



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555
May 27, 1988

Docket Nos. 50-382, 50-313, 50-368, 50-416 and 50-417

LICENSEE: Louisiana Power & Light Company
Arkansas Power & Light Company
Mississippi Power & Light Company
Systems Energy Resource, Inc.
South Mississippi Electric Power Association

FACILITY: Waterford Steam Electric Station, Unit 3
Arkansas Nuclear One, Units 1 and 2
Grand Gulf Nuclear Station, Units 1 and 2

SUBJECT: SUMMARY OF MEETING HELD ON MAY 19, 1988 WITH MIDDLE SOUTH
UTILITIES REPRESENTATIVES TO DISCUSS PROPOSED ESTABLISHMENT
AND LICENSING OF MIDDLE SOUTH UTILITIES NUCLEAR OPERATING
COMPANY

On May 19, 1988, members of the NRC met with representatives of the Middle South Utilities to discuss preliminary plans and licensing arrangements for the proposed establishment of System Energy Resource, Inc. (SERI), as the operator and licensing agent for the Waterford Steam Electric Station, Unit 3 and the Arkansas Nuclear One, Units 1 & 2. SERI is presently the licensee for the Grand Gulf Nuclear Station, Units 1 and 2. The meeting participants are listed in Enclosure 1.

The SERI representatives presented an agenda for the discussions which is attached as Enclosure 2. The primary discussions involved items III D., E, and F on the proposed licensing approach. SERI has requested NRR consideration of an NRC staff team approach for a coordinated review and approval, with license amendments, of the SERI integrated submittals. NRR agreed to consider the staff team approach and to notify SERI and the licensees accordingly.

Regarding the NRC policy issues, SERI was assured that although the internal procedure for processing license amendments did not address multi-unit applications, NRR can accept and process multi-unit applications by assuring that all regulatory requirements are met on each and all dockets. It was also noted that, if literally applied, the internal amendment procedure could require a notice without a no significant hazards consideration (NSHC) determination if a review required extensive technical reviewer input. SERI was again assured that the internal policy procedure was a way to accomplish our review responsibilities but did not preclude a licensee making the appropriate NSHC, the staff reviewing the NSHC and publishing its findings, and NRR accomplishing the amendment review as best meets available resources and effective operation. If the licensee's NSHC is proper and the staff's review confirms this determination, the notice will reflect this.

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The SERI further proposed that the license amendments be issued simultaneously and be made immediately effective. The simultaneous issuance will depend upon the timely resolution of any issues identified in the licensing amendment review and the regulatory authority of NRR at the time of issuance. It is our usual and normal practice to make license amendments effective as of the date of its issuance, however, on occasion we have also granted in the amendment a period for implementation where modifications or procedures changes were necessary. On the immediate effectiveness issue as well as others identified by SERI, the NRC will continue discussions and assure that they are resolved within applicable regulatory requirements and procedures.

Subsequent to the meeting, the decision was made to support the SERI request for a staff team approach to the license amendment reviews. Mr. David Wigginton (301-492-3027), the current licensing project manager for Waterford, will serve as the team project manager and Mr. Dennis Crutchfield (301-492-1354), Director of Reactor Projects - III, IV, V and Special Projects, will serve as the management contact.

157

David L. Wigginton, Project Manager
Project Directorate - IV
Division of Reactor Projects - III,
IV, V and Special Projects

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D. Crutchfield
F. Miraglia
ACRS (10)
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*See previous concurrences:

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05/24/88

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LRubenstein
05/25/88

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DCrutchfield
05/27/88

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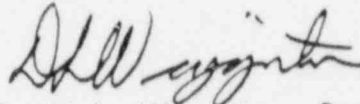
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SERI MEETING MAY 19, 1988

NAME

Organization

D. Wigginton	NRR/LPM - Waterford
L. Kintner	NRR/LPM - Grand Gulf
E. G. Adensam	NRR/PD II-1
J. Petersen	NRR/PT3B
J. Rutberg	OGC
D. Crutchfield	NRR/DRSP
G. Campbell	AP&L
Oliver Kingsley	SERI
R. B. McGahee	WCC&C/SERI
N. S. Reynolds, Jr.	BCP&R/SERI
J. G. Dewease	LP&L
F. J. Miraglia	NRC/NRR

SERI/AP&L/LP&L
Meeting with NRC Staff Management

May 19, 1988

AGENDA

- I. Purpose of Meeting
 - A. Inform NRC of MSU's plans to license a system-wide operating company
 - B. Confirm that NRC regulations and policy will permit
 1. integrated NRC Staff review of amendment applications
 2. operating license amendments (ANO-1/2 and Waterford) to be "immediately effective"
- II. Proposed MSU Nuclear Operating Company
 - A. Overview
 1. SERI to operate Grand Gulf, ANO-1/2 and Waterford
 2. SERI operating company only; AP&L and LP&L will retain ownership of ANO-1/2 and Waterford, respectively
 3. Operating responsibility vested in SERI by service contracts between SERI and AP&L/LP&L
 4. Benefits - By providing focused nuclear management, pooling expertise, and creating opportunities for nuclear employee growth and development, we believe that our long-term goals of safety, reliability and efficiency will be better achieved
 - B. Organization
 1. Intend to minimize organizational changes
 2. Project concept
 - a. clear lines of authority
 - b. focused goals

- c. ease of concept transition
- d. single mission

III. Proposed Licensing Approach

- A. Unique situation because of 4 OLs, 1 CP, 3 operating companies, 3 sites, and 4 NRC Project Managers
- B. No need to amend Grand Gulf OL or CP
- C. OL amendments needed for ANO-1/2 and Waterford
- D. NRC Staff team to conduct review of amendment applications, ensure uniform review of applications on similar schedules, make simultaneous no significant hazards consideration (NSHC) determinations, and authorize the amendments to be effective simultaneously and immediately
- E. NRC policy issues
 - 1. Present NRC internal OL amendment procedure does not address multi-unit applications
 - 2. If literally applied, could require a notice without a NSHC determination
 - 3. We believe NRC review team should make NSHC determination prior to notice
 - 4. We believe immediately effectiveness warranted by nature of amendments
- F. Schedule
 - 1. Submittals per G.L. 88-06
 - a. Grand Gulf filed on May 2
 - b. ANO-1/2 to be filed
 - c. Waterford to be filed
 - 2. Issuance of amendments to license SERI to operate ANO-1/2 and Waterford by December 1988

IV. Summary

- A. Formation of nuclear operating company is desired by Middle South Utilities System companies
- B. Organizational changes will minimized
- C. We believe that our licensing approach is consistent with NRC regulations and policy. Finally, we request NRC confirmation as to acceptability of our proposed licensing approach.