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FINAL REPLY:

Ralph E. Beedle
Nuclear Energy Institute (NEI)

TO:

Chairman Meserve

FOR SIGNATURE OF :

** GRN **

CRC NO: 00-0692

DESC:

Views of SECY-00-194, "Risk-Informing Special
Treatment Requirements"

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NUCLEAR ENERGY INSTITUTE

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November 8, 2000

Ralph E. Beedle

SENIOR VICE PRESIDENT AND
CHIEF NUCLEAR OFFICER,
NUCLEAR GENERATION

The Honorable Richard A. Meserve
Chairman
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Dear Chairman Meserve:

We appreciated the opportunity to discuss our views on SECY-00-194, *Risk-Informing Special Treatment Requirements*, at the Commission briefing on September 29, 2000. Risk-informing the regulations represents a major change in regulatory culture. As such, we encourage the Commission to have frequent public briefings on this topic so that issues and concerns can be addressed openly and expeditiously.

We recognize that the development of an implementation process for risk-informing NRC special treatment requirements is an evolving activity and that SECY-00-194 is a progress report on Option 2. While acknowledging the evolutionary nature of Option 2 activities, we believe that there are three key issues:

- the treatment of structures, systems and components following categorization;
- selective implementation; and
- the inclusion of a risk-informed option for Part 54, license renewal.

Our views on these issues are discussed in the enclosure. We intend to provide the Executive Director of Operations with additional detailed input on the SECY with emphasis on a practical approach to implementing improvements to the special treatment requirements.

Sincerely,

Ralph E. Beedle

c: The Honorable Greta Joy Dicus, Commissioner, NRC
The Honorable Nils J. Diaz, Commissioner, NRC
The Honorable Edward McGaffigan Jr., Commissioner, NRC
The Honorable Jeffrey S. Merrifield, Commissioner, NRC
Dr. William D. Travers, Executive Director for Operations, NRC

Enclosure

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Enclosure to NEI Letter to Chairman Meserve Dated November 7, 2000
Key Issues

Treatment of Structures, Systems and Components following Categorization

The overriding principle for determining controls for structures, systems and components (SSCs) is that the controls are selected and applied consistent with safety significance to provide reasonable assurance that the safety-significant function will be satisfied. As such, resources and controls would be applied to the four SSC categories commensurate with safety-significance in the following manner.

- **RISC-1 (Safety-related, safety-significant SSCs):** There is no change in treatment unless a safety-significant function is identified for a beyond design basis event. In this case, the licensee would apply performance monitoring or commercial controls, as appropriate, to assure functionality.
- **RISC-2 (Nonsafety-related, safety-significant SSCs):** A performance-based approach would be maintained, i.e., monitor (for all functional failures) SSC performance in a manner prescribed in the maintenance rule. Such an approach includes cause determination, corrective action, and goal setting for determining the effectiveness of the corrective action taken when performance criteria are not met. Commercial controls are applied to assure functionality under service conditions not amenable to performance monitoring. Reporting and beyond design bases change control requirements would be established by 10 CFR 50.69.

Except for the reporting and change control requirements established by 10 CFR 50.69, most licensees are already implementing the above treatment through maintenance rule implementation.

- **RISC-3 (Safety-related, nonsafety-significant SSCs):** A performance-based approach, using standard licensee-established commercial controls and monitoring, is used to assure functionality. Regulatory oversight of the commercial controls is accomplished through a high-level program summary in the FSAR, e.g., Measures shall be established to provide reasonable assurance commensurate with safety that design bases functions, including service conditions, will be satisfied. If necessary, the NRC performs sample inspections of the commercial controls on these SSCs.

Current practice treats all safety-related SSCs virtually the same. Thus, the principal objective of risk-informed regulation—to use risk insights to better focus attention and resources on safety-significant matters—will not be met without a significant change to the treatment of the safety-related SSCs in this

category.

- *RISC-4 (Nonsafety-related, non-safety-significant SSCs)*: These SSCs are outside the scope of NRC special treatment requirements.

Selective Implementation

Given that the maintenance rule already provides assurance of functionality for most RISC-2 SSCs, there is no need for 10 CFR 50.69 to require the categorization of all plant systems. We believe 10 CFR 50.69 should allow selective implementation on a system basis. Licensees will select systems based on the availability of resources and the expected benefits.

Three NSSS owners' groups have approved funding for phased Option 2 pilot activities. These activities include the categorization of specific safety-related and nonsafety-related systems. The results from the first phase are expected in the near future. However, given the resource-intensive nature of both the categorization process and determination of appropriate controls, the schedule and scope mandates in SECY-00-194 are impractical. They are a disincentive for licensees considering adoption of 10 CFR 50.69.

10 CFR Part 54, License Renewal

The aging management review under Part 54 is clearly a special treatment requirement. We believe that risk insights should be used to improve the focus of Part 54 on safety-significant SSCs. Assurance of functionality for safety-related SSCs must be provided for both the current and extended term of operation. While we understand that there may be some reluctance to allow this option on Part 54 out of fear that it may disrupt a process that has worked well thus far, regulatory coherence and consistency should prevail. Given the schedule for 10 CFR 50.69, it will be impossible for those licensees currently preparing license renewal applications to adopt the risk-informed option before submittal. Thus, we expect no near-term impact on Part 54 in this regard.

Most, if not all, licensees will eventually pursue license renewal because of the economic and environmental benefits. If the scope of Part 54 does not have a risk-informed option, a licensee who adopts 10 CFR 50.69 would have to divert attention back to the nonsafety-significant SSCs to perform aging management reviews. This provides a disincentive from adopting 10 CFR 50.69.