September 5, 2000

The Honorable James M. Inhofe, Chairman
Subcommittee on Clean Air, Wetlands,
Private Property and Nuclear Safety
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The Fiscal Year 2000 Energy and Water Development Appropriations Act, Senate Report 106-58 and House Report 106-253, directed the Nuclear Regulatory Commission (NRC) to continue to provide a monthly report on the status of its licensing and regulatory duties. The initial reporting requirement arose in the Fiscal Year 1999 Energy and Water Development Appropriations Act, Senate Report 105-206. As further directed in House Report 106-253, we have expanded the monthly report to include regulatory reform efforts affecting power reactor operations beyond 10 CFR Part 50, particularly NRC efforts to harmonize NRC security regulations with Part 50. We have also expanded the monthly report to include the status of all license renewal applications that are under active review and other NRC initiatives in developing implementation guidance for the license renewal rule. I am pleased to transmit the twentieth report, which covers the month of July (Enclosure 1).

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Please do not hesitate to contact me should you need additional information.

Sincerely,

/RA/

Richard A. Meserve

Enclosures:
1. Monthly Report
2. Tasking Memorandum

cc: Senator Bob Graham

September 5, 2000

The Honorable Joe Barton, Chairman
Subcommittee on Energy and Power
Committee on Commerce
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

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/RA/

Richard A. Meserve

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2. Tasking Memorandum

cc: Representative Rick Boucher

September 5, 2000

The Honorable Ron Packard, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

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cc: Representative Peter J. Visclosky

September 5, 2000

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Subcommittee on Energy and Water Development
Committee on Appropriations
United States Senate
Washington, D.C. 20510

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cc: Senator Harry Reid

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The Honorable Tom Bliley, Chairman
Committee on Commerce
United States House of Representatives
Washington, D.C. 20515

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Please do not hesitate to contact me should you need additional information.

Sincerely,

/RA/

Richard A. Meserve

Enclosures:
1. Monthly Report
2. Tasking Memorandum

cc: Representative John D. Dingell

September 5, 2000

The Honorable Bob Smith, Chairman
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The Fiscal Year 2000 Energy and Water Development Appropriations Act, Senate Report 106-58 and House Report 106-253, directed the Nuclear Regulatory Commission (NRC) to continue to provide a monthly report on the status of its licensing and regulatory duties. The initial reporting requirement arose in the Fiscal Year 1999 Energy and Water Development Appropriations Act, Senate Report 105-206. As further directed in House Report 106-253, we have expanded the monthly report to include regulatory reform efforts affecting power reactor operations beyond 10 CFR Part 50, particularly NRC efforts to harmonize NRC security regulations with Part 50. We have also expanded the monthly report to include the status of all license renewal applications that are under active review and other NRC initiatives in developing implementation guidance for the license renewal rule. I am pleased to transmit the twentieth report, which covers the month of July (Enclosure 1).

The June report provided information on a number of significant NRC activities. Those activities focused primarily on providing an update on the status of the Indian Point 2 (IP2) nuclear power plant, which has been shut down due to a steam generator tube failure. During July, the staff continued to review information provided by Consolidated Edison Company (Con Ed) in support of its June 2, 2000, request to return the IP2 steam generators to service for a limited period of time. The staff determined that insufficient information was provided to conclude that the existing steam generators would meet applicable performance criteria during the proposed period of operation and identified several specific concerns. As a result, the staff requested that the licensee provide additional information to address those concerns. However, on August 9, 2000, Con Ed informed the NRC staff that it was proceeding immediately with activities to replace the steam generators. The staff plans to focus additional oversight on Con Ed's preparations to replace the steam generators. Future activities include a meeting on September 11, 2000 between the NRC staff and Con Ed to discuss the licensee's recovery plan after being designated as an "agency focus" plant.

Since our last report, the Commission and the NRC staff also:

- approved an amendment request for the Nuclear Assurance Corporation-Legal Weight Truck (NAC-LWT) transportation cask to authorize the transport of up to 25 high-burnup pressurized water or boiling water reactor fuel rods. Each high-burnup (up to 80 GWd/MTU) fuel rod is placed in a stainless steel tube. Each tube array is placed within

a canister that has external dimensions similar to a standard pressurized water reactor assembly. The canister is placed in the previously authorized standard NAC-LWT pressurized water reactor basket for transport within the NAC-LWT cask cavity.

- approved the transfer of operating licenses for 20 commercial nuclear power plants from Commonwealth Edison and PECO Energy Company to Exelon Generation Company. Exelon is being formed in connection with the proposed merger of Unicom Corporation (Unicom), the parent of Commonwealth Edison, and PECO. Last December PECO and Commonwealth Edison submitted applications to the NRC requesting approval for the license transfers.

- published a proposed rule in the Federal Register (65 FR 42647) that would add the BNFL Fuel SolutionsTM Spent Fuel Dry Cask System to the list of approved dry cask storage systems. The Fuel SolutionsTM dry cask system is a dual purpose system intended for the storage and transportation of spent fuel.

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cc: Senator Max Baucus

September 5, 2000

The Honorable Pete V. Domenici
United States Senate
Washington, D.C. 20510

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2. Tasking Memorandum

MONTHLY STATUS REPORT ON THE
LICENSING ACTIVITIES AND REGULATORY DUTIES OF THE
UNITED STATES NUCLEAR REGULATORY COMMISSION

JULY 2000

Enclosure 1

TABLE OF CONTENTS

Page

I. Implementing Risk-Informed Regulations

The staff continues to make progress on tasks involving use of probabilistic risk information in many areas. Although various activities are in progress, we have not reached a milestone that is significant for separate reporting at this time. The milestone schedule for the significant risk-informed activities are included in the Commission Tasking Memorandum (Appendix A to this report).

II. Revised Reactor Oversight Process

The Nuclear Regulatory Commission (NRC) commenced initial implementation of its revised Reactor Oversight Process (ROP) at all nuclear plants (except for D.C. Cook due to its extended shutdown) in April 2000. It has continued meeting with the Nuclear Energy Institute (NEI) and other interested stakeholders on a periodic basis to continue refining the ROP and collect lessons learned information. Recent activities include:

a. On July 24-28, 2000, the NRC Technical Training Center staff conducted ROP training, mainly for NRC headquarters staff. The training provided a good understanding of the ROP to all participants and allowed recently hired regional inspectors an opportunity to receive the training, as well.

b. Office of Nuclear Reactor Regulation managers and members of the Inspection Program Branch (IIPB) are continuing efforts to interface with the NRC staff and stakeholders to discuss ROP initial implementation issues. The staff is currently engaged with its internal stakeholders in developing a self-assessment process for the ROP.

c. As part of its ongoing effort to communicate with stakeholders regarding the ROP, the NRC staff revised and issued a revision to its plain-English description of the process entitled, NUREG-1649, "NRC Reactor Oversight Process." This revision reflected the initial implementation of the ROP.

d. With the restart of D.C. Cook Unit 2, the staff has begun its efforts to phase in implementation of the ROP at D.C. Cook. Selected Performance Indicators were posted to the NRC's web site the week of July 31.

e. Initiated a task group to review and assess the current inspector training and qualification requirements as defined in NRC Inspection Manual Chapter 1245 (available from NRC website www.nrc.gov), "Inspector Qualifications for the Office of Nuclear Reactor Regulation Inspection Program." This review and assessment will include consideration of new or revised training requirements in light of the new oversight process, risk-informed initiatives, and general effectiveness and efficiency measures.

III. Status of Issues in the Reactor Generic Issue Program

Staff recently issued a letter to the Advisory Committee for Reactor Safety accepting their recommendation to delay the closing of GSI-173A until the reevaluation of the spent fuel pool accidents at decommissioning plants has been completed. Accepting this recommendation affects the milestone date for closing GSI-173A, which was due to be closed by August 2000. The staff is currently working on a new milestone date for the closing of GSI-173A and will report this new date when it is finalized.

IV. Licensing Actions and Other Licensing Tasks

Licensing actions are defined as requests for: license amendments, exemptions from regulations, relief from inspection or surveillance requirements, topical reports submitted on a plant-specific basis, notices of enforcement discretion, or other licensee requests requiring NRC review and approval before it can be implemented by the licensee. The FY 2000 NRC Performance Plan incorporates three output measures related to licensing actions. These are: number of licensing action completions per year, age of the licensing action inventory, and size of the licensing action inventory.

Other licensing tasks are defined as: licensee responses to NRC requests for information through generic letters or bulletins, NRC responses to 2.206 petitions, NRC review of licensee topical reports, NRR responses to regional requests for assistance, and NRC review of licensee 10 CFR 50.59 analyses and FSAR updates. The FY 2000 NRC Performance Plan incorporates one output measure related to other licensing tasks. This is: number of other licensing tasks completed.

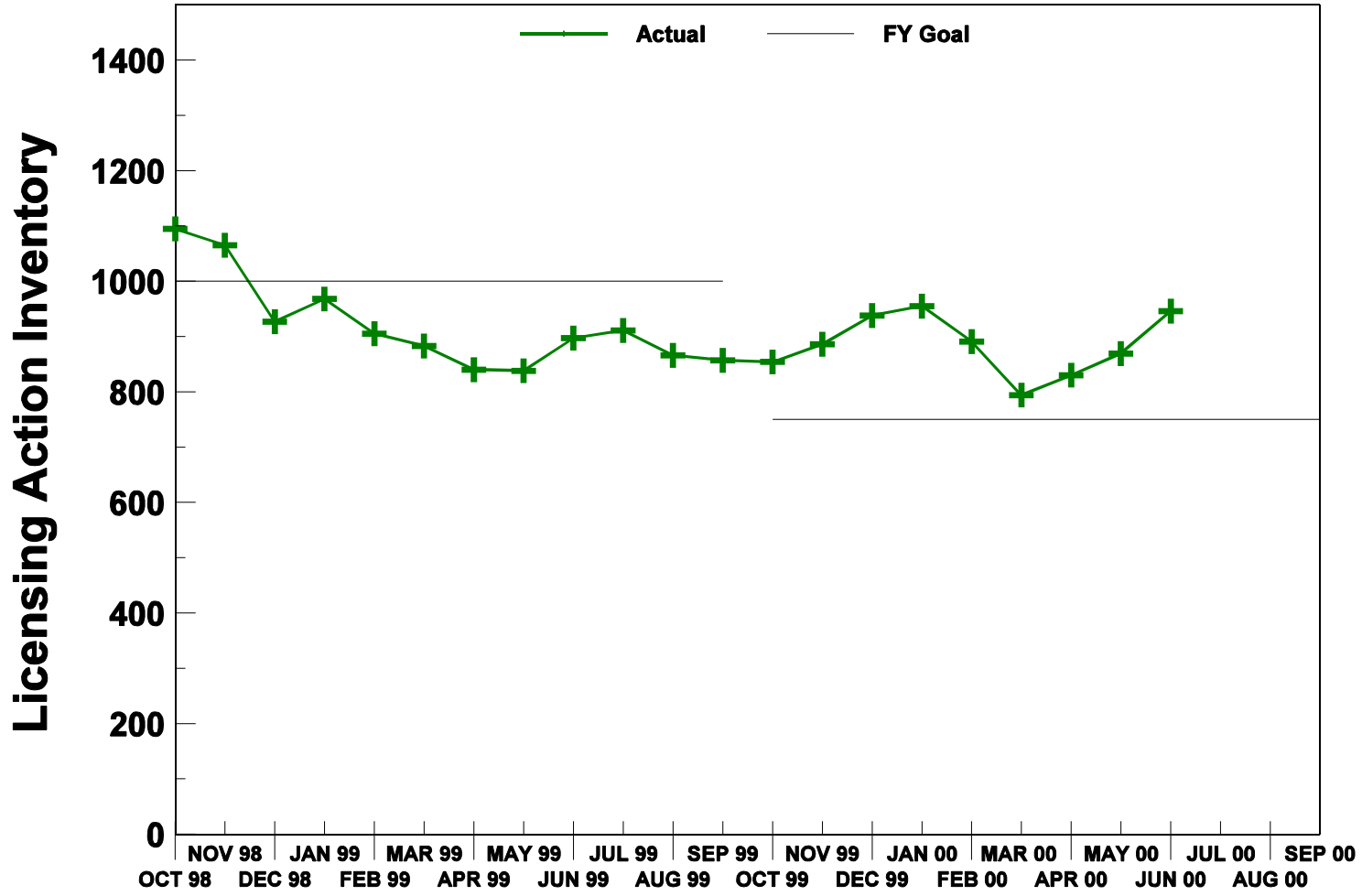
The actual FY 1998 and FY 1999 results, the FY 2000 goals and the actual FY 2000 results, through the end June 2000, for the four NRC Performance Plan output measures for licensing actions and other licensing tasks are shown in the table below.

PERFORMANCE PLAN				
Output Measure	**FY 1998 Actual**	**FY 1999 Actual**	**FY 2000 Goals**	**FY 2000 Actual (thru 06/30/2000)**
Licensing actions completed/year	1425	1727	1500	1161
Size of licensing actions inventory	1113	857	750	946
Age of licensing action inventory	65.6% ≤ 1 year; 86.0% ≤ 2 years; and 95.4% ≤ 3 years old	86.2%≤ 1 year; 100% ≤ 2 years; and 100% ≤ 3 years old	95% ≤ 1 year and 100% ≤ 2 years old	92.0% ≤ 1 year; 99.3% ≤ 2 years; and 0.7% > 2 years old
Other licensing tasks completed/year	1006	939	800	919

The following charts demonstrate NRC's progress in meeting the four licensing action and other licensing task output measure goals.

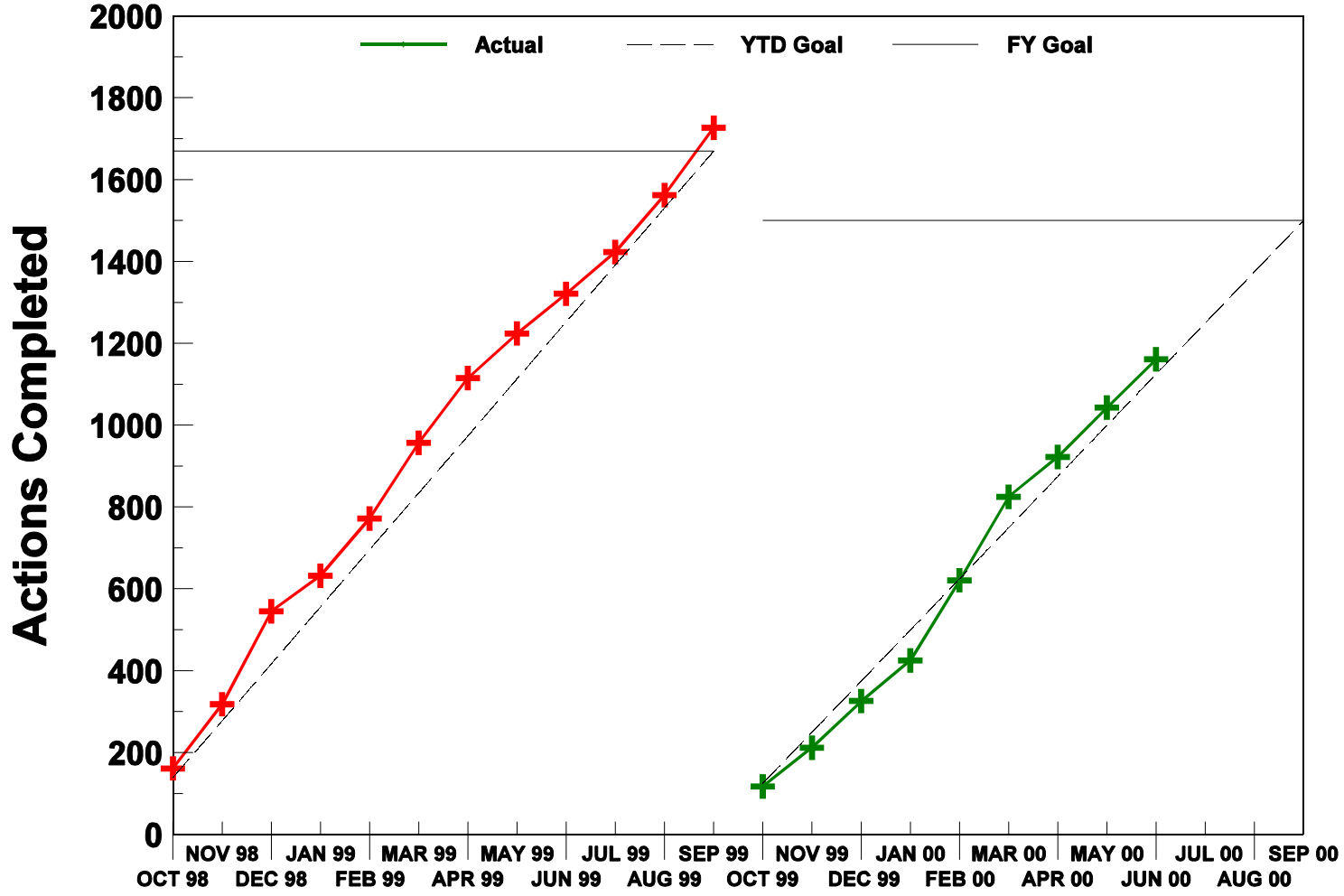
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Licensing Action Inventory



Nuclear Reactor Safety - Reactor Licensing

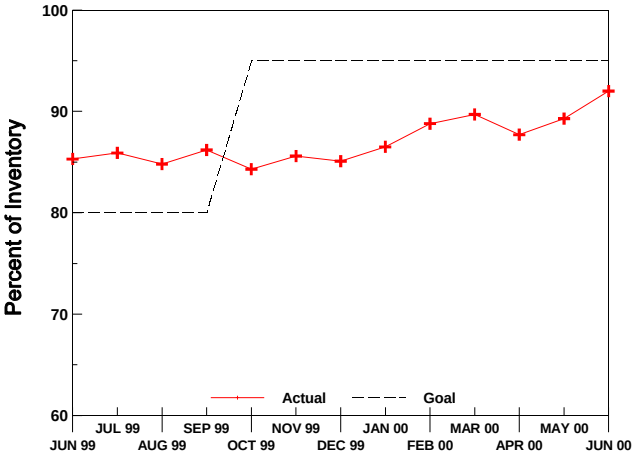
Performance Plan Target: Completed Licensing Actions



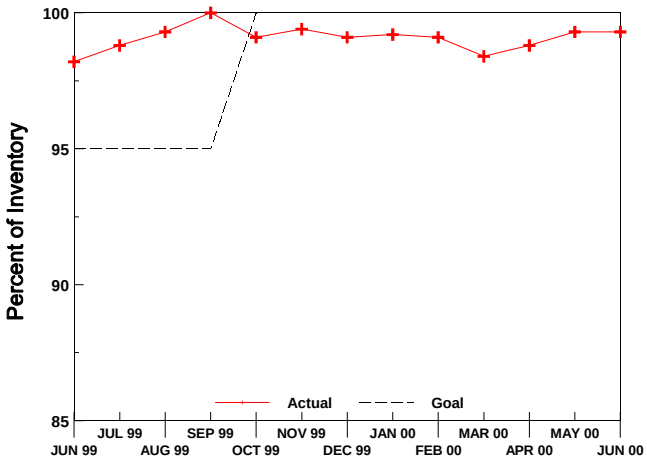
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Age of Licensing Action Inventory

≤ 1 YEAR OLD



≤ 2 YEARS OLD



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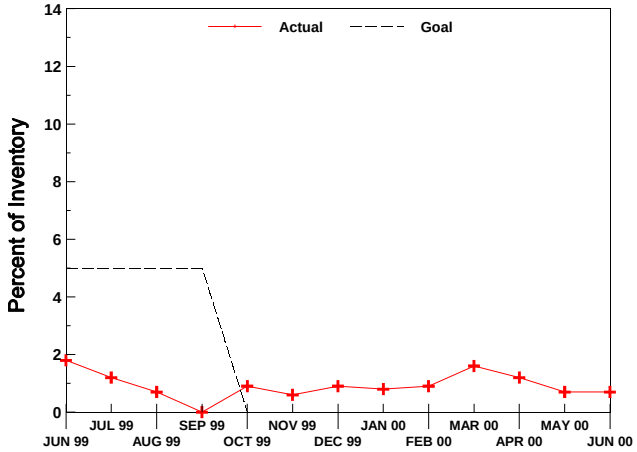

Nuclear Reactor Safety - Reactor Licensing

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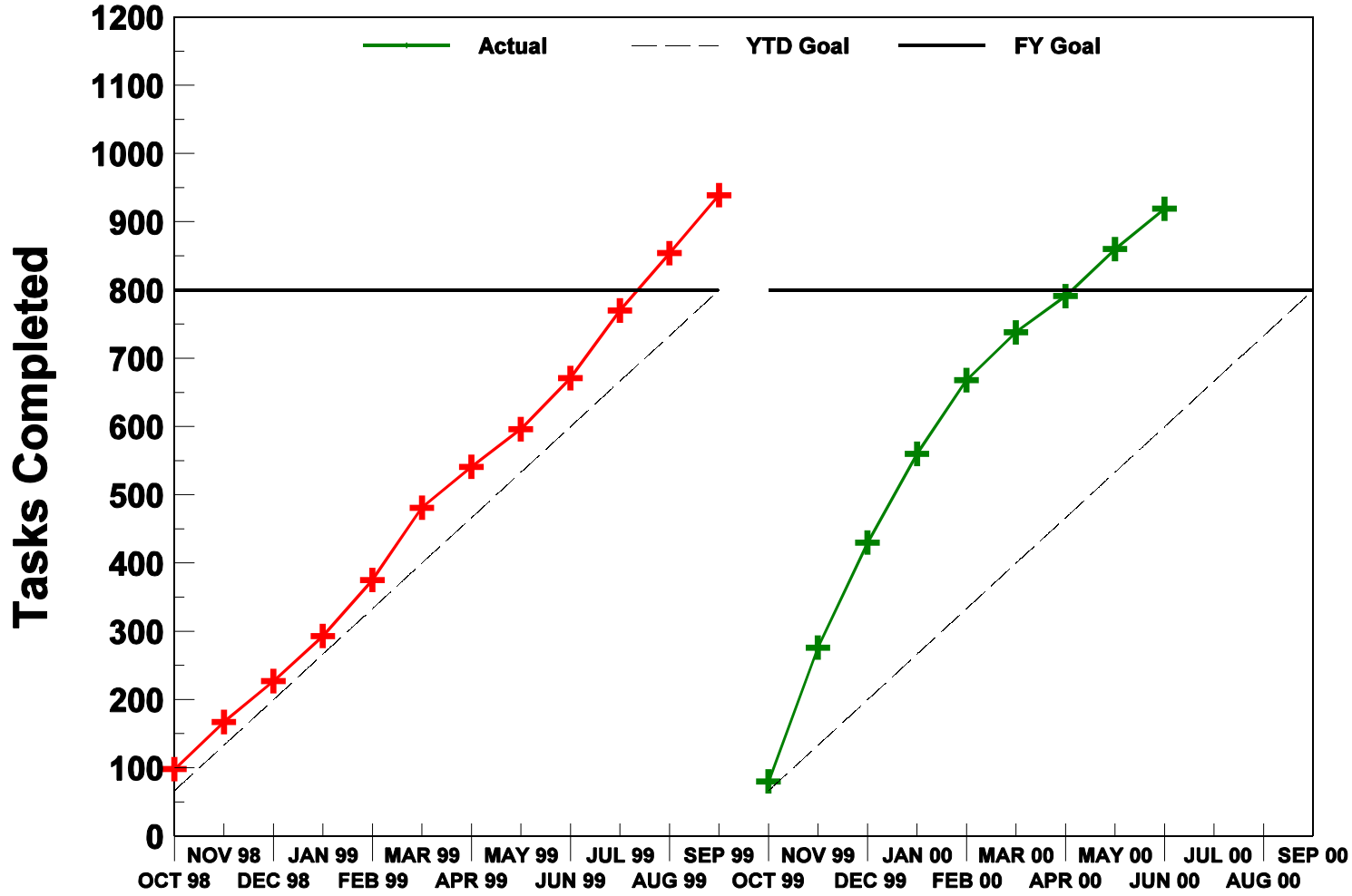

V. Status of License Renewal Activities

Calvert Cliffs Renewal Application

The renewed licenses for Calvert Cliffs were issued on March 23, 2000, completing the NRC's review of the license renewal applications.

The Commission's denial of a request for hearing on the Calvert Cliffs application was appealed to the Court of Appeals for the D.C. Circuit. On April 11, 2000, the court issued its decision denying the petition for review. The petitioner requested a rehearing by the full Court of Appeals which was denied on June 15, 2000. The petitioner now has until September 13, 2000, to seek review in the Supreme Court.

Arkansas Nuclear One, Unit 1, Renewal Application

The review of the Arkansas Nuclear One, Unit 1, renewal application is on schedule. All environmental requests for additional information (RAIs) were issued by June 5, 2000, and the applicant's responses were received June 26, 2000. All safety RAIs were issued by June 23, 2000, and the applicant's responses are due by September 12, 2000.

Hatch, Units 1 and 2, Renewal Application

The review of the Hatch renewal application is on schedule. All environmental RAIs were issued by June 23, 2000, and the applicant's responses are due by September 18, 2000. All safety RAIs were issued by July 28, 2000, and the applicant's responses are due by October 11, 2000.

License Renewal Implementation Guidance Development

The NRC staff is continuing development of implementation guidance for the license renewal rule with input from interested stakeholders. The revised standard review plan, generic aging lessons learned report, and regulatory guide are scheduled to be issued in August 2000 to obtain public comments. To that end, the staff continued holding public meetings to discuss industry comments on the early drafts of the standard review plan and generic aging lessons learned report, which were released to obtain early stakeholder feedback. A public workshop will be held on September 25, 2000, to discuss the documents and solicit comments.

VI. Status of Review of Private Fuel Storage, Limited Liability Corporation's Application for a License to Operate an Independent Spent Fuel Storage Installation on the Reservation of the Skull Valley Band of Goshute Indians

During this reporting period, the Atomic Safety and Licensing Board held hearings on several safety contentions in Salt Lake City, Utah. The NRC staff and representatives of the other parties with standing in the Private Fuel Storage proceeding participated in the hearing. The other parties include: Private Fuel Storage, Limited Liability Company, the Skull Valley Band of Goshute Indians, the State of Utah, Ohngo Gaudadeh Devia (members of the Skull Valley Band that oppose the project), the Confederated Tribes of the Goshute Reservation, a separate Federally-recognized Indian Tribe with its own reservation on the Nevada/Utah border, and the Southern Utah Wilderness Alliance. The Atomic Safety and Licensing Board heard testimony on contentions regarding financial aspects of the Private Fuel Storage application and aspects of the Emergency Plan submitted by Private Fuel Storage, Limited Liability Company. In addition, the Atomic Safety and Licensing Board heard limited appearance statements from

members of the public with interest in the proceeding. The hearings were held from June 19, 2000 through June 27, 2000. Hearings on environmental contentions and two remaining safety contentions are scheduled for August 2001.

The Draft Environmental Impact Statement for the Private Fuel Storage project was released in June 2000. This Draft Environmental Impact Statement was jointly prepared by the NRC (lead agency) and three cooperating Federal agencies (the U.S. Department of Interior's Bureau of Indian Affairs and Bureau of Land Management and the U.S. Surface Transportation Board). The four agencies held two meetings in Utah in July to listen to public comments on the Draft Environmental Impact Statement. On July 27, a meeting was held in Salt Lake City, Utah, and on July 28, a meeting was held in Grantsville, Utah. The public comment period extends until September 21, 2000.

Work continued during this reporting period on NRC staff's Safety Evaluation Report. The staff continues to analyze the information provided by Private Fuel Storage, Limited Liability Company and plans to release the report on September 30, 2000.

VII. Summary of Reactor Enforcement by Region

	Reactor Enforcement Actions*					
		Region I	Region II**	Region III	Region IV	TOTAL
Severity Level I	June 2000	0	0	0	0	0
	FY 2000 YTD	0	0	0	0	0
	FY 99 Total	0	0	0	0	0
	FY 98 Total	0	0	0	0	0
Severity Level II	June 2000	0	0	0	0	0
	FY 2000 YTD	1	2	0	0	3
	FY 99 Total	5	0	2	0	7
	FY 98 Total	3	1	1	1	6
Severity Level III	June 2000	0	0	0	1	1
	FY 2000 YTD	4	0	4	4	12
	FY 99 Total	9	2	7	8	26
	FY 98 Total	46	11	15	19	91

	Reactor Enforcement Actions*					
Severity Level IV	June 2000	0	0	0	0	0
	FY 2000 YTD	0	1	1	4	6
	FY 99 Total	52	42	57	60	211
	FY 98 Total	383	271	392	261	1307
Non-Cited Severity Level IV	June 2000	15	0	27	11	53
	FY 2000 YTD	243	144	230	225	842
	FY 99 Total	343	267	334	305	1249
	FY 98 Total	372	240	307	214	1133

*Numbers of violations are based on enforcement action tracking (EATS) system data that may be subject to minor changes following verification. The number of Severity Level I, II, III listed refers to the number of Severity Level I, II, III violations or problems. The monthly totals generally lag by 30 days due to inspection report and enforcement development.

** Violation totals for Region II reflect a shift from a 6 week inspection period to quarterly inspection periods.

	Escalated Reactor Enforcement Actions Associated with the Revised Reactor Oversight Process					
		Region I	Region II	Region III	Region IV	Total
NOVs related to white, yellow or red findings	June 2000 -Red	0	0	0	0	0
	-Yellow	0	0	0	0	0
	-White	0	0	0	0	0
	FY 2000	2	1	0	0	3

Description of Significant Actions taken in June 2000

Entergy Operations, Inc., Arkansas Nuclear One
Supplement I (EA 00-081)

On June 15, 2000, a Notice of Violation was issued for a Severity Level III* violation based on (1) inadequate design control over changes made to the Low Pressure Safety Injection (LPSI) pump bearing housing material and the viscosity of the bearing lubricating oil and (2) the above

changes resulting in the LPSI pumps being inoperable from January 28 to February 5, 2000, when service water cooling temperatures were below 42 degrees F. Because the facility was not the subject of escalated enforcement action within the last 2 years, the NRC considered whether credit was warranted for Corrective Action in accordance with the Enforcement Policy. Based on the licensee's actions to determine and correct the causes of the degraded LPSI pumps, as well as the actions to address the inadequate engineering analyses that contributed to the causes, the NRC concluded that credit was warranted for corrective actions. This resulted in no civil penalty being assessed.

* This violation was identified prior to the implementation of the Revised Reactor Oversight Process (RROP) and as a result was processed under the Enforcement Policy which uses severity levels and civil penalties.

Commonwealth Edison Company, Zion Nuclear Station Units 1 and 2 (EA 98-518)

An Order Imposing Civil Penalty in the amount of $110,000 was issued on June 12, 2000. The NRC had previously issued a Notice of Violation and Proposed Imposition of Civil Penalty in the amount of $110,000 on November 3, 1999. The action was based on a Severity Level II violation involving a licensee shift operations supervisor who discriminated against a senior reactor operator due to involvement in protected activity. The licensee responded and denied the violation and protested the civil penalty. The licensee contended that the actions taken against senior reactor operator were based upon performance weaknesses and that the NRC did not have sufficient information to support the violation. After consideration of the licensee's responses, the NRC concluded that neither an adequate basis for withdrawing the violation, reducing the severity level, or mitigating or rescinding the civil penalty was given. This violation was reflected in the table above at the time the violation was proposed.

VIII. Power Reactor Security Regulations

The NRC staff is continuing its work to re-evaluate 10 CFR 73.55, "Requirements for physical protection of licensed activities in nuclear power reactors against radiological sabotage," and associated power reactor security regulations. In SECY-00-0063, "Staff Re-Evaluation of Power Reactor Physical Protection Regulations and Position on a Definition of Radiological Sabotage" (March 9, 2000), the staff proposed basing the new regulation on the development of performance criteria for protecting critical safety functions. In a Staff Requirements Memorandum dated April 12, 2000, the Commission approved this approach and directed the staff to publish SECY-00-0063 in the Federal Register for public comment. This paper was published in the Federal Register on June 9, 2000, with a public comment period closing on August 23, 2000.

In addition, SECY-00-0142, "Status Report on the Safeguards Performance Assessment Pilot Program" (June 26, 2000) forwarded to the Commission Draft 4 of the industry's Safeguards Performance Assessment Program (NEI 99-07), along with the staff's comments on the document, and Draft 5 supplied by NEI responding to the staff's comments. This document will form the basis for the interim program between the cessation of Operational Safeguards Response Evaluations and the rule-based exercise program that is being developed as part of the re-evaluation of power reactor security regulations. On July 12, 2000, the staff held a public meeting with all stakeholders to discuss its comments on NEI 99-07. The staff is currently evaluating the comments and developing recommendations for the consideration of the Commission.