James P. O'Hanlon Senior Vice President

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Serial No. GL 97-051

Mr. David L. Meyer Chief, Rules and Directives Branch Division of Administrative Services Office of Administration U.S. Nuclear Regulatory Commission Washington, D.C. 20555-0001

Dear Mr. Meyer:

COMMENTS ON NUREG-1606, "PROPOSED REGULATORY GUIDANCE RELATED TO IMPLEMENTATION OF 10 CFR 50.59 (CHANGES, TESTS, OR EXPERIMENTS)"

In the May 7, 1997 Federal Register (62 Fed. Reg. 24997) the NRC published for public comment NUREG-1606, a document that presents proposed regulatory guidance and staff interpretations regarding implementation of 10 CFR 50.59. On July 7, 1997, in response to the Federal Register notice, the Nuclear Energy Institute (NEI) submitted comments on NUREG-1606 on behalf of the nuclear energy industry. The industry comments focused on three principle areas which we view as significant concerns:

- The proposed guidance would undermine a process that has proven effective.
- The proposed guidance would impose a significant burden on licensees and the NRC staff.
- · The proposed guidance would have an adverse impact on safety.

Virginia Power has reviewed the general and specific comments submitted by NEI addressing these three areas and endorses their comments. Further, we wish to emphasize two points made by NEI. First, because of the significant concerns with the proposed NRC guidance, it should not form the basis for a regulatory guide on this subject. Rather, existing industry guidance¹ on 10 CFR 50.59 has already been acknowledged by the NRC as producing effective evaluations and is highly likely to identify changes of significance. The existing

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Originally published as NSAC-125. The guidance is under revision by NEI and has been renamed NEI 96-07.

guidance is the appropriate vehicle for resolving the guidance issue. As NEI has stated, the industry will continue its efforts to revise the industry guidance so that it can be endorsed by the NRC as an acceptable method for meeting the requirements of 10 CFR 50.59.

Second, the Commission has requested that the NRC staff prepare a rulemaking plan for 10 CFR 50.59. It is our view that rulemaking is not required to address near-term issues because the current regulation has been, and remains adequate. Resolution of the few remaining near-term issues can be addressed by coming to closure on an acceptable version of the industry guidance that implements the current rule. In the longer term, if the NRC decides to pursue rulemaking, we encourage the NRC to work cooperatively with the nuclear industry to identify improvements that would enhance the current regulation. Such improvements would reflect a more risk-informed, operations-oriented approach to address proposed changes, tests, or experiments at licensed facilities, and better ensure that both NRC and licensee resources are focused on nuclear safety.

We appreciate the opportunity to comment on the proposed regulatory guidance. If you have any questions, please contact us.

Very truly yours,

James P. O'Hanlon

cc: Mr. A. R. Pietrangelo

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