



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

October 29, 1998

Mr. James P. O'Hanlon
Senior Vice President
Virginia Electric and Power Company
5000 Dominion Boulevard
Glen Allen, VA 23060

Dear Mr. O'Hanlon:

Your letter of July 31, 1998 to Chairman Jackson and Commissioners Diaz and McGaffigan has been referred to me for a response. Your views regarding the Agency's initiatives and efforts are appreciated. I, too, was encouraged by the open exchange of information that took place at the Stakeholders meeting. Planning is underway for another stakeholders meeting on November 13, 1998.

In your letter, you provided several areas, supported by specific examples, where you believed interactions between the NRC and licensees could be improved, such as the inspection and enforcement process, conversion to the improved standard technical specifications, the request for information process, use of risk information, and timeliness of NRC actions. I agree with your assessment that improvements are needed and, in fact, the NRC has been pursuing improvements in these, and many other areas. Enclosure 1 responds to the specifics of the examples you cited.

As a result of the meeting on July 17, 1998, and other recent meetings with stakeholders, the Chairman directed the staff to accelerate their efforts on many initiatives, including those that are intended to address the concerns discussed in your letter. In response, the staff developed a detailed plan and schedule for each of these initiatives (Enclosure 2). Note that the plan is considered a living document, which will be updated periodically. As you can see from the attachment, these initiatives are planned to achieve results in the near term and long term. We are in the process of incorporating these initiatives into our Program Office Operating Plans, which are the "road maps" used to implement NRC's Strategic Plan. An example of where we are taking aggressive action in response to stakeholders' concerns about the timeliness of regulatory processes is the Commission's recently established expectation that, starting in FY 2000, the staff will complete 95 percent of licensing actions within one year and 100 percent within two years.

The staff will continue to solicit feedback and comments from the public on these initiatives to ensure that agency programs and processes are conducted in a clear and predictable manner, with a focus on safety and incorporation of risk-informed, and where appropriate, performance-based approaches. We view feedback from our stakeholders as vital to the success and implementation of these initiatives, and as such, I encourage your continued participation.

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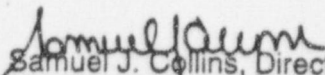
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Mr. James P. O'Hanlon

2

I hope that this letter is responsive to your concerns.

Sincerely,


Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

Enclosures: As stated

50-338/33P

Mr. James P. O'Hanlon
Senior Vice President
Virginia Electric and Power Company
5000 Dominion Boulevard
Glen Allen, VA 23060

Dear Mr. O'Hanlon:

Your letter of July 31, 1998, has been referred to me for response. Your views regarding Agency initiatives and efforts are appreciated.

I, too was encouraged by the open exchange of information that took place at the Stakeholders meeting. Recently, the Commission established the expectation that the staff complete 90 percent of all licensing actions within one year and 100 percent within two years. We are looking at ways to meet these goals and anticipate that cooperation and help of industry will be a key factor to our success. Planning is underway for another stakeholders meeting in the November time frame.

I trust you will find this and the proposed meeting to be responsive to your concerns.

Sincerely,

Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

Enclosure: As stated
Distribution: See Attached
File: g:\noanna\greentkt.rpl

***SEE PREVIOUS CONCURRENCE**

OFFICE	PM:PDII-1	LA:PDII-1	AD:PDII-1	D:DRPE	ADP:NRR	D:NRR
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DATE	08/20/98	08/20/98	08/20/98	08/20/98	08/20/98	08/25/98
COPY	YES / No	YES / No	YES / No	YES / No	YES / No	YES / No
OFFICE	EDO	OCM	NRR			
NAME	L. J. Catan	SJackson	SCollins			
DATE	09/1/98	10/2/98	10/20/98			
COPY	YES / No	YES / No				

"This correspondence addresses policy issues previously resolved by the Commission, transmits factual information, or restates Commission policy."

DISTRIBUTION:

LETTER TO JAMES P. O'HANLON, VIRGINIA ELECTRIC & POWER

Docket File 50-338 and 50-339

DATED: October 29, 1998

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PDII-1 Reading

OPA

OCM #14458

SECY Paper No. CRC-98-0737

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THE CONCERNS CONTAINED IN THE JULY 31, 1998 LETTER FROM VEPCO

Issue 1: Selective use of Improved Technical Specification (ITS) Aspects and Technical Specification (TS) Conversion.

When the Agency moved towards adoption of Standard Technical Specification (STS) Program in the late 1980s, the staff received guidance which comports with the understanding contained in your letter. Prior to the development of Improved TS (ITS), as a short-term measure, the staff issued several Generic Letters, (e.g., GL 87-09, dated June 4, 1987), for adopting various short-term TS improvements. Further, in January 1993, the Commission revised its policy (58 FR 39132, dated July 22, 1993) and directed the staff to adopt portions of the STS without fully implementing all the STS improvements.

Accordingly, the licensees have the flexibility to request specific TS changes without adopting the entire STS, realizing that there are certain economies to be gained by requesting TS changes to adopt significant portions of the approved STS.

Issue 2: A specific North Anna license amendment request regarding Allowed Outage Time (AOT) on the Emergency Diesel Generators (EDGs).

The staff reviewed the processing of the North Anna EDG AOT amendments and determined that a number of factors related to competing priorities, development of guidance, and response and review of requests for additional information led to the review lasting about 3 years. The amendments were issued on August 26, 1998. The staff believes it beneficial to do an informal assessment of the processing of this amendment and intends to discuss the results with your staff. In addition, the Commission recently established the expectation that, starting in FY 2000, the staff complete 95 percent of all licensing actions within one year and 100 percent within two years. We are looking at ways to meet these goals and anticipate that cooperation and help of industry will be a key factor to our success.

Issue 3: Resolution of generic activities getting delayed in spite of the cost benefit without safety consequence - Specifically the Petition for Rule Making (PRM) on 1. Frequency of Reviews and Audits for Safeguards Emergency Plan and Security Program (PRM 50-59), 2. Frequency of Reviews and Audits of Emergency Preparedness (EP) Program (PRM 59-60), and 3. Fitness for Duty Audit Frequency (PRM 26-1).

All three PRMs are in process. The Petitions were published in the Federal Register in 1994. Comment resolution, back-fit study, coordination with the regions, and changes in the priority all contributed to the significant delay in the response to your December 30, 1993, request. The publication of the Final Rulemaking for PRM 50-59 and PRM 59-60 is expected in November 1998, and we expect to issue PRM 26-1 in the first quarter of 1999. Responsibility for rulemaking was recently moved from the Office of Research to NRR.