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Telex: 568406

December 15, 1978

Mr. Robert L. Baer, Chief  
Light Water Reactors Branch No. 2  
Division of Project Management  
U.S. Nuclear Regulatory Commission  
7920 Norfolk Avenue  
Bethesda, Maryland 20852

\*Dear Mr. Baer:

RE: DOCKET NO. STN 50-437; COMMENTS ON 8/17/78 LSRC  
MEETING MINUTES

We recently received a copy of the minutes of the August 17, 1978 meeting of the Licensing Schedules Review Committee (LSRC). As noted in the NRC transmittal, dated November 27, 1978, this document was "recently released to the Public Document Room" and was therefore not previously available to the public (including Offshore Power Systems). Upon review of these minutes we note that the "age" of the SER for the Manufacturing License application has again been stressed unduly. In a letter from R. S. Boyd dated October 12, 1978, the Staff suggested the need for an "update review" and presented an exhaustive list of R<sup>3</sup>C and RESAR-3 items which, it was stated, must be addressed before issuance of the Manufacturing License. Offshore Power Systems responded in a letter dated October 31, 1978 and in our response we analyzed each category of information and showed that, in fact, only a relatively few items were of any immediate significance (a copy of our October 31, 1978 letter is attached for your convenience). This letter records our disagreement with the overall tone of the August 17, 1978 meeting minutes and addresses specific statements which we believe lead to inaccurate conclusions.

Although the OPS/FNP SER was issued in September, 1975, the passage of time to the present is in itself not significant. As we have pointed out previously, only changes in plant design or changes in regulatory requirements would affect staff conclusions contained in the SER.

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Plant design changes were reported in Amendment 24, dated August 1977. In Amendment 25, dated June 1978, the responses to all staff questions concerning Amendment 24 were incorporated in the Plant Design Report (these responses had been supplied much earlier by letter). As the meeting minutes suggest and we would certainly agree, only Category II and Category III R<sup>3</sup>C items are of sufficient importance as to require additional information from Offshore Power Systems prior to the award of the Manufacturing License. We are prepared to address in the near future each of these items (except those very recent items which arose after January 1, 1978). The meeting minutes incorrectly suggest that there are numerous Category II and III R<sup>3</sup>C items which are not addressed in the FNP application. This is not the case. Of the 27 items in Categories II and III, nine do not apply to the FNP; seven are basically addressed in the PDR at this time, and eleven require new information. Of the eleven issues requiring new information, five arose after January 1, 1978.

The meeting minutes also cite PDR references to RESAR-3 as casting doubt over licensability of the present design without significant updating of the PDR. RESAR-3 deficiency items are listed in Enclosure 5 to R. S. Boyd's October 12, 1978 letter. Enclosure 5 is a letter dated November 17, 1977 from D. B. Vassallo with accompanying attachments. Mr. Vassallo's letter was sent to all applicants referencing RESAR-3, except Offshore Power Systems. Offshore Power Systems was not included in distribution because the FNP application had already been reviewed against current requirements. Mr. Vassallo's letter states in part that, "We have determined that these matters can reasonably be addressed in the course of the operating license review of your plant. However, we are identifying them to you now for your consideration as appropriate during the final design of your plant and the preparation of your Final Safety Analysis Report." It is apparent that the significance of our utilization of RESAR-3 has been overstated.

In summary, we do not agree that the FNP Plant Design Report requires significant updating to assure licensability. In fact, just the opposite is the case, i.e., our application requires very little updating. We have proposed to amend the PDR to address nearly all of the existing Category II and Category III R<sup>3</sup>C items (This amendment will be minimal)

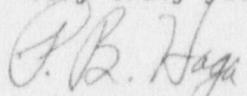
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in volume and will require a correspondingly small review effort on the part of the Staff). We have already updated plant design information to reflect progress since 1975.

Finally, most if not all RESAR-3 information items are contained in the PDR and have been for some time; those that are not can reasonably be left to the final design approval stage.

We appreciate the opportunity to review those meeting minutes and to correct what we see as an unduly negative view of the status of the Manufacturing License application. We ask that this letter be brought to the attention of those persons to whom the LSRC meeting minutes were addressed.

Very truly yours,



P. B. Haga, Chief Engineer  
Mechanical & Nuclear Engineering

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Attachment

cc: R. C. De Young, USNRC  
A. R. Collier  
V. W. Campbell



Offshore Power Systems

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October 31, 1978

Mr. R. S. Boyd, Director  
Division of Project Management  
Office of Nuclear Reactor Regulation  
U.S. Nuclear Regulatory Commission  
7920 Norfolk Avenue  
Bethesda, Maryland 20852

Dear Mr. Boyd:

RE: DOCKET NO. STN 50-437; Manufacturing License  
Application Update Review

Your letter of October 12, 1978, advised Offshore Power Systems that an update review of the Plant Design Report will be required prior to issuance of the manufacturing license. The purpose of this letter is to outline the intended schedule and content of our responses to the review requirements expressed in your letter. The following comments are directed first to the general issues raised by the proposed update review and then to the specific matters identified in the enclosures to your October 12, 1978, letter.

General

The scope of the update review suggested in the opening paragraph of your letter goes well beyond that discussed during our meeting on September 29, and is tantamount to beginning the Floating Nuclear Plant review anew. Such an effort at the eleventh hour is both novel and unnecessary.

The need for an update review can arise only by reason of plant design changes or regulatory requirement changes since the SER baseline date. In August, 1977, Offshore Power Systems filed the comprehensive Amendment 24 which updated the Plant Design Report to reflect design progress since 1975. Subsequent to this filing, meetings were held with Staff reviewers and questions were received concerning the content of Amendment 24. These questions were answered

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first by letter early this year and then in PDR Amendment 25, filed in June. Plant design changes having recently been described, there remain only regulatory requirement changes as the potential cause for an update review. New and revised regulatory requirements, which are limited in number and conveniently compiled in the "RRRC" list, certainly do not occasion the extensive update review suggested in your letter.

Our application is in the final stages of what is analogous to a construction permit proceeding. After the Manufacturing License is issued, Offshore Power Systems must still obtain approval of the final plant design. Therefore, ample time remains to address new review matters and to incorporate necessary design changes during the final design and approval process. The point is that at this late stage in the pre-liminary design review, there is no compelling need to require that new matters be completely resolved prior to issuance of the Manufacturing License.

We, therefore, believe that the scope of Plant Design Report update review can and should be limited to certain matters as discussed in detail below.

Enclosure 1

Category I matters are defined in your letter as those which "are to be applied to applications, filed after a specific cutoff date." Even though cutoff dates are not given in Enclosure 1, it appears that none of the matters applies to the Manufacturing License application since not one of the listed items was in existence at the time of Plant Design Report docketing. Further, since the Staff states that little or no design change is likely to result from Category I matters, there is no need to address these matters in a hurried manner prior to issuance of the Manufacturing License. We, therefore, propose to describe the extent of the Floating Nuclear Plant conformance to each of these matter during the final design.

Enclosures 2 and 3

With a possible few exceptions where a letter response may be more appropriate, Offshore Power Systems will address the Category II and Category III matters in an amendment to the Plant Design Report; we expect to file this amendment before the end of 1978.

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Some of the Category II and III matters are very recent developments. In such instances, it is unreasonable to require that complete information be developed prior to issuance of the Manufacturing License. It is obvious that such a procedure can result in a situation in which an applicant continually progresses part way to the award of a license...with never-ending, last minute reviews forever barring the applicant from receiving the sought after license. In order to prevent such a scenario, some cutoff date must be established. Consideration of new review matters which arise after this cutoff date will be deferred to the final design review stage. We believe that a cutoff date of January 1, 1978, is reasonable and request your concurrence.

In some cases the Category II or III matter involves a generic issue which is primarily in the scope of the NSSS vendor. In those cases our response may be in the form of a commitment to incorporate during final plant design whatever resolution is forthcoming.

Enclosure 4

By the Staff's own definition, Category IV review matters are "matters which the Staff is preparing for RRRC consideration and are considered to be of such safety significance that they must be addressed during the review". The Staff appears to be usurping an RRRC function by prejudging the significance of these matters and requiring them to be addressed prior to issuance of the Manufacturing License. The matters contained in Subcategory C of Category IV have not yet been published in the form of Regulatory Guides, Standard Review Plans, or even Branch Technical positions. The substance of the Subcategory C matters has, for the most part, not been defined other than in the brief titles listed in Enclosure 4. Under these circumstances, a requirement to address Category IV matters prior to issuance of the Manufacturing License is premature and unreasonable. Offshore Power Systems proposes to address each of these matters, when and if they are categorized by RRRC, during the final design approval phase.

Enclosure 5

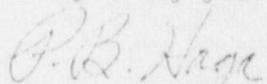
In a letter dated November 17, 1977, the NRC notified construction permit applicants referencing RESAR-3 of several deficiencies in the content of RESAR-3. It was further stated that consideration of the matters identified could

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reasonably be deferred to the operating license review. This letter was not transmitted to OPS in November, 1977, because the Staff had determined at that time that the Plant Design Report had already been reviewed against current requirements. Your present letter requires not only that Offshore Power Systems now address these issues but that they be addressed prior to issuance of the manufacturing license. Offshore Power Systems considers this requirement to be unnecessary and unreasonable. We propose to address these matters to the extent which may be necessary during the final design approval phase.

In summary, it is our intent to file a Plant Design Report amendment prior to January 1, 1979, in response to the Category II and III RRRC matters. (In some cases a letter response may be more appropriate.) We propose to defer those matters arising after January 1, 1978, to the final design review. It is our further intent to address Category I, Category IV and RESAR-3 matters, to the extent they have not become moot issues, during the final design review. We wish to emphasize that the final design of the Floating Nuclear Plant will be developed with full consideration of each review matter identified in your October 12, 1978, letter which is in force and applicable at the time of final design review. We do object to the additional delay which would result from a general Plant Design Report re-review and from certain demands for information, both of which we see as unnecessary and unreasonable at this late stage in the Manufacturing License review.

Very truly yours,



P. B. Haga, Chief Engineer  
Mechanical and Nuclear Engineering

/eb

CC: V. W. Campbell  
A. R. Collier