

NUCLEAR MANAGEMENT AND RESOURCES COUNCIL

1776 Eye Street, N.W. • Suite 300 • Washington, DC 20006-3706 (202) 872-1280

Joe F. Colvin President & Chief Executive Officer

July 13, 1993

Mr. James H. Sniezek Deputy Executive Director for Nuclear Reactor Regulation, Regional Operations & Research U.S. Nuclear Regulatory Commission Washington, DC 20555

Dear Mr. Sniezek:

In our December 21, 1992, letter to Chairman Selin, we discussed a number of specific regulations and regulatory practices that we believe warrant improvements. One of the longer-term issues we addressed was titled, "Regulatory Threshold." This issue deals primarily with the application of probabilistic safety assessment (PSA) technology and other new approaches to regulation as an aid to focus industry and regulatory attention and resources more effectively.

The purpose of this letter is to inform you that we have established the NUMARC Regulatory Threshold Working Group. The working group is chaired by Jack Skolds, Vice President - Nuclear Operations, South Carolina Electric & Gas Company. Membership includes executives and managers from several of our member and participant companies, along with representatives from EPRI and INPO. We believe the collective knowledge and expertise of the working group provide an effective means to coordinate industry activities in this important area. The working group has met twice since May and has adopted its Micsion Statement, which is enclosed for your information. Over the next few months, the working group will select and begin development of guidance on generic applications of PSA technology. We expect that the working group's activities will include follow-up on many of the recommendations cited in the NRC Regulatory Review Group's report as well as in other areas.

Significant industry resources have already been expended in developing a blended (risk-based/deterministic) approach for prioritization and categorization of motor operated valves (MOVs). This work will provide the basis for industry guidance on a graded approach for ensuring the performance of MOVs in response to Generic Letter 89-10. We expect to discuss this work with the NRC staff in August.

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Dave Modeen, Manager, Technical Division, is responsible for the regulatory threshold issue at NUMARC. As in the past, we request that you designate an appropriate point of contact at the NRC to interface with Mr. Modeen.

We look forward to future interactions with the staff. Please contact me or Bill Rasin if you have any questions.

Sincerely,

Joe F. Colvin 4

ARP/rs Enclosure

c: T. Murley E. Beckjord