 MS. GOLUB: Yes, absolutely. Yes, we're  
6 doing that. That's no problem.

7 MR. DARBALI: Okay.

8 MR. STATTEL: I would imagine it predates  
9 Three Mile Island, but my first experience with  
10 dealing with commitments, license commitments, was  
11 there were a lot of them after Three Mile Island for  
12 implementing Reg Guide 197 requirements, things like  
13 that.

14 And so in the early '80s there was a big  
15 effort to -- The NRC came out and did inspections at  
16 the plants to verify that the commitments have been  
17 fulfilled and in a lot of cases they found that they  
18 weren't.

19 So that was a big issue back in the early  
20 '80s, but they may have actually just prior to Three  
21 Mile Island.

22 MS. GOLUB: Well there is an industry  
23 guidance document, NEI 9904 which is adopted by all of  
24 the licensees and it gives very specific directions on  
25 how to craft commitments and when they are necessary.

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1 MR. DARBALI: Okay.

2 MS. GOLUB: So we are not looking for the  
3 NRC to provide us information on that. This was only,  
4 this was really just specific to the ISG. So I think  
5 we got what we needed from the discussion. Thank you.

6 MR. HUGHEY: And not to belabor it, LIC-  
7 105 is what is --

8 MS. GOLUB: Is the NRC's --

9 MR. HUGHEY: -- the NRC's policy on  
10 regulatory commitments. LIC-105, I believe it is.  
11 Yes, it is. We wanted it to be public for industry  
12 when we issued it.

13 MR. WATERS: Yes, so obviously you don't  
14 want to revisit or challenge the regulatory policy  
15 commitments. What I would ask though is I think  
16 what's more important when we get to the September  
17 workshop is what content in the LAR that we call  
18 commitments or just text description could be subject  
19 to further inspection and/or license condition both in  
20 vendor, you know, the vendor development site or site  
21 installation site, I think that's part of that ongoing  
22 conversation we're going to have in September.

23 MS. GOLUB: Yes, agreed.

24 MR. DARBALI: Okay. So I think we are  
25 done with that topic. We are up for a break. Do we

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1 have any questions or comments from the folks on the  
2 phone?

3 (No audible response.)

4 MR. DARBALI: Okay. I want to thank  
5 Sheldon and Booma and John for helping us in this  
6 section, and Bob if he called in. We are going to be  
7 taking a break.

8 Since Aaron is going to be helping us in  
9 the vendor oversight plan portion I think we can take  
10 a break of ten minutes and come back at 9:50. Okay,  
11 thank you.

12 (Whereupon, the above-entitled matter went  
13 off the record at 9:40 a.m. and resumed at 9:53 a.m.)

14 MR. GOLLA: We're back. And, vendor  
15 oversight plan. Are we looking at it now?

16 MR. DARBALI: So, Ray, I'm going to ask  
17 you to provide that. A brief summary of the summary  
18 you provided earlier today.

19 (Laughter.)

20 MR. HERB: Okay. I actually refined it a  
21 little bit, based on the previous discussion. I wish  
22 I had heard that before I opened my mouth earlier this  
23 morning, but this section right here is the summary of  
24 the vendor oversight activities and planning.

25 And as Rich and Samir have said, we're

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1 getting an early issuance of the license and so we're,  
2 essentially, we're promising, we're committing, we're  
3 obligating ourselves to follow those things in the  
4 LAR.

5 And so, we've always done vendor  
6 oversight, but to the degree that we have documented  
7 that and provided assurance that those activities were  
8 done on paper so they can be inspected and reviewed  
9 has been less so. Okay.

10 Primarily we have always looked at the end  
11 products like, you know, like Rich says. We've looked  
12 at, we've witnessed testing, we've been there for  
13 specific milestones in the design. We've always been  
14 there from the beginning to the end for those  
15 activities.

16 But usually we show up. We may do a trip  
17 report and we may have a plan. We review the test  
18 plans ahead of time, we do all this stuff.

19 So, there's things that was formally done,  
20 but this oversight activity, since you guys are, we're  
21 going to commit to doing it in the future and you're  
22 going to base your licensing designs on those  
23 activities, we thought we would formalize a little  
24 more.

25 Now this, a lot of this guidance comes out

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1 of the EPRI, the digital engineering guide, and also  
2 the guide for commercial grade dedication. A lot of  
3 these things are very similar.

4 And like I said, we've done these  
5 activities. A lot of plants have done critical  
6 digital reviews which involves a lot of this stuff up  
7 front where you make sure they have a quality process  
8 that meets the expectations and that they follow their  
9 process.

10 Kind of a mini audit type of activity.  
11 Audit-like activity. And then we've done acceptance  
12 reviews of a lot of these documents.

13 And so, so we thought because of C.2.2,  
14 Item 1, that's primarily, to the QA program, we felt  
15 the direction of this change is a little bit from just  
16 checking the outputs to also checking the process to  
17 make sure that the vendor is following a process that  
18 they've obligated themselves to in our purchase order,  
19 for the system. And, what we have obligated our self  
20 to as well in the LAR.

21 And so, if you look at the wording there,  
22 we expanded it beyond just the quality piece to  
23 include all the stuff of the V&V requirements  
24 traceability configuration management testing,  
25 software QA.

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1           And then we even added SDOE and applicable  
2           PSAIs as well, because our oversight activities  
3           include more than just the processes for software  
4           development. And it includes all those aspects to  
5           make sure that what we ask for is what we're going to  
6           get.

7           We, in the Industry, typically like to say  
8           we trust but verify. And so, the whole part of this  
9           plan, this plan probably will be updated and refined  
10          as we go along.

11          It's designed, it's really a living plan.  
12          And it's designed to react to things that we find when  
13          we go to a vendor facility. And so we would do that.  
14          And every time we would change it would be available  
15          for continuous inspection.

16          I said in the past, we've always, like I  
17          say, as Rich said, they had a vendor oversight when he  
18          was there, and we've always had one too. But we're  
19          stepping up our game.

20          Primarily because the new standard design  
21          process for standardized across the industry. We see  
22          this activity as very important to getting a quality  
23          output. So, we want to do that to ourselves to  
24          satisfy our own expectations and make sure we get a  
25          good thing.

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1           And, again, the documentation activities  
2           in the past have been somewhat lacking and so this is  
3           going to formalize that to give you something to  
4           inspect when you come to the sites.

5           And then the rigor of activities really  
6           should be commensurate to safety. So we do a lot of  
7           this stuff now but now we're going into that alternate  
8           review process where the impacts are much more  
9           significant than they were in the past. In the past,  
10          we were saying 50.59, as long as we stay within our  
11          licensing basis we're good, we can make those  
12          decisions.

13          But now, we have to stay within our  
14          licensing basis as approved in the LAR. And so, the  
15          significance of any of those changes and impacts are  
16          a lot more. So we have to do a better job.

17          And then, again, and then finally we want  
18          to, this is a transactional agreement between us and  
19          the NRC and we want you to feel comfortable that we  
20          know what we're doing and that we can document that  
21          and demonstrate that to you ahead of time so that you  
22          feel good that we know what we're doing, how we're  
23          going to do it.

24          And so, pretty much that's, that's the,  
25          and it's all written here. You can see, there's the

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1 elements of it. It's kind of thin, but the plan  
2 itself, which is a living document, would be available  
3 for inspection and review as part of the licensing  
4 process. Just to make sure we get all the parts.

5 MR. DARBALI: Thank you, Ray. You brought  
6 up a point that the vendor oversight plan would be  
7 available for inspection or audit. I would imagine  
8 that if we needed to look at it during our review,  
9 they would ask you to put it in the portal.

10 And a site, a regional inspector, would do  
11 during inspections, would reference that. Post-  
12 license amendment issues.

13 I do have a few questions. One is, I  
14 would expect that the plan itself would have already  
15 been developed or, the first revision of it or an  
16 existing revision, would be in place by the time the  
17 LAR is submitted?

18 MR. HERB: Yes, certainly.

19 MR. DARBALI: Okay. So, how big do you  
20 think that document would be, length-wise?

21 MR. HERB: Typically we've see them maybe,  
22 it just really just depends. Because it's going to  
23 setup a framework, who is responsible, reporting  
24 activities. And it would have schedule, it would have  
25 a scope and so maybe ten, 20 pages total.

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1 MR. DARBALI: Oh, okay.

2 MR. HARRELL: For a system, yes.

3 MR. DARBALI: Okay.

4 MR. HERB: For a system, yes.

5 MR. DARBALI: Okay. Because, looking at  
6 this, I think this is very, I know the first three  
7 words are, the project specific. The language of it  
8 is not project specific.

9 MR. HERB: Well, we had to, when we would  
10 put this in our LAR it would be --

11 MR. DARBALI: Right.

12 MR. HERB: -- we would mention the  
13 platform --

14 MR. DARBALI: Right.

15 MR. HERB: -- and the application, the  
16 scope --

17 MR. DARBALI: That would be helpful.

18 MR. HERB: We tried to keep it at a high-  
19 level because we didn't --

20 MR. DARBALI: Yes.

21 MR. HERB: -- platform at high-level.

22 MR. DARBALI: Right. Right.

23 MR. STATTEL: Would you expect this to be  
24 included in the LAR?

25 MS. GOLUB: Yes.

1 MR. HERB: This oversight --

2 MR. STATTEL: And the reason I ask is, I'm  
3 looking at ISG-06 and I don't see a specific item in  
4 the Enclosure B.

5 MR. HERB: There is not. Yes, there not.

6 MR. STATTEL: Should there be?

7 MR. HERB: No.

8 MS. GOLUB: The C.2.2.1 is the  
9 prerequisite that's being fulfilled by the item.

10 MR. DARBALI: Right. The prerequisite is  
11 for use in the alternate --

12 MS. GOLUB: Would you mind pulling up  
13 C.2.2.1 --

14 MR. DARBALI: -- review process. But  
15 right, there is no section.

16 MR. STATTEL: There is nothing in  
17 Enclosure B?

18 MR. DARBALI: Yes.

19 MR. STATTEL: Good point.

20 MR. HERB: You're right.

21 MR. HARRELL: It should have been in  
22 Enclosure B.

23 MR. STATTEL: Yes, that's what I'm  
24 thinking.

25 MS. GOLUB: So, there is C.2.2.1 --

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1 MR. HARRELL: Item 3.

2 MR. DARBALI: Right.

3 MR. HERB: I see it.

4 MS. GOLUB: Item 1 is the prerequisite for  
5 the vendor oversight plan.

6 MR. HERB: Right. And I guess he is  
7 asking is, is this in a section in the LAR? I guess  
8 it would be in prerequisite section, right?

9 MS. GOLUB: Right. So there would be a  
10 section --

11 MR. HERB: Yes.

12 MS. GOLUB: -- in the LAR that is for the  
13 prerequisites, and we would address each of these  
14 items that are on the list.

15 MR. DARBALI: Because maybe, to Richard's  
16 point, maybe we do need a section of information to be  
17 provided in vendor oversight plan and detail more  
18 specifics of what you expect to see. Right.

19 MR. STATTEL: I don't remember the  
20 conversation. I mean, did we consciously decide not  
21 to choose not to include it in Enclosure B because --

22 MS. GOLUB: No.

23 MR. DARBALI: No.

24 MS. GOLUB: No, there was no conscious  
25 decision. I think, what we did in Enclosure B we just

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1 kind of went down the D, the D list.

2 MR. STATTEL: I mean, I don't know what  
3 it's going to like. If it's going to be a 500 page  
4 document.

5 MR. HERB: Oh, no, no, no.

6 MR. STATTEL: And that's --

7 MR. HERB: In the LAR, it would be a  
8 couple of pages. It would be like this.

9 MR. DARBALI: So that's the --

10 MR. HERB: This is the description, pretty  
11 much, that would go in the LAR with maybe a little  
12 additional stuff about the system names and the  
13 vendors names and stuff like that.

14 Now, the plan itself is probably ten to 20  
15 pages long. And it would have attachments and reports  
16 and outputs.

17 But it's a plan. A plan, you know, just  
18 what we're looking at, what are the things we want to  
19 do, what are the business, when is the timing. It  
20 would be a schedule. And it would be there.

21 And it would also be a planning tool that  
22 if you, I mean, I heard that if you guys felt like you  
23 had to go to the vendor you could maybe pick a time  
24 when we were going.

25 MR. DARBALI: Okay.

1 MR. BURZYNSKI: Ray, you intend this plan  
2 to be a living document, right?

3 MR. HERB: Yes, and that's what I said.  
4 Yes, it's a living document. That's where you don't  
5 want to submit it on the docket and it be available  
6 for you.

7 MR. DARBALI: Right.

8 MR. HERB: Because the plan will have, it  
9 will have, you know, you look down here it says,  
10 initial audits and reviews, periodic audits. On the  
11 second page it says, periodic meetings to resolve  
12 issues, additional technical resource surveillances,  
13 management interventions, stop work order and recovery  
14 plans.

15 And so, we won't put those in the plan  
16 unless we have a problem.

17 MR. DARBALI: Right.

18 MR. HERB: But if we have a problem, the  
19 plan will be revised to include those things. Those  
20 additional.

21 MR. DARBALI: See, when I asked how long  
22 it was I was hoping you could tell me, oh, it's 58  
23 pages, and I can say, okay, then provide me a five  
24 page summary.

25 MR. HERB: I was thinking it would be a

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1 two page.

2 MR. DARBALI: Right.

3 MR. HARRELL: So, one previous experience  
4 with this, my company and I did the one min complete  
5 ABWR vendor oversight plan, it was 50 pages of techs  
6 and templates for reports. So, it's not a huge  
7 activity.

8 And that one --

9 MS. GOLUB: That was for the whole plant.

10 MR. HARRELL: That was for the whole  
11 plant. So that included everything from reactor trip  
12 systems to less important reactivity controls.

13 MR. DARBALI: Right. And, the point I'm  
14 getting at is, basically you're describing what you  
15 will do, I guess for, and we are relying on the vendor  
16 oversight plan to cover those implementation  
17 activities we won't be able to review. So I guess  
18 what would be very useful to the Staff is the how  
19 you're going to be doing those activities.

20 MR. HARRELL: And that would be in the  
21 detailed report.

22 MR. DARBALI: Right.

23 MR. HARRELL: The plan itself.

24 MR. DARBALI: Okay. So, it does --

25 MR. HERB: Samir, the how you mean on

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1 vendor site with what forms, with thought process  
2 procedures --

3 MR. DARBALI: Yes. Well, not to data  
4 about detail but --

5 MR. HERB: I mean, be like thread audits  
6 --

7 MR. DARBALI: Well, right.

8 MR. HERB: -- inspection of documents,  
9 requirements --

10 MR. DARBALI: So you mentioned --

11 MR. HERB: -- tracing?

12 MR. DARBALI: No, no. You mentioned,  
13 well, you mentioned SDOE but you only mentioned it,  
14 you don't say what is the other activities you're  
15 going to be doing.

16 MR. HERB: Oh.

17 MR. DARBALI: And again, I know it's hard  
18 to bring a three page summary of a ten page document,  
19 it doesn't add value.

20 MR. HERB: Right.

21 MR. DARBALI: So, maybe --

22 MR. HERB: Well, you know, as part of the  
23 SDOE, we put that in there because we're committing to  
24 certain activities in D.8.

25 MR. DARBALI: Right.

1 MR. HERB: And so, this is the vehicle  
2 that we would do those activities. How we would  
3 oversight the implementation of the secured  
4 development environment at the vendor and SDOE.

5 MR. DARBALI: Because your D.8 would point  
6 to this document?

7 MR. HERB: Well --

8 MR. DARBALI: But as I --

9 MR. HERB: -- I don't know that a D.8  
10 would point to this document. It might. I think,  
11 didn't we say, we did say in our summary of D.8 that  
12 it was vendor oversight activities.

13 MR. DARBALI: Yes.

14 MR. HERB: So, yes.

15 MR. DARBALI: You could point to, what I  
16 want to say is, you point to the vendor oversight plan  
17 and the vendor oversight plan pulls back to D.8.

18 MR. HERB: No. Yes, no. Those activities  
19 -- the way vendor oversight works is you sit down at  
20 the very beginning --

21 MR. DARBALI: Right.

22 MR. HERB: -- in the negotiation stage  
23 with the vendor and you say, these are the activities  
24 that I need to see, that I need to look at.

25 And then you get that contractually put

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1 into the purchase order, the hooks for those things.  
2 And then generally there's a high-level schedule.

3 And there's whole points, there is points  
4 where they have to call you, you have to make things  
5 available. We show up at the vendor, we do that.

6 So those things, those activities for all  
7 aspects would have to be covered in there. So we  
8 would pull, the vendor oversight plan would pull from  
9 D.8, they would pull from the D.2, the D.4. All those  
10 sections. Even D.3, equipment qualification.

11 We would pull all those things in here and  
12 it would say, those are all the requirements that we  
13 want to make sure that the vendor has done properly,  
14 and we would put those hooks in our plan.

15 So, what do we do? We made point to other  
16 criteria in our plan. And that criteria may be in our  
17 LAR or those may be in our internal documents.

18 MR. ODESS-GILLETT: And, Samir, maybe --

19 MR. HERB: Our systems requirements --

20 MR. ODESS-GILLETT: -- I could add a  
21 little bit, Ray, if you don't mind. Is, you were  
22 asking, well, for instance, for SDOE, what's the how,  
23 on how the licensee would review that.

24 And I think what the LAR could describe  
25 are like, what are the critical characteristics in

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1 SDOE.

2 MR. DARBALI: Right.

3 MR. ODESS-GILLETT: And what would we be  
4 looking for when we do that. And that would probably  
5 be the extent of the how.

6 MR. DARBALI: Okay. I think what I'm, I'm  
7 kind of thinking into the future because this is a  
8 very important document to make our safety  
9 determination on.

10 It seems like this is, for us, a mandatory  
11 audit item. We're trying, so we can look at the  
12 actual document.

13 Again, if you had told me it's a 200 page  
14 document but you're going to provide me a ten, 20 page  
15 summary, that should be enough. If it's a 20 to 30  
16 page document, then we can audit that.

17 MR. DRAGOVICH: Yes, I just wanted to add,  
18 in light of what we talked about this morning is that,  
19 one of our objectives with adding this was to try to  
20 take the place of what the Staff would normally do in  
21 our inspections.

22 So, I think what one crucial thing is, we  
23 mentioned the guidance document where we wanted to  
24 detail a lot of those requirements, and so I think a  
25 lot of the success of this is to make sure that we'll

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1 work with you to make sure we cover what you would  
2 expect to see in those vendor oversights so that when  
3 we say project specific at the beginning, that's where  
4 we would get into what would normally be looked at in  
5 a typical audit.

6 MR. DARBALI: Okay. So, we're trying to  
7 avoid having audit guidance in our, in the ISG.  
8 Anything is up for audit.

9 But mainly, would you think it's  
10 reasonable to add a little more detail on the what and  
11 reference sections that provide more context to that?  
12 Because, I mean, if I get this right now it's like, in  
13 my safety evaluation, although the licensee provided  
14 this summary, and the Staff went and audited it.

15 MS. GOLUB: Just so I'm clear, Samir. So  
16 are you saying, when you said, could you provide more  
17 detail, do you mean in the summary that's --

18 MR. DARBALI: Yes.

19 MS. GOLUB: -- submitted as part of the  
20 LAR?

21 MR. DARBALI: Yes.

22 MS. GOLUB: Okay.

23 MR. DARBALI: I mean, Rich, I mean, do you  
24 think this -- the thing is, if we need to bank, if we  
25 need to rely on the full vendor oversight plan, safety

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1 determination we need on the docket.

2 MS. GOLUB: Right. No, I understand what  
3 you're saying. So, what you're saying is, if you  
4 provide some material here in the summary, then we  
5 don't have to put the whole VOP on the docket.

6 MR. DARBALI: Right.

7 MR. HERB: I see.

8 MS. GOLUB: Yes. Okay. So, I think  
9 that's good feedback for us. Maybe we can take  
10 another cut at this --

11 MR. HERB: Yes.

12 MS. GOLUB: -- and then when we have the  
13 inspection workshops and vendor oversight and all  
14 those activities --

15 MR. DARBALI: Right.

16 MS. GOLUB: -- there all kind of tied  
17 together, maybe we can bring, maybe bring a version of  
18 this that has a little more meat to it.

19 MR. DARBALI: Right. And if you can  
20 tailor it to the Diablo sample or even Hope Creek,  
21 just so that we can see --

22 MR. HERB: Okay, so actually use a real  
23 example?

24 MR. DARBALI: Yes, that would --

25 MR. HERB: Okay.

1 MR. DARBALI: -- I think it would be more  
2 helpful than a generic one.

3 MR. HERB: Okay.

4 MR. WATERS: For a hypothetical sake,  
5 would it be a showstopper to put the 20 to 30 page  
6 document on the docket, recognize this is a living  
7 document?

8 Because it seems to be, as Samir said, a  
9 crucial piece of information for a decision and the  
10 confidence of the approved system early on.

11 MR. HERB: You know, it's not a problem to  
12 put a 20 to 30 page document on the docket, but it is  
13 a living document and so --

14 MR. WATERS: Understood.

15 MR. HERB: -- I'm a little reluctant to  
16 put a living document that's on there. I would rather  
17 have, if you can make a decision on a high-level  
18 summary and then make sure that the document is  
19 available for inspection at any time. Just to make  
20 sure that it's still within those high-level --

21 MR. STATTEL: I think we can work through  
22 that. I'm just looking at ISG-06 and looking for a  
23 consistency here. And I look at the next item on the  
24 list, which is the approved topical report.

25 Which literally is a yes/no question,

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1 right?

2 MR. HERB: Right.

3 MR. STATTEL: But that, it just says Item  
4 1.4 in Enclosure B. And it has a Section D.5 that  
5 talks about ASAI's.

6 MR. HERB: Right.

7 MR. STATTEL: So, for consistency, I would  
8 think this would kind of be the same level. There  
9 almost seems to me like there should be an item in  
10 Enclosure B and it should point, not to C, but we  
11 should have a D section or a D subsection to point to  
12 which would have a paragraph or two describing, even  
13 if it's a summary.

14 MR. HERB: Right.

15 MR. STATTEL: Even if it's a summary. To  
16 me, just logistically, I think that would, it would be  
17 consistent. Because it's kind of a similar --

18 MR. HERB: Well, we do have those words,  
19 vendor oversight, I think several times through the D  
20 sections and so maybe --

21 MR. STATTEL: Maybe we can find a --

22 MR. HERB: -- just part of the scope would  
23 be --

24 MS. GOLUB: I think Mark has something he  
25 would like to say.

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1 MR. BURZYNSKI: Yes, I wanted to follow-  
2 up, just on Mike's thought. About the idea of putting  
3 it on the docket.

4 Maybe we should hold open the idea that we  
5 start with the summary in the LAR.

6 MR. HERB: Yes.

7 MR. BURZYNSKI: I will suspect that you  
8 will have some feedback on it, after you audit what  
9 might be on the SharePoint. And the changes that  
10 might result from it are really what you would be  
11 importing, or interested in.

12 And it could be a document that is put on  
13 the docket, later in the process, after you've done  
14 any auditing through the SharePoint so that it  
15 reflects the content that's finally negotiated as  
16 opposed to starting with it and then having to add it  
17 again later to capture the things you really wanted.

18 MS. ALVARADO: This is Rossnyev. First,  
19 I think it would be really helpful on, I think it  
20 would be good to talk to some of the DORL people about  
21 these because I don't know how we can handle  
22 performing audits in the SharePoint.

23 I know we are allowed to see them and  
24 stuff like that, but I don't think we have crossed  
25 that line yet of the reporting and audit of documents

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1 in the SharePoint.

2 Because there's always the concern of  
3 grabbing too much information and stuff like that. So  
4 we might want to check with DORL about it, what we are  
5 allowed or not to do regarding that.

6 MR. DARBALI: So, the ISG has some  
7 language as to making the documents available in a  
8 portal or an electronic document repository. And it  
9 does say the staff should not download or anything  
10 like that.

11 And DORL looked at the language --

12 MS. ALVARADO: That is not what I'm  
13 talking about.

14 MR. DARBALI: Okay.

15 MS. ALVARADO: When we do the analysis we  
16 are required to perform, to write a inventory audit  
17 plan.

18 MR. DARBALI: Yes.

19 MS. ALVARADO: And you just need to  
20 include all these mechanisms and be part of it  
21 because, when you are using that information as  
22 evidence, we need to write an audit plan and we need  
23 to write an audit report.

24 So, with the portal, you need to talk to  
25 DORL about how to treat these so it's with final

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1 regulatory framework.

2 I understand the whole thing about same  
3 documents and not using it and all that, I'm not talk  
4 about it, it's more about making it part of a records  
5 --

6 MR. DARBALI: Yes.

7 MS. ALVARADO: -- as in the regulatory  
8 framework that we have.

9 MR. DARBALI: That's a good point, Ross.  
10 I think in the past we have had open items and vendors  
11 or licensees would put the documents and we would  
12 review them to determine if we needed them on the  
13 docket, bring preparation for an audit.

14 But we don't formalize an audit plan  
15 saying, right, we can work with DORL, we can have an  
16 audit plant that is open ended just one week or  
17 something. But we can work with DORL to make sure  
18 this is the type of information we want them to  
19 docket. We would end up with a lot of audits.

20 MS. GOLUB: Yes.

21 MR. DARBALI: But yes, we do need to check  
22 with DORL on that.

23 MR. STATTEL: So, some real-world  
24 examples. We, Gush and I have performed several  
25 audits on set point calculations.

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1           And it's not, typically we don't require  
2 those to be docketed. We do require, we have required  
3 summaries of the calculation results to be part of the  
4 license amendment. We're doing one right now.

5           But, we choose to audit the actual reports  
6 in order to get the understanding of where the results  
7 came from. But we base our safety conclusion on the  
8 results.

9           And we do write formal audit plans and we  
10 write audit reports. So, we are able to do that,  
11 we've done it by visiting the facilities, we've done  
12 it using SharePoint documents.

13           So, I mean, we have several precedence  
14 that we can go through that activity. But, the point  
15 is taken.

16           MR. HERB: And I may be speaking out of  
17 line here, but I suspect that this plan, at least the  
18 Rev 0, this plan, we may not have a schedule yet, but  
19 it would certainly have activities and areas that are  
20 being covered in scope, would be available at the time  
21 of pre-application meeting.

22           Because that is, and again, we welcome, at  
23 Southern we would welcome NRC as a stakeholder input  
24 to that plan. Okay.

25           MS. GOLUB: Yes, so I wanted to speak

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1 briefly to the idea because we weren't really prepared  
2 to answer the question about whether or not it should  
3 be put on the docket.

4 I guess from our perspective, I want to be  
5 a little bit careful about committing to submitting  
6 something on the docket like that. Number one, to  
7 Mark's point, it's a living document, it's going to  
8 change as the project evolves.

9 Number two, if we submit it on the docket,  
10 we need to understand the regulatory basis, why we're  
11 submitting it, how it's going to be evaluated. That's  
12 a whole complicated, a complicated item that ISG-06,  
13 that was not one of the intents was to put something  
14 like that on the docket and then come up with some  
15 basis for the review and whatnot.

16 So for us, the summary, we can beef up the  
17 summary and submit that on the docket. Of course, you  
18 have the vendor oversight plan for your review in the  
19 portal or SharePoint site or whatever the right  
20 mechanism is for doing that.

21 And if there are select portions that you  
22 feel are critical, you know, for you to draw your  
23 safety conclusions, those can be submitted on the  
24 docket. Those portions of it.

25 MR. DARBALI: Okay.

1 MS. GOLUB: But I think for right now, I  
2 think we should leave it, leave it at that and see if  
3 we can make that work without having to put the whole  
4 plan on the docket.

5 MR. DARBALI: Sure. I agree.

6 MR. ARMSTRONG: Yes, this is Aaron  
7 Armstrong. I did look at the oversight plan.

8 I just want to make sure, like, in the  
9 plan, one of our functions is to look at vendors and  
10 the sub-suppliers of vendors, which is supplying  
11 licensees as well.

12 Would you, would the licensees be taking  
13 on that auditing or the inspection activity at the  
14 sub-suppliers or sub-suppliers of those people as  
15 well? They're supplying materials, parts, services  
16 and components.

17 MR. NOVAK: From my experience, that they  
18 have, actually have done that in the past, we've had  
19 several entities who have gone to our suppliers. I  
20 can speak from GE experience.

21 MR. ARMSTRONG: Okay.

22 MR. NOVAK: I guess it isn't clear if this  
23 oversight plan, if the scope is meant to just cover  
24 what they're doing and move what would have been Phase  
25 2 activities or if this is the whole comprehensive

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1 oversight plan. So, and we talked about that a little  
2 bit during our pre-meeting.

3 Did we ever come to a final decision on  
4 that?

5 MS. GOLUB: Yes. And this is just the,  
6 this is the overall --

7 MR. NOVAK: The overall plan, okay.

8 MS. GOLUB: Yes, vendor oversight plan.  
9 And there is going, we have C.2.2.1 up here but we  
10 already know that C.2.2.3b is commitments that are  
11 going to be made to performing later life cycle  
12 activities per the licensee's QA program. And I know  
13 there is talk of those being license conditions.

14 So, I think that kind of covers those  
15 later life cycle activities and what the utilities are  
16 going to be doing. And I don't know if we need to  
17 make this specific to that. I think this is just,  
18 this is the overall licensee vendor oversight plan.

19 And I want to go back to one thing Ray  
20 said which is, and I don't know if, Ray, you want to  
21 speak to this a little is, is that this sort of more  
22 larger scope vendor oversight plan, this is not just  
23 because of ISG-06, the ultimate review process and the  
24 EPRI, or actually Dave Hooten is here and can speak to  
25 it as well, but the EPRI digital engineering guide

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1 that's currently under works, it's going to be the  
2 basis for the standard design process for the  
3 licensees.

4 I mean, that has also expanded the vendor  
5 oversight plan section, to add more information. So  
6 this is not just something the licensees are doing to  
7 make you happy in an ultimate review space.

8 MR. ARMSTRONG: I guess on the second  
9 question I had is, obviously with inspection activity  
10 objective evidence of activities affecting quality is  
11 what we looked at. How readily available, in our  
12 current setup, how readily available would that  
13 objective evidence be, roughly?

14 I mean, would that be something that's  
15 only really, something that Rich would have to look at  
16 or would be made available to the vendor group as part  
17 of like developing plans to go inspect, I mean, I  
18 guess this is kind of a big picture question of --

19 MS. GOLUB: Well, under Tier 1 what do you  
20 guys do? Under Tier 1.

21 I mean, I thought under Tier 1 that there  
22 was an obligation for, during the licensing process,  
23 that the I&C branch staff would do their audits, and  
24 then after the SER was issued, the regional inspection  
25 folks would use the I&C branch as proposed inspection

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1 items, and their own items, and do their inspections.

2 I mean, I don't think under that scenario,  
3 do you play role in the project LAR or licensing  
4 action?

5 In my mind, I thought you guys were more,  
6 you would go and do your vendor work separate from the  
7 specific licensee --

8 MR. ARMSTRONG: We would take direction --

9 MS. GOLUB: -- licensing action?

10 MR. ARMSTRONG: -- by them. And in this  
11 fashion, not all the fashions of a vendor group, but  
12 we would take action as they deem fit. I mean, as  
13 they decide to do.

14 If they scope out an inspection for A, B  
15 and C because those are areas of interests, we would  
16 go do what NRR requests.

17 MS. GOLUB: Absolutely. But I guess the  
18 question is, in the past, for Oconee and for Diablo  
19 Canyon did you, I don't remember any inspection items  
20 that looked like they were allocated to the vendor  
21 quality branch to go do, in those previous ones.

22 MR. DARBALI: Right. So, for developing  
23 life cycle activities on the vendor side, when we do  
24 our tier review, typically we don't involve the vendor  
25 group.

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1           However, when we'd have issues with, and  
2 this applies more to typical reports, but when we've  
3 had issues with the vendor's QA program, we engage the  
4 quality group for guidance that somehow participated  
5 in our reviews.

6           MS. GOLUB: And this is our understanding  
7 as well.

8           MR. DARBALI: Right.

9           MS. GOLUB: What cause you would --

10          MR. DARBALI: Several issues can occur on  
11 vendor side that the NRC staff aren't prepared to  
12 handle. So the vendor group would help with that.

13          With the alternate review process, the  
14 vendor inspection group is the vehicle that allows the  
15 staff to confirm that those activities are performed.  
16 So, there is several roles that the vendor inspection  
17 group performs.

18          One is, a vehicle for the staff. For both  
19 licenses and amendment inspection activities. Another  
20 is, and that might the bulk of their work is handling  
21 specific issues that might be generic, maybe not  
22 applicable to all licensee, it could be applicable to  
23 all licensee.

24          But, issues at the vendor side that the  
25 staff, the technical staff, is not prepared to

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1 address.

2 MS. GOLUB: And so I guess, and I'm just  
3 going to throw out a scenario and you can tell me if  
4 this, and I want to make sure I'm hearing what you  
5 guys are saying appropriately.

6 So, if the licensee conducts one of their  
7 audits inspections, one of their oversight activities,  
8 they write up their report, you take a look at what  
9 they've put together and you see that there are some  
10 quality issues that the licensee has identified, and  
11 they're significant enough to you that you think, you  
12 know what, we need to take another look at what the  
13 vendor is doing, that seems like the type of trigger  
14 that you would use to ask your vendor quality branch,  
15 versus building that into the process from the  
16 beginning for every single project. I'm struggling a  
17 little bit with which path we're on.

18 MR. DARBALI: I would say both paths.

19 MR. ARMSTRONG: You're correct on this.  
20 Another observation was --

21 MS. GOLUB: Wait, I'm sorry, so the answer  
22 was?

23 MR. DARBALI: Yes and yes. So none of  
24 our, one or two, both are within the purview.

25 MS. GOLUB: So that's a change then from

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1 the previous tiered processes. And for the previous  
2 process, when we described it, it sounded like it was  
3 only the one case where there was a quality issue and  
4 you wanted your vendor quality branch folks to go in  
5 and investigate.

6 MR. DARBALI: Yes, there is change, but  
7 understand that the ultimate review process, by  
8 itself, is a change. And, yes.

9 MR. ODESS-GILLETT: Samir, so, Aaron had  
10 said, habitual question was, would the vendor  
11 documentation be available, readily available --

12 MR. DARBALI: Yes.

13 MR. ODESS-GILLETT: If you are doing this  
14 inspection, let's say that looking at the licensees'  
15 rigor and you question something about the inspection,  
16 would the vendor documentation be readily available to  
17 support that inspection? And I think the answer is  
18 yes.

19 Because the licensee has reviewed most of  
20 the documentation that comes with the deliverables of  
21 the system. And if there isn't, it can be with  
22 today's portals. These things can be provided fairly  
23 immediately.

24 MR. ARMSTRONG: Yes, I agree. Thank you.

25 MS. GOLUB: Thank you, Warren. My

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1       apologies for not answering that.

2                   MR. HERB:     Right.     And when you say  
3       objective quality evidence, that means something  
4       specific to me. It means like, it means documentation  
5       of my reports, traceability back to the documents I  
6       looked at, the activities that I did, maybe threads  
7       that I pulled and then signatures that we all did.

8                   But are you actually talking about the  
9       actual source documents we looked at to do those  
10      conclusions?

11                  MR. ARMSTRONG:     Well, the objective  
12      evidence would be if you established thresholds or  
13      limits or envelopes, you tested them, where are the  
14      values.

15                  MR. HERB:     Okay.

16                  MR. ARMSTRONG:     Okay. If NRTE is required  
17      to report those values, it was an NRTE operation.

18                  MR. HERB:     Oh, okay.

19                  MR. ARMSTRONG:     And all these things are  
20      --

21                  MR. HERB:     You're right.

22                  MR. ARMSTRONG:     -- in which you weren't  
23      going to basically be not responsible for. So, all  
24      those records, when you get to looking at them --

25                  MR. HERB:     Right.

1 MR. ARMSTRONG: -- wherever they're at --

2 MR. HERB: Right.

3 MR. ARMSTRONG: -- should be available for  
4 our inspection.

5 MR. HERB: Okay. Yes, that wouldn't be in  
6 our report, that would be --

7 MR. ARMSTRONG: Okay.

8 MR. HERB: -- yes, that would be at the  
9 vendor's site, for the most part.

10 MR. ARMSTRONG: The last one, is there any  
11 more questions or comments? Okay.

12 In reference to the plan, I did notice  
13 that in NAQ-1 2015, which is the guidance we're  
14 quoting, there is approximately, there's 117 shalls.  
15 Now, not all these shalls would be a mechanism for  
16 instruction, but I would assume that when you guys are  
17 invoking this on a vendor, there should be at least  
18 117 mechanisms that you would be overseeing if they  
19 were applicable to the vendor.

20 Is that an adequate assumption or are you  
21 just going to say, follow 2.1.7?

22 I mean, there should be, if you have to  
23 have configuration control, they should have a  
24 mechanism that you verify that there is configuration  
25 control.

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1 MS. GOLUB: Isn't 115 in Subpart 2.7?

2 MR. ARMSTRONG: One hundred seventeen  
3 shalls --

4 MS. GOLUB: In 2.7.

5 MR. ARMSTRONG: -- in 2.7 alone. But 2.7  
6 also bounces you back to --

7 MR. HERB: Yes, all the other ones.

8 MR. ARMSTRONG: -- design control and  
9 procurement, which also probably have as many or more  
10 shalls. So, I mean --

11 MR. HERB: If you look at the actual worry  
12 from the, I actually don't have it in front of me, I  
13 think it says, consistent with, doesn't it?

14 MS. GOLUB: It does.

15 MR. DARBALI: It does.

16 MS. GOLUB: Yes.

17 MR. HERB: And so we're not, we're not  
18 inspecting the NQA-1 2015 --

19 MS. GOLUB: Every single --

20 MR. HERB: -- all those shall statements.

21 MR. DARBALI: But I think Aaron's point  
22 is, how do we determine that it is consistent with --

23 MR. HERB: Well, again, our NUPIC audit,  
24 the QA process is compliant, is our primary means for  
25 determining whether their process is compliant with

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1 NQA-1 2015. Okay.

2 And so, once they have a process that's  
3 complainant, we just look at their processes and make  
4 sure that they're living within their process. We  
5 don't necessarily have to bounce that back.

6 I think we're relying on our NUPIC to make  
7 sure that they have an acceptable process. And we put  
8 NQA-1 2015 because that's what NRC, you guys use, for  
9 an acceptable QA like process.

10 MS. GOLUB: And the vendors are compliant  
11 too in NQA-1 2015. I mean, this was not something new  
12 for the vendors.

13 Okay, yes. Okay, so, Warren is saying we  
14 can take a look at 117 shalls and see which ones would  
15 be applicable here.

16 But, I mean, to be clear, you're not going  
17 to see like 117 separate activities in the licensee's  
18 vendor oversight plan for each and everyone one of  
19 those, that's not at all --

20 MR. DARBALI: You're not going to see  
21 that.

22 MS. GOLUB: Yes, that's not --

23 MR. ARMSTRONG: I was just wondering --

24 MS. GOLUB: That's not. And there's  
25 other, as Ray said, there is new NUPIC audits, there's

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1 other mechanisms that the licensing community uses.  
2 Yes, the licensee community uses to make sure that the  
3 vendors are, the vendor processes, quality processes  
4 are up to snuff.

5 It's not going to be just on a project  
6 specific basis --

7 MR. HERB: Right. And we're using --

8 MS. GOLUB: -- it's --

9 MR. HERB: Yes. And we're also using a  
10 NRC approved topical report --

11 MS. GOLUB: Right, it is.

12 MR. HERB: And so we are also relying on  
13 the fact that you guys are good with it.

14 MS. GOLUB: And that you do your own  
15 inspections, right?

16 MR. HERB: Yes.

17 MS. GOLUB: Your vendor quality branch  
18 does inspections. This is part of a bigger framework  
19 that we're operating in.

20 MR. HERB: Yes.

21 MR. ODESS-GILLETT: Yes, really, if you  
22 think about it, the, really the, sort of like the  
23 tradeoff of what the NRC Staff used to do with the  
24 tier reviews, we're now moving that to the licensees.  
25 And certainly the NRC Staff, when they did their

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1 review, did not do the whole 117 shalls of NQS-1 or  
2 stuff like --

3 MS. GOLUB: Yes, thank you, Warren. I  
4 think that's a really important point. So I mean,  
5 part of the idea here is we're trying, the licensees  
6 are trying to step up and take on that part.

7 And, I mean, I'll be frank. At some of  
8 our team meetings, some of our vendors have provided  
9 NRC audit plans, audit reports. We've actually gone  
10 through those in detail at Diablo Canyon.

11 You know, you mentioned there was two of  
12 them. And we actually looked through those in detail,  
13 in our meetings, with the idea that when we put  
14 together guidance for the, the Industry guidance  
15 companion document, that we're going to put templates  
16 that are based on your templates for audit plans and  
17 reports with the idea being that if Industry documents  
18 those the way you would have documented them when you  
19 come in to take a look at what Industry did, you're  
20 going to see something that hopefully looks familiar  
21 to you.

22 That you would view as adequate as the  
23 work that you had done previously. So I don't want to  
24 overstate what Industry is committing to do here.

25 MR. DARBALI: Do you have access to the

1 proprietary attachments to some of those audit  
2 reports?

3 MS. GOLUB: I mean, we're not sharing  
4 proprietary --

5 MR. ODESS-GILLETT: But it's certainly --

6 MS. GOLUB: -- material.

7 MR. ODESS-GILLETT: But what has public  
8 clearly identified as the scope and how.

9 MR. DARBALI: Right. It's just, sometimes  
10 we have done audit reports where what's public is very  
11 high-level but the detailed audit evaluations are in  
12 proprietary attachment. And it just, just a comment.

13 MS. GOLUB: Yes, no, good. That's good  
14 feedback on this.

15 MR. DARBALI: Okay.

16 MS. GOLUB: Yes. Because, you're right,  
17 if we're looking, we can --

18 MR. DARBALI: To the level of detail of  
19 what we have done. The proprietary attachments might  
20 give you more information.

21 MS. GOLUB: Give you more information,  
22 yes.

23 MR. DARBALI: Yes.

24 MS. GOLUB: So hopefully somebody here  
25 will have access to them. Thank you.

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1 MR. DARBALI: So, I'm thinking there are  
2 more ISG-06 development. It seems like a section  
3 vendor oversight plan summary description needs to be  
4 added.

5 And then we'll have information to be  
6 provided and an application. And we'll take what  
7 we've discussed here as equal to that.

8 What I'm thinking of is we're past the  
9 draft sessions. We are in the concurrence process.  
10 Obviously we're going to take notes from this tabletop  
11 and the ACRS full committee recommendations and the  
12 concurrence comments.

13 I'm thinking I would not want to spring  
14 new language in a new section to Industry.

15 MS. GOLUB: We certainly appreciate that.  
16 Yes, thank you.

17 MR. DARBALI: But if our process allows us  
18 to do otherwise.

19 MS. GOLUB: Well, is it? I mean, we can't  
20 do what we've done in the past in terms of OneDrive  
21 and whatnot, because you guys are in the more formal  
22 part of your process, but, I mean, is it possible to  
23 not maybe share the exact language but to give us some  
24 ideas on what you're putting in there? I think that  
25 would be very helpful.

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1 MR. DARBALI: Right.

2 MS. GOLUB: Because otherwise we're just  
3 going to end having to make public comments and I feel  
4 like it drags out the process.

5 MR. DARBALI: Right. So, we'll consider  
6 that internal --

7 MS. GOLUB: Okay.

8 MR. DARBALI: -- see where our processes  
9 allows this. But, being sensitive to how we've worked  
10 in the past and then being it was a good process that  
11 we've had in how to continue that, but I added that as  
12 one of the actions coming out this meeting, to add  
13 that section. So we'll work through that.

14 MR. WATERS: Yes, I want to add, I concur  
15 with what Samir said. To the extent that we can be  
16 transparent with what's changing, we want to do that.

17 But the fuse is getting short to meet the  
18 July 24th date. But at some point, really becomes  
19 frozen to get at the final version of the C for final  
20 legal review, things like that. And there is  
21 administrative procedure as well.

22 So, at some point we need to make the  
23 final tweaks to it, somehow communicate what those are  
24 and essentially freeze that they get it actually  
25 published for formal public comment.

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1 MR. DARBALI: Right.

2 MS. GOLUB: Yes. I mean, smaller tweaks  
3 that's, you know, and we were at the ACRS meeting so  
4 we did hear some of the feedback, but I don't think we  
5 had any fundamental concerns with the feedback that  
6 was given, it was mostly on the Tier 1, 2, 3 processes  
7 anyway.

8 MR. DARBALI: Right.

9 MS. GOLUB: But adding a section for  
10 vendor oversight, for example, it's a bit more than a  
11 tweak and that, we would love to have at least some of  
12 your thoughts on that.

13 MR. WATERS: Yes, I agree. I didn't mean  
14 to give that connotation --

15 MS. GOLUB: Okay.

16 MR. WATERS: You're right there.

17 MS. GOLUB: Because there is going to be  
18 an evaluation basis that's included there. And we  
19 would just like to have some understanding as to what  
20 that is. For your consideration.

21 MR. DARBALI: So, I guess we're done with  
22 our last session tabletop. The next item is really to  
23 go over summary action items or any stakeholder  
24 feedback.

25 I'll just point out the note. I mean,

1 we're lucky to have a transcript so we can go back and  
2 look at that.

3 MS. GOLUB: Yes, thank you guys.

4 MR. DARBALI: I'll just list the major  
5 items that I took from yesterday and today.

6 I think on Section ISG-06, Section  
7 D.5.1.2, I think the second to the last paragraph on  
8 the application specific action items, in the  
9 information to be provided it says, a license  
10 condition should be established. We're going to move  
11 that to the evaluation portion.

12 And I had a separate conversation with  
13 Booma. And she pointed to somewhere else in the LAR,  
14 I think Section B.

15 And the ISG Section B said, the Staff may  
16 convert a commitment to a condition. So, here we'll  
17 say a license condition should be.

18 So, we'll work internally to get some  
19 agreement. Whether the work should be, should or may.  
20 That's one.

21 Another item is, when we're talking about  
22 human factors in engineering, I think we had discussed  
23 having a future call on a HFE example.

24 And then --

25 MS. GOLUB: I'm contemplating two

1 examples.

2 MR. DARBALI: Okay.

3 MS. GOLUB: One was, one of them was the  
4 situation where the HFE changes were, or the human  
5 factors changes were, were minor changes and evaluated  
6 under a separate design change package, a separate  
7 50.59 and documented in the LAR and then a second  
8 where, and somebody can jump in if I'm off track here,  
9 and a second one where we justified how it meet Level  
10 3 from the NUREG-1764 that was listed. Is that what  
11 we agreed to, Dave?

12 MR. HARRELL: Yes, that's what we agreed  
13 to.

14 MS. GOLUB: I think we were looking at  
15 providing both of those examples.

16 MR. DARBALI: Okay. And I think the other  
17 major item is, what we just talked about, adding a,  
18 the vendor oversight plan description to the ISG in  
19 Enclosure B.

20 MR. HERB: And did you want us to update  
21 that, and also the document, right, to have more, you  
22 said more section on scope?

23 MS. GOLUB: The vendor oversight plan  
24 summary.

25 (Simultaneous speaking.)



1 MR. HERB: Yes. The actual description.

2 MR. DARBALI: So, I think that's something  
3 that we'll cover in the September workshop yes. But  
4 I can maybe write that --

5 MR. HERB: Right.

6 MR. DARBALI: I guess I'm --

7 MR. HERB: That's your, that's not your  
8 actions.

9 MR. DARBALI: There's no action there.  
10 I'm not only thinking about the discussion items we're  
11 talking, but one of the major items in the tabletop is  
12 how we can perform our updates, the ISG.

13 MS. GOLUB: Yes.

14 MR. DARBALI: So, those were my items. I  
15 don't know if anybody else had any other items.

16 MS. GOLUB: No, I mean we, I think the  
17 part that I'd like to talk about just a little since  
18 we have a few moments is the September inspection  
19 workshop. When the time is right. I don't know if we  
20 have to do public comments yet or if we have an  
21 opportunity to talk about that?

22 MR. DARBALI: Did you want to talk  
23 specifically about the workshop or the dates?

24 MS. GOLUB: No, the workshop.

25 MR. DARBALI: Okay, go ahead. Yes.

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1 MS. GOLUB: Yes, because we have a few  
2 minutes

3 MR. DARBALI: Yes.

4 MS. GOLUB: And I guess what I wanted to  
5 talk about was that, and I think this tabletop was a  
6 very successful exercise.

7 MR. DARBALI: I would actually, I would  
8 call this a workshop.

9 MS. GOLUB: Yes. Right, this workshop was  
10 --

11 MR. DARBALI: Good.

12 MS. GOLUB: -- I think this was very  
13 successful. And I think it, in large part, because we  
14 had planned this out for months ahead of time, so we  
15 all, we kind of knew what the outcomes were that we  
16 wanted, we knew what our goals were, objectives, all  
17 that good stuff months ago.

18 And so I'd like to do the same thing for  
19 the September workshop. Make sure we understand who  
20 are the participants in the workshop.

21 And we spent a little time at our industry  
22 meeting yesterday putting together a list of outcomes  
23 we were looking for. We would love if maybe you guys  
24 could do the same activity, we could compare them.

25 Just like we did for this table top

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1 exercise. To make sure that if we're going to  
2 dedicate time and resources to that workshop, that we  
3 all get what we want out of it.

4 And so, like I heard, one of the things I  
5 heard was, okay, the vendor oversight plan summary,  
6 that's going to be a document we'll bring to the  
7 workshop.

8 MR. DARBALI: Right.

9 MS. GOLUB: I think our discussions on the  
10 alternate review process, specific inspection items  
11 and how these are phrased, that's another good topic  
12 for the workshop.

13 And then just getting more clarity on  
14 whose doing what, when.

15 MR. DARBALI: Yes.

16 MS. GOLUB: And making sure that, because  
17 I don't think we still have a line, and I still think  
18 we have some preconceived notions of how this is going  
19 to play out. And I think you guys have different  
20 ones.

21 And then it sounds like, from that  
22 regulatory transformation, I don't know what the t  
23 was, team --

24 MR. DARBALI: The SECY document.

25 MS. GOLUB: -- the SECY document. That

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1 also had some, sounded like some changes for vendor  
2 quality, maybe some expansion of scope or change in  
3 scope. That wasn't clear to me either.

4 I did talk to Bernie about that a little  
5 bit but I'm still not clear. So I thought this, the  
6 inspection workshop would be another opportunity for  
7 us to just get some clarity on if there are changes  
8 occurring, they are certainly going to affect the  
9 first adopters of the alternate review process and  
10 we'd like to understand that.

11 MR. DARBALI: Sure.

12 MS. GOLUB: So, I guess this is a long-  
13 winded appeal for, we'd really like to plan this out  
14 for you.

15 Of course we would like you to be  
16 involved. Aaron, if you're representing your branch  
17 we'd like you. And we would like someone from the  
18 regional inspection group to also be involved in the  
19 planning, just so we're all on the same page.

20 MR. DARBALI: Right.

21 MS. GOLUB: And then we can setup, we can  
22 work on some schedule of planning meetings or public  
23 meetings or whatever the right mechanism is to do  
24 that.

25 MR. DARBALI: Sure.

1 MR. WATERS: Yes, I agree.

2 MS. GOLUB: And the date would be helpful  
3 too because we do need a date for that. We proposed  
4 two weeks.

5 MR. WATERS: I agree. And I clearly heard  
6 what you said, you want to focus on ISG-06 and  
7 subsequent inspections.

8 Just one point of clarity. I don't know  
9 if we'll be prepared, able to talk about the  
10 independent recommendations in that transformation  
11 SECY, that's a future activity so I'm not going to  
12 commit, and we can talk about that in September.

13 MS. GOLUB: Understood.

14 MR. DARBALI: Did you feel there was a  
15 need, understood on the inspection side and the  
16 workshop, do you feel there was a need to have a joint  
17 discussion on that same workshop or a separate  
18 discussion on conditions?

19 MS. GOLUB: Yes, that's a good question.  
20 Today's, the conversation today, I mean, it was a good  
21 discussion but it, I'm not sure we have clarity on  
22 that, on that C.2.2.3b item.

23 And licensees can certainly propose  
24 things, but the part that I'm struggling with is,  
25 making regulatory commitments frankly is not that big

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1 of deal.

2 MR. DARBALI: Right.

3 MS. GOLUB: There's guidance on how to do  
4 it and it's very much in the licensee's purview to  
5 make those decisions. That's fine.

6 The catch is that condition part.

7 MR. DARBALI: Right.

8 MS. GOLUB: Right. What qualified then,  
9 what will the NRC take and turn into license  
10 conditions. And from today's discussion, it wasn't  
11 clear maybe if you guys already had that in mind.

12 So I think your question is a good one and  
13 I think we should follow-up on that.

14 MR. DARBALI: Okay.

15 MS. GOLUB: Yes. I don't know, it could  
16 be in that workshop, but maybe that's not relevant to  
17 the workshop. Maybe we could just do it on a public  
18 meeting phone call as well.

19 MR. DARBALI: Sure.

20 MS. GOLUB: Yes. Thank you for bringing  
21 that up, I appreciate that.

22 MR. DARBALI: So, I guess, Pete, before we  
23 turn it over to Joe and go for public comments, I want  
24 to thank Industry for not only being here but all the  
25 preparation effort you put into this.

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1 I know it's sometimes it seems like you  
2 spent a lot of times creating one document and you  
3 might get the impression that we just take a couple of  
4 minutes to look at them, but we did look at them and  
5 we appreciate the work that you're doing.

6 And we appreciate you're taking this  
7 seriously. We'd like to see a licensee coming in, but  
8 we understand that the MPR industry team is working  
9 really hard on this.

10 And as we've said many times before, we're  
11 making a lot of effort in this ISG. There are some  
12 areas where we're not on the same page, especially in  
13 the inspection activity. Hopefully we can solve or  
14 get to common ground soon.

15 But, I want to thank you all for all  
16 listening.

17 MS. GOLUB: Thank you, Samir. I'm going to  
18 echo that. We really thank the NRC as well for  
19 supporting this activity, going through all the  
20 planning with us over the last day and a half. Thank  
21 you.

22 It really, having examples is just, it  
23 makes a huge difference. You know, reading words on  
24 a page, it's difficult to understand what the intent  
25 was.

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1           If all of us retired tomorrow, for some  
2 reason we all simultaneously win the lottery, we  
3 really want the people that try to use all of this,  
4 use these documents to have a good understanding of  
5 what we had in mind.

6           And just to your point about not having a  
7 lot of comments back, because I know, I guess what it  
8 says to me is that the process we used to get here was  
9 a good process because it turns out that as we work  
10 together to craft those sections, and then we  
11 interpreted those sections and produced documents to  
12 them, and most of the feedback we got was, it was  
13 pretty close.

14           And so I, I mean, I kind of take that as  
15 a positive that we had, we did have the same things in  
16 mind. And so, yes, it's a positive. So thank you  
17 very much.

18           MR. DARBALI: And I also thank Aaron and  
19 Booma and John Hughey, Brian Green --

20           MR. WATERS: OGC.

21           MR. DARBALI: -- OGC, Sheldon Clark and  
22 Bob Weisman who have supported us throughout this  
23 whole process. And we catch some of their viable  
24 time, but their input is very valid, so thank you.

25           MR. HANSON: I'm Jerud Hanson with NEI,



1 just one quick comment. I want to, just again,  
2 complement all the hard work that's being done on this  
3 effort and understand the desire to get applications  
4 in for digital mods and upgrades, but also need to  
5 understand we need good, effective guidance in place  
6 as well as inspector criteria, and that's what we're  
7 working on, that's why we're here.

8 And I think this is moving very well. And  
9 if we keep going this direction we will see  
10 applications and we'll see our plants upgrading and  
11 modifying their equipment.

12 So, thank you very much to everyone, I  
13 thought this was a very productive meeting.

14 MR. DARBALI: Thank you.

15 MR. GOLLA: Okay, thanks, Jerud. So, just  
16 one more thing. This is Joe Golla by the way.

17 Folks on the phone, in particular any  
18 members of the public that may be on the line, do you  
19 have any questions or any comments? Members of the  
20 public?

21 Okay, hearing none, so, everyone, thanks  
22 for a very good productive meeting and we'll see you  
23 again real soon.

24 (Whereupon, the above-entitled matter went  
25 off the record at 10:52 a.m.)