August 7, 2000

Ms. Tina Daly
1880 Pickering Road
Phoenixville, PA 19460

Dear Ms. Daly:

I am writing to you in response to your letter to the NRC received on July 13, 2000, concerning the public meeting held by the NRC at Limerick, Pa, on July 6, 2000, to discuss our new reactor oversight program. In your letter, you expressed some concern over the changes in the industry, specifically deregulation and to our reactor oversight process and regulatory policies. Additionally, you were concerned that changes or perceived changes in NRC policy would reduce the ability of the public to participate in NRC activities.

First, I want to assure you that the NRC remains committed to our mission to ensure adequate protection of the health and safety of the public through the safe operation of commercial nuclear power plants. The deregulation of the electric industry was initiated by congressional action in 1992. This was followed by public utility commissions of individual states starting actions to implement this mandate. The sales of plants and mergers of utility companies are a result of that process and not because of changes initiated by the NRC. Our new reactor oversight program is based on the same regulations as the previous program. There were no regulations changed as part of the transition to the revised oversight program. The new reactor oversight program is designed to place a greater focus on activities where the impact on safety is more significant and to do so in a more timely and objective manner. Enclosed with this letter are documents which explain our new program in more detail.

Regarding public participation in the NRC process, the NRC recognizes the value of involving the public in our regulatory processes and actively encourages such participation. It is the NRC's position that anyone may comment or voice concerns at the critical junctures in the development of safety rules. NRC regulations permit any member of the public to petition the NRC to modify, suspend or revoke a license, as well as opportunities for intervention in amendments to utility licenses. Also, we periodically meet with licensees in meetings open to public observation. We generally take questions from the public at the conclusion of these meetings. Enclosure 2 contains more detailed information from our Internet web site concerning ways the public may participate in NRC activities.

In addition to the issues addressed above, the specific concerns in your letter, as we understand them, are addressed in Enclosure 1.

Thank you for informing us of your views. Please do not hesitate to contact me at (610) 337-5233, if you have any further questions or concerns.

Sincerely,

/RA/

Curtis J. Cowgill, Chief
Projects Branch 4
Division of Reactor Projects

Enclosures: As Stated

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Enclosure 1

1. The licensees support the NRC budget through the payment of fees and this may create a conflict of interest.

   The NRC budget is submitted to and approved by Congress through the same appropriations process all government agencies go through. The NRC's budget is paid out of appropriated funds and not directly from fees collected from licensees. While it is true that the NRC must recoup most of its budget through the charging of fees for regulatory activities, the money goes directly to the U.S. Treasury and not to the NRC. As a footnote, please be aware that a number of agencies - both at the federal and state levels - also recover their costs through fees paid by industry.

2. The NRC, at the nuclear power industry's request, will stop developing rules and stop using the formal rulemaking process. A halt to the formal rulemaking process will eliminate the public's ability to participate in NRC's regulatory process.

   There is no move by the NRC to stop developing or revising rules using the formal rulemaking process. Indeed, a number of new rules are currently being developed.

3. The NRC is using generic communications in lieu of formal rules and there is no regulation requiring licensee action in response to those communications.

   Generic communications have been and continue to be a part of the NRC's regulatory process to provide safety information to licensees. They are not used in lieu of rules. There are four general types of such communications: Bulletins, Generic Letters, Information Notices, and Administrative Letters.

   A Bulletin is a type of generic communication that transmits information, requests specified action and requires a written response from addressees regarding matters of safety, safeguards, or environmental significance.

   A Generic Letter is used to:

   a. Request addressees perform some analyses or submit descriptions of proposed corrective actions regarding matters of safety, safeguards or environmental significance.

   b. Request addressees submit technical information which NRC needs to perform its function.

   c. Request or provide the opportunity to addressees to submit proposed changes to technical specifications.

   d. Provide staff technical or policy positions not previously communicated or broadly understood and solicit participation in voluntary pilot programs.

An Information Notice is used to provide information to addressees regarding safety, safeguards or environmental issues. Information Notices are normally used to bring significant recently identified safety, security or environmental information to the attention of licensees. Addressees are expected to review the information for applicability to their facilities and consider actions, as appropriate, to avoid similar problems.

An Administrative Letter is used to:

a. Inform addressees of administrative procedure changes relating to implementation of the regulations or NRC staff positions; the issuance of a topical report evaluation or a NUREG-type document that is not technical in nature, does not contain a new or revised staff position and is not appropriate for inclusion in either a generic letter or an information notice; and changes in NRC internal procedures or organizations.

b. Request voluntary submittal of information of an administrative nature which will assist NRC in the performance of its function.

c. Announce events of interest such as workshops or Regulatory Information Conferences.

d. Other purposes of a strictly administrative nature.

4. The public meeting at Limerick was an example of NRC replacing formal adjudicatory hearings with informal meetings with little or no opportunity for public participation.

   The principle purpose of the meeting at the Limerick Township Building on July 6, 2000, was to inform the public about the new reactor oversight program. The NRC has other mechanisms for public involvement in the regulatory process which were highlighted earlier in this letter and are discussed in Enclosure 2. Also, the NRC Internet web page has additional information on areas in which the public may participate.

5. The use of “performance-based” standards implies that unless a component breaks, there are no performance problems.

   The NRC reactor oversight process (ROP) uses performance indicators as well as inspection results to assess the adequacy of licensees’ performance. The new ROP has not relieved nuclear power plant operators of the requirements to periodically test systems important to reactor safety. The purpose of these tests is to verify that component and system operation is within acceptable ranges. This allows for the identification and correction of degraded component and system performance before they are called on to operate in an event.

6. Wildfires have not been factored into plants' PRAs. What other risks have not been included in the PRA? What is a risk?

   A risk is anything that could lead to a condition where the integrity of the reactor is placed in jeopardy.

   At the NRC's request, the nuclear industry undertook a comprehensive effort to identify external events (i.e., severe weather, fires, loss of off-site power) which could lead to the reactor core being damaged. In the case of Limerick, fires starting outside of the plant boundary were evaluated as part of the plant's Individual Plant Examination for External Events (IPEEE). The IPEEE looked at the probability and consequences of potential events and determined which events posed a threat to reactor safety. PECO concluded that fires starting outside of the plant boundaries did not pose a credible threat to reactor safety. All nuclear plants, including Limerick, have systems and personnel available to fight fires and to mitigate the damage caused by those fires. This is in addition to the services provided by the local municipality.

   Another potential impact of wildfires is their potential effect on the Limerick plant's off-site electrical power sources. The loss of off-site power is an event the plant is designed to mitigate using on-site backup power sources. These backup power sources include diesel-powered electric generators and batteries to provide power to critical plant equipment. Additionally, the reactor units will automatically shutdown if the off-site electrical power is lost.

7. The modification to the resident inspector staffing policy negatively impacts safety.

   The Commission recently changed its policy concerning the minimum number of resident inspectors assigned to multi-unit reactor sites. Most two-unit sites will have two instead of three inspectors permanently assigned to the site. The personnel previously assigned to a reactor site are now available for use by NRC Regional Administrators in those inspection areas where they are most needed. The ability of the agency to meet the requirements of the inspection program has not been compromised.

8. Licensees are firing experienced personnel to cut costs and that negatively impacts safety.

   For the most part, the NRC does not control how a licensee staffs its site. A purpose of the inspection program, in concert with the performance indicators, is to identify declining safety performance regardless of the cause. The Reactor Oversight Program describes actions that will be taken by the NRC to address any such decline.

9. How can the public participate in the regulatory process?

   Enclosure 2 contains information on ways the public can participate in the regulatory process.