



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20565-0001

September 1, 1995

Mr. Donald F. Schnell
Senior Vice President - Nuclear
Union Electric Company
Post Office Box 149
St. Louis, MO 63166

SUBJECT: CALLAWAY PLANT - TECHNICAL SPECIFICATION AMENDMENT REQUEST RELATED
TO THE RELOCATION OF REVIEW AND AUDIT REQUIREMENTS (TAC. NO. M90017)

Dear Mr. Schnell:

By your application dated June 21, 1994, Union Electric Company requested to amend the Callaway Technical Specifications to relocate the review and audit requirements of the On-site Review Committee (ORC) and Nuclear Safety Review Board (NSRB). The specific contention that prevents the staff from issuing the requested amendment is your proposed relocation of the review and audit requirements to the Callaway Plant Final Safety Analysis Report (FSAR) and control of subsequent changes to those requirements in accordance with 10 CFR 50.59, "Changes, Tests and Experiments." The NRC staff and Union Electric have had several discussions regarding this issue and this letter documents the staff's positions.

The staff has found that the relocation of some technical specification requirements is acceptable provided that they are placed into an appropriate licensee controlled program. The requirements must be relocated to programs with adequate controls regarding future changes and provisions for NRC review if an applicable regulatory threshold is exceeded. Guidance related to the possible relocation of requirements contained in limiting conditions for operation (LCOs) was provided by the Commission's Final Policy Statement on Technical Specifications Improvements and was subsequently incorporated into a revision of 10 CFR 50.36. The staff has discussed the acceptability of relocating the existing technical specification administrative controls related to review and audit requirements in several meetings and documents, including the October 25, 1993, letter from W. Russell to the four owners groups, Generic Letter 93-07, "Modification of the Technical Specification Administrative Control Requirements for Emergency and Security Plans," the January 17, 1995, letter from C. Grimes to the four owners groups, and technical specification amendments issued to other licensees.

While relocated LCOs have usually depended on 10 CFR 50.59 for control of subsequent changes, the relocation of some administrative controls has relied upon regulatory requirements other than 10 CFR 50.59 in order to control changes and initiate possible NRC review. The October 25, 1993, letter to the owners groups specifically requested that they develop details for the relocation of the affected administrative controls, including the identification of the licensee-controlled documents which would receive the requirements and the associated process for change control. The Quality Assurance (QA) Plan was mentioned as a possible location for some of the

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relocated administrative controls. Following the October 25, 1993, letter, the staff has worked with the owners groups and reached a general consensus that the review and audit requirements may be relocated to the QA Plan and changes controlled in accordance with 10 CFR 50.54(a). A letter from C. Grimes to the owners groups dated January 17, 1995, provided additional details regarding the relocation of audit functions to the QA program. This letter specifically addressed the relocation of fire protection audits and instructed the owners groups to retain current audit frequencies pending future changes to the fire protection regulations.

In related activities initiated by the staff and industry to reduce unnecessary regulatory burdens, Nuclear Energy Institute (NEI) has petitioned the NRC to revise 10 CFR 50.54(a). The petition requests that the 10 CFR 50.54(a) change control process used to determine the need for NRC review be replaced with the criteria given in 10 CFR 50.59. The petition would establish the same controls for the quality assurance program as your amendment request has proposed for the relocated review and audit frequencies. However, the NEI petition is in an early stage of the rulemaking process and the staff cannot foresee the final changes that will be incorporated into 10 CFR 50.54(a).

With respect to your application dated June 21, 1994, the staff requests that you revise your application as follows:

1. The destination of the relocated review and audit requirements should be the Callaway QA Program, FSAR Chapter 17.
2. Your revised QA Program description should be included in the supplemental submittal.
3. As part of the QA Program provided in your supplemental submittal, the audit frequency requirements of existing TS 6.5.2.9 may be conducted on a performance based frequency, not to exceed 24 months, except for the following:
 - a. Audit frequencies contained in regulations (e.g., security and emergency plans as discussed in Generic Letter 93-07)
 - b. Fire protection equipment and program implementation at least once per 12 months utilizing either qualified offsite licensee fire protection engineer or an outside independent fire protection consultant (non-Union Electric). An outside independent fire protection consultant (non-Union Electric) shall be used at least every third year (Current requirements of TS 6.5.2.9.f).

Should you choose to supplement your June 21, 1994, application and incorporate the above changes, the staff will be able to complete its review. Any changes to the relocated review and audit requirements following issuance of the amendment would be performed in accordance with 10 CFR 50.54(a), including any revisions that result from the NEI petition for rulemaking.

If Union Electric does not wish to incorporate these changes, please submit a letter withdrawing all or portions of the original application. If a supplement or a letter of withdrawal is not received within 45 days of receipt of this letter, the staff plans to issue an amendment addressing the administrative changes contained in the June 21, 1994, application and deny the portion related to the relocation of review and audit requirements.

Sincerely,

original signed by

L. Raynard Wharton, Project Manager
Project Directorate III-3
Division of Reactor Projects - III/IV
Office of Nuclear Reactor Regulation

Docket No. 50-483

cc: See next page

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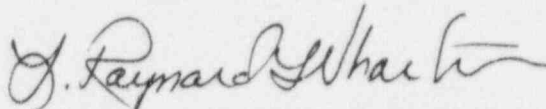
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Sincerely,



L. Raynard Wharton, Project Manager
Project Directorate III-3
Division of Reactor Projects - III/IV
Office of Nuclear Reactor Regulation

Docket No. 50-483

cc: See next page

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