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July 31, 1998

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Licensing
Issues



Chairman Shirley A. Jackson
Commissioner Nils J. Diaz
Commissioner Edward McGaffigan
Nuclear Regulatory Commission
One White Flint North
11555 Rockville Pike
Rockville, MD 20852-2738

Dear Chairman Jackson and Commissioners Diaz and McGaffigan:

NRC STAKEHOLDER MEETING, JULY 17, 1998

The stakeholder meeting held on July 17 was a candid and productive exchange of ideas. I was encouraged by the receptivity of everyone at the table to the suggestions and criticisms raised by others.

During the meeting, there were several references to the recent Technical Specification changes made at Surry and North Anna Power Stations to reflect the change in title from Plant Manager to Site Vice President. To get an accurate perspective of these comments, you should be aware of some relevant history regarding our Technical Specifications.

In the early 90's, Virginia Power agreed to work with the NRC Staff to convert the Technical Specifications. In fact, North Anna was the pilot Westinghouse plant for a Technical Specification conversion starting in 1990. Unfortunately, the effort continued on for an unacceptably long period of time without clear direction, and with on-going changes and additions by the NRC Staff. Instead of becoming simpler and more understandable, the Technical Specifications were becoming more complex. After spending more than \$2 million over a two year period with no prospects of completion in sight, we reluctantly decided to withdraw from the project. Two years ago, we agreed to convert to the Improved Technical Specification format at both the Surry and North Anna Power Stations. This effort has been delayed because we had to reallocate our resources to verify the completeness and accuracy of our FSARs and to the parallel design basis documentation effort.

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Commissioner McGaffigan suggested after the meeting that we could have requested to eliminate the section of the Technical Specifications that includes organizational titles. However, the Staff had previously told us that they would not process individual Technical Specification changes without changing the entire Technical Specifications to the Improved Technical Specification format.

True?

I would like to share my thoughts with you of a more general nature on the issues raised at the meeting. Virginia Power has enjoyed an open, professional, and cordial relationship with the NRC for years. We may not always agree with the NRC findings or conclusions, but we have felt free to discuss the issues in a frank manner. Similarly, we have found the Staff willing to listen to our concerns and professional in getting licensing amendments and other NRC actions completed.

However, there are areas where we believe that the NRC-licensee interaction can be improved. Virginia Power, like the rest of the utility industry, has become more efficient during the last few years. We have lowered our operating costs and have prioritized our activities based on safety significance. We hoped we would have seen comparable improvements at the NRC. We have shown that safe performance cannot only be maintained, but also improved, with diminished, but more wisely utilized, resources. Nevertheless, many inspections, enforcement actions, requests for information, etc., require us to spend resources on activities that we perceive are inconsistent with their safety significance.

The use of risk information was widely supported by all at the table. We also concur with the increased use of risk information in the regulatory process. The Staff response in this area, however, has not always been supportive or encouraging. In September 1995, we submitted a request for a Technical Specification change for the allowed outage time of our diesel generators at North Anna Power Station based on risk information. That request is still pending. We have paid over \$50,000 in NRC review fees alone on this proposed change and revised the submittal two times at the direction of the Staff, yet the Staff is still not sure of how or whether to approve the change. The industry is being forced to work simultaneously in two realms - one risk-informed and one deterministic. This causes a great deal of confusion and wastes resources.

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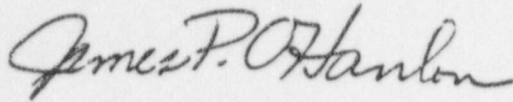
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Timeliness was another area discussed at the stakeholder meeting. We are glad to see the commission and NRC management willing to improve the timeliness of NRC actions. As noted before in the emergency diesel generator allowed outage time example, some licensing actions take unreasonable amounts of time to complete. Additionally, resolution of proposed generic activities often languish in spite of the cost benefit without safety consequence. For example, our proposed rulemaking on final audits for security, emergency planning, and

fitness for duty was submitted on December 30, 1993, and has yet to be disposed.

Again, I want to personally thank the Commission for embarking in such a constructive exchange with its stakeholders. We support efforts to focus the inspection and enforcement areas, to better prioritize activities, and to improve the interaction with the licensees. I hope that we can continue to work together to improve the safety and performance of our plants while maintaining cost control.

Sincerely,



James P. O'Hanlon

cc: Mr. L. J. Callan
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