

January 9, 1998

FOR: The Commissioners
FROM: L. Joseph Callan /s/
Executive Director for Operations
SUBJECT: ANNUAL STATUS REPORT ON LICENSING ACTIONS, FISCAL YEAR 1997

PURPOSE:

To inform the Commission of the status of Office of Nuclear Reactor Regulation (NRR) licensing actions⁽¹⁾ and of NRR's progress in meeting age goals for the licensing action inventory.

BACKGROUND:

As discussed in the June 9, 1989, memorandum to the Commission, "Operating Reactor Licensing Actions and Technical Specifications Improvements," NRR established goals to control the size of the licensing action inventory and to improve its responsiveness to licensees' requests for license amendments. The maximum inventory level was set at an average of 25 licensing actions per plant ($110 \times 25 = 2750$). The goals for responsiveness to licensees' licensing action requests were the following: 80 percent of the licensing actions in the inventory were to be less than or equal to 1 year old; 95 percent were to be less than or equal to 2 years old; and 100 percent were to be less than or equal to 3 years old. That goal set in 1989 is still in effect; however, the maximum inventory goal for fiscal years (FYs) 1998 and 1999 is 1700 licensing actions. These new goals have been incorporated into the NRC's FY 1999 Performance Plan.

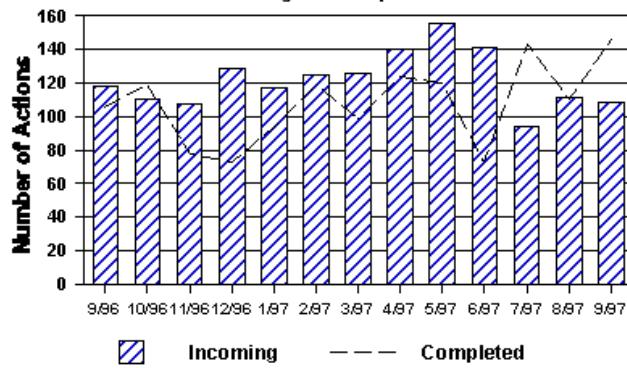
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DISCUSSION:

The licensing action inventory increased about 15 percent, from 1101 licensing actions at the end of FY 1996 to 1269 at the end of FY 1997. Figure 1 shows the number of licensing actions completed compared to the number received each month in FY 1997. Figure 2 puts the FY 1997 data into historical perspective. Both the number of incoming and completed licensing actions showed an upward trend from FY 1993 through FY 1996, and the inventory decreased slightly in that period. In FY 1997, the number of incoming licensing actions stayed relatively constant, slightly less than that in FY 1996, and the number of completed licensing actions showed a slightly upward trend in FY 1997.

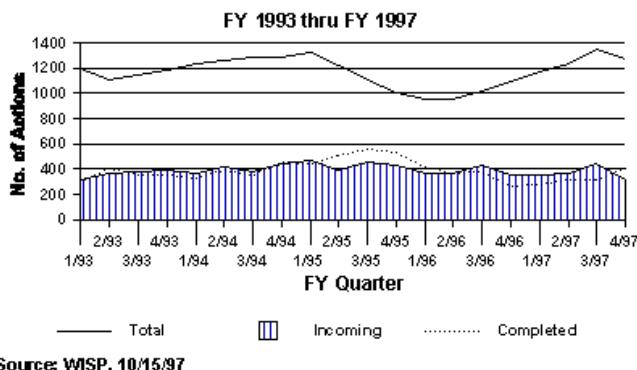
FY 97 LICENSING ACTIONS

Incoming vs. Completed



Source: WISP, 10/15/97

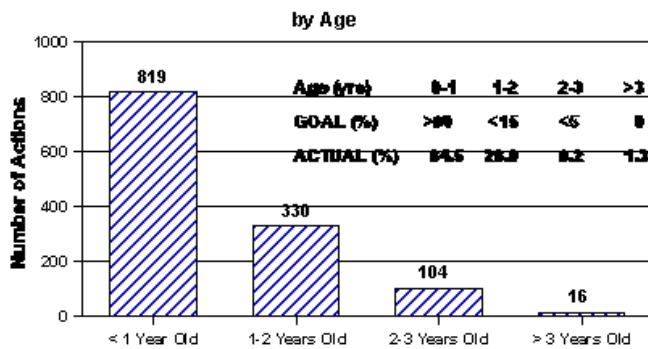
LICENSING ACTION TRENDS



Source: WISP, 10/15/97

Several factors contributed to the increase in the licensing action inventory in FY 1997. One factor was licensee participation in the NRC's improved Standard Technical Specifications (iSTS) Program. Currently, each conversion to the iSTS (which is counted as one licensing action) requires about 20 times more staff hours than are expended for the average non-conversion licensing action. Before FY 1997, licensee delays in submitting iSTS conversion applications have resulted in a larger number of submittals received in FY 1997 and scheduled in FY 1998. In FY 1997 alone, applications for iSTS conversions for 14 sites (25 plants) were received and 1 application was approved, bringing the total number of sites that have converted to the iSTS to 11 (representing 15 plants). After the end of FY 1997, an additional application was received and an additional application was approved. About 11 sites (18 plants) are scheduled to submit iSTS applications and conversions for 14 plants are scheduled to be completed in FY 1998. Conversion to the iSTS should result in fewer licensing action requests in the future. However, licensee requests for risk-informed technical specification changes may offset the reduction in requests attributable to iSTS conversions. Another contributing factor was the shift of a significant number of staff from assignment to low-priority licensing actions to other higher priority licensing tasks, such as oversight of issues at the Millstone and Maine Yankee plants, completing process improvement initiatives within NRR, and reviewing responses to safety-significant generic letters and bulletins (increasing completed tasks from 424 in FY 1996 to 768 in FY 1997). Conversions to the iSTS and the shift of resources from low-priority licensing actions to higher priority tasks should continue through FY 1998.

FY 97 LICENSING ACTIONS

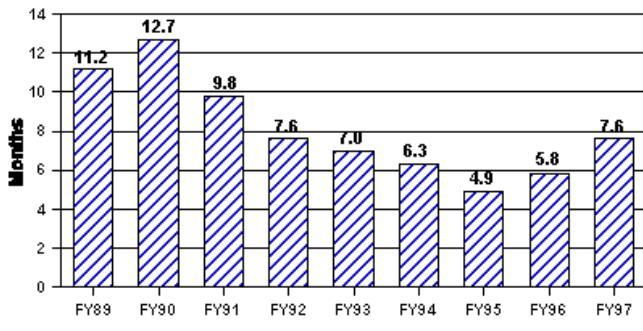


Source: WISP, 10/15/97

Although NRR has not achieved its goals with regard to responsiveness to licensing action requests, efforts have continued toward reaching the goals. At the end of FY 1991, 11 percent of the licensing action inventory was more than 3 years old. In FY 1992, NRR conducted a detailed analysis of the oldest licensing actions and initiated actions to reduce their number.

MEDIAN AGE OF LICENSING ACTIONS

FY 1989 thru FY 1997



Source: WISP, 10/16/97

Figure 3 shows the number of licensing actions in each age category in FY 1997. The percentage of licensing actions less than or equal to 2 years old was 96 percent at the end of FY 1996, up from 92 percent at the end of FY 1995; 98.4 percent of licensing actions were less than or equal to 3 years old in FY 1996, about the same as in FY 1995. However, at the end of FY 1997, the percentage of licensing actions less than or equal to 2 years old fell to about 90 percent. The percentage of licensing actions greater than 3 years old in FY 1997 was 1.3 percent, about the same as in FY 1993 through FY 1996. While the percentage of licensing actions less than or equal to 3 years old remained constant in FY 1997, the number of licensing actions between 1 and 2 years old increased by half and the number between 2 and 3 years old increased five-fold.

Figure 4 further illustrates the aging of the licensing action inventory. In FY 1997, the median age rose to 7.6 months, marking a 2 year upward trend. The increase in age can be attributed to the same reasons as given for the increase in inventory size (i.e., iSTS conversions and shifting of resources to other higher priority tasks). It is anticipated that this trend will continue in FY 1998. The licensing action inventory is expected to increase and the median licensing action age should increase in FY 1998. In FY 1999 15 FTEs (full-time equivalents) have been restored to the budget for completing licensing actions. The additional staff should result in a stable size of the licensing action inventory and should result in a more timely response to licensee requests.

iSTS CONVERSIONS:

As stated previously, an iSTS conversion application requires about 20 times more staff resources for review and approval than the average non-conversion licensing action. The large number of resources required was one of the factors that resulted in fewer licensing actions being completed and in the increase in the licensing action inventory (including the backlog of iSTS conversions) in FY 1997.

A number of activities were initiated in FY 1997 to deal with the workload of 18 iSTS applications being reviewed. Licensee representatives were contacted to determine their "windows" during which they could most easily implement the iSTS conversions once the staff approved them. Then schedules, both in terms of staff approval and licensee implementation, were discussed with the licensees. In a few cases, schedules were slipped to the next available opportunity for implementation. Although it was not possible to meet all desired approval dates, the goal was to provide predictable schedules for licensee planning purposes.

In order to meet the aggressive schedules established by the staff, additional efficiencies in the iSTS review process are required. The staff, has developed a new, more concise format for the safety evaluation (SE) supporting the approvals. An iSTS application has been approved using the new SE format, and that SE will serve as the model for future iSTS approvals. This new format is expected to reduce staff resources required to review the iSTS conversions. In addition, in FY 1998, two more people will be reviewing iSTS conversions and further potential staff increases are possible based on ongoing internal NRR reviews to identify work activities which may be of lower priority or not directly tied to higher priority performance goals. Also, NRR is looking at other efficiencies in order to apply resources to licensing actions and conversions. The goal is to complete approval of conversions for 14 plants by the end of FY 1998.

Currently 11 new iSTS applications are scheduled to be submitted during FY 1998. However, we expect that a number of these applications will be delayed by the licensees, so fewer applications will be submitted. Because contractor funding was reduced in FY 1998 (funds were redirected to support the Millstone Special Project Office), the start of the review of five new submittals will be delayed by approximately six months until the staff completes the reviews of applications currently in house. The staff has met with the affected licensees in order to ensure that the licensees understand the latest submittal guidance and to ensure that licensee expectations relative to an iSTS approval date are realistic, given the current backlog and funding cuts. The staff will contact the remaining licensees to discuss their submittals and establish realistic submittal and review schedules.

SUMMARY:

In summary, the number and age of licensing actions in the inventory increased in FY 1997. NRR's current budget includes 81.9 FTE and \$1,078K in FY 1998 and 93.8 FTE and \$2,032K in FY 1999 to complete licensing actions (including iSTS conversions) as indicated in the table below. We anticipate that the resources that have been redirected to higher priority tasks, such as Millstone, will be returned to the licensing action workload by FY 1999. Thus, the median age of the inventory is expected to increase and the size of the inventory is expected to increase to approximately 1500 actions at the end of FY 1998, level off in FY 1999 and slowly decline through FY 2001. Notwithstanding this, the size and age of the inventory remains manageable overall, as well as on a per-plant basis, and sufficient resources have been allocated to licensing actions to ensure that all high-priority, safety-significant licensing

actions will be completed in a timely manner. NRR is looking at efficiencies in order to apply resources to licensing actions and conversions.

Projected Licensing Action Inventory (including iSTS amendments)

	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
Incoming	1,500	1,470	1,460	1,460	1,440
Completions	1,200	1,200	1,500	1,500	1,500
Inventory	1,400	1,670	1,630	1,590	1,530

COORDINATION: The Office of the Chief Financial Officer has reviewed this commission paper for resource implications and has no objections.

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Executive Director for Operations

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- ¹. In this paper, "licensing actions" refer to those licensee requests, such as license amendments, reliefs, or exemptions, that require review and approval by the staff before they may be implemented by the licensee.