

South Texas Project Electric Generating Station P.O. Box 289 Wadsworth, Texas 77483

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U. S. Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, DC 20555

South Texas Project
Units 1 and 2
Docket Nos. STN 50-498, STN 50-499

Action Needed for the Implementation of Graded Quality Assurance at the South Texas Project

STP Nuclear Operating Company (STPNOC) received a Safety Evaluation Report (SER) on November 6, 1997 approving implementation of a Graded Quality Assurance (GQA) program. The South Texas Project GQA program utilizes risk ranking of structures, systems, and components derived from the STP Probabilistic Risk Assessment (PRA) and deterministic inputs from a Working Group. Those inputs are reviewed by an expert panel to develop the final risk-informed results. The STP PRA has been reviewed and approved by the NRC and has been used for various licensing applications. Based on the credibility of the tools and methods and the rigor of the STP review, STP has a high level of confidence in the risk evaluation results done for the GQA program. The risk evaluation results demonstrated that a significant number of the current safety-related components have very low risk significance, or have no risk significance.

The results show that there is substantial safety and cost benefit available from complete implementation of a GQA program. These benefits derive from the potential reduction in regulatory and licensee resource allocation to systems and components that have no substantive influence on safety or reliability of the station. However, as discussed with the NRC staff in a meeting on September 15, 1998, there are regulatory barriers that greatly impact the complete implementation of the GQA program. These barriers are embodied in the regulations themselves, such as the definition of safety-related structures, systems, and components in 10CFR50.2, and the present requirements of 10CFR50.59. These barriers were recognized by STP early in the approval process for the GQA program, however, in conversation NRC staff members indicated that an iterative process was the prudent path to pursue. STP believes that a complete implementation of an effective GQA program requires that the conflicts with these deterministic regulatory requirements be clearly addressed and resolved.

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As we discussed in a phone call with the NRC staff on September 23, 1998, STP intends to request exemption from the appropriate regulations to allow downgrading of low or non-risk significant safety-related components identified by the risk ranking tool to non-safety related or not important to safety, thereby removing these components from the scope of various deterministic regulations. This would allow STP to recognize substantial results from the GQA program in the near term without which the viability of the program is questionable.

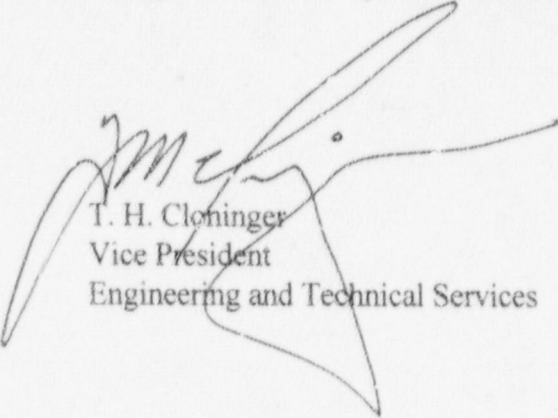
We believe that extending the scope of the existing GQA pilot activity through such an exemption would support the ongoing evaluation of risk informed changes to regulations and can be approved and implemented in the short-term. It is also our belief that the end result will be a methodology that offers substantial benefit beyond STP and insight to the potential of risk informed regulation. As a pilot, STP would propose to reduce the complexity and requirements for routine maintenance and replacement for specifically identified systems or components, as appropriate by:

- Removing components from the scope of seismic and equipment qualification through the exemption process, as necessary, and
- Removing unnecessary ASME requirements through relief requests, as necessary.

The identification of systems or components to be within the scope of the above process will be performed using the NRC approved risk significance evaluation process described in the SER associated with GQA.

STP would enter into this pilot with the expectation that NRC would approve additional expansion of the pilot at the conclusion of this initial phase.

If you should have any questions concerning this matter please contact me at (512) 972-8787.



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