

UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

March 2, 2001



CHIEF FINANCIAL
OFFICER

Tennessee Valley Authority
Browns Ferry Nuclear Plant
ATTN: Mr. T. E. Abney, Manager of Licensing
and Industry Affairs
P.O. Box 2000
Decatur, Alabama 35609

Dear Mr. Abney:

Your October 23, 1998, and April 23, 1999, applications to the Nuclear Regulatory Commission (NRC) requested approval to use risk-informed inservice inspection (RI-ISI) as an alternative for Browns Ferry Nuclear Plant's (BFN) American Society of Mechanical Engineering (ASME) Section XI Code class piping and austenitic stainless steel piping for BFN Units 2 and 3. The letters also requested that the submittals be exempted from the Part 170 fee requirements. In an April 7, 2000, letter you provided additional information to support your fee exemption requests. As explained below, the NRC is denying your request for a full exemption from the Part 170 fees for the submittals, and is granting a partial fee waiver of \$109,697. X

A. TVA's Bases for Requesting an Exemption as a Pilot Plant and NRC's Response:

1. Your October 23, 1998, and April 7, 2000, letters stated that NRC encouraged licensees to submit applications for RI-ISI pilot programs in an effort to provide the permanent approach to RI-ISI. NRC plans to utilize the experience gained through pilot applications in a proposed rulemaking process to modify 10 CFR 50.55a to explicitly endorse RI-ISI methodology.

Response: NRC's development of the review and approval criteria for RI-ISI was accomplished in accordance with a Task Action Plan which identified the use of pilot plants to support generic regulatory improvement efforts under the PRA Implementation Plan. The pilot plants for this effort, Surry 1, Arkansas Nuclear 1 and 2, and Vermont Yankee, were selected in agreement with industry representatives from Nuclear Energy Institute (NEI), Electric Power Research Institute (EPRI), and Westinghouse Owners Group (WOG). BFN Units 2 and 3 were not included in this agreement and therefore cannot be considered as pilot plants for the RI-ISI program.

2. You stated that the BFN Unit 2 RI-ISI program represented new and unique information since it was a full scope RI-ISI program that contained ASME Section XI Code Class 1, 2, and 3 piping and the program included an alternative to Generic Letter 88-01 augmented inspection requirements for intergranular stress corrosion cracking (IGSCC) associated with categories A through G welds.

Response: The NRC staff performed only an acceptance review of the BFN Unit 2 submittal and requested that TVA withdraw its application because industry initiatives were underway to reduce the scope of GL 88-01 IGSCC augmented inspections. Since the generic information in the BFN Unit 2 submittal was not utilized by the NRC it does not qualify for pilot plant status.

3. Your letters stated that BFN Units 2 and 3 represented the initial utilization of the WinPRAISE code to calculate failure probabilities.

Response: While we recognize that BFN represented the initial use of WinPRAISE code, it is similar to the SRRA code utilized in the generic Westinghouse Owners Group (WOG) Topical Report, WCAP-14574, Revision 1-NP-A, "WOG Application of Risk-Informed Methods to Piping Inservice Inspection TR," February 1999, and the use of WinPRAISE does not provide additional generic benefit when equivalent codes are available to calculate piping failure probabilities.

4. Your April 7, 2000, letter stated that BFN Unit 3 is the first plant to utilize NEI submittal template. As you stated in your letter, this technique was developed in an attempt to expedite NRC review of RI-ISI programs in accordance with previously approved methods.

Response: During the review of your BFN Unit 3 submittal, the staff determined that there were a number of deviations between your methodology and the generic methodology previously approved by the staff in the WOG topical. Although some of these deviations can be attributed to the application of the methodology to a boiling water reactor (BWR), as recognized by the partial fee waiver granted below, most of the deviations were simply differences in selected methods. Because of the number of deviations from the previously approved methods, your submittal was not a pilot application of a template submittal and review.

Based on the above, your request for exemption from the Part 170 fee requirements as a pilot plant is denied.

B. TVA's Bases for Requesting an Exemption Under 10 CFR 170.21, Footnote 4, and NRC's Response:

1. Your April 7, 2000, letter referred to 10 CFR 170.21, Footnote 4, criterion 3, which provides that fees will not be assessed for requests or reports submitted to the NRC as a means of exchanging information between industry organizations and the NRC for the purpose of supporting generic regulatory improvements or efforts.

Response: Footnote 4 to 10 CFR 170.21 applies only to Special Projects, 10 CFR Part 170.21, fee Category J. As defined in 10 CFR Part 170.3, Special Projects are those requests submitted to the Commission for review for which fees are not otherwise specified in 10 CFR 170. Fees for amendments for nuclear power reactors are specified in 10 CFR Part 170.21, fee Category A. Therefore, Footnote 4 does not apply to either the October 23, 1998, application for BNF Unit 2 or the April 23, 1999, application for BNF Unit 3.

2. Your April 7, 2000, letter stated that BFN Unit 3 is the first full scope BWR to use the WOG methodology and it includes augmented ISI program elements in the analysis.

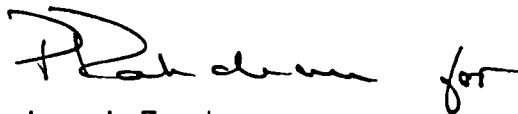
Response: Regulations already authorized the staff to grant ASME Code "relief" and the staff has already implemented RI-ISI programs through the relief process. However, the staff acknowledges that the RI-ISI methodology that you have developed, and the staff approved for BNF Unit 3 on February 11, 2000, has generic applicability and expands the scope of risk-informed regulation. The BNF Unit 3 review encompassed inspection of materials degradation mechanisms that were not addressed by previous RI-ISI methodology. More specifically, through reviews such as this, the scope of relief being granted is being expanded to include additional classes of piping and piping degradation mechanisms.

Based on the foregoing, I have determined that a partial exemption from the 10 CFR Part 170 fee requirement is appropriate for that portion of the BFN Unit 3 submittal that the staff determined has generic applicability. The exemption is authorized by law and is granted in accordance with 10 CFR 170.11(b)(1). The recently completed Turkey Point RI-ISI review is used as a "typical review" (i.e., a review performed for another facility/licensee in which the scope was consistent with use of the WCAP-14572 methodology) to compare total costs to be invoiced for the plant-specific portion of the BNF Unit 3 review. A total of \$166,379 was billed for the BFN Unit 3 RI-ISI review and a total of \$60,233 was billed for the similar Turkey Point review. ✓

Therefore, in accordance with 10 CFR Part 170.11(b)(1), I am waiving \$106,146, the difference between the BFN Unit 3 review and the Turkey Point review. A refund will be sent to you within 30 days of the date of this letter.

If you have any questions, please contact Ellen Poteat, of my staff, at 301-415-6392.

Sincerely,



Jesse L. Funches
Chief Financial Officer

Docket Nos. 50-259, 50-260, 50-296

cc: See next page

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Based on the foregoing, I have determined that a partial exemption from the 10 CFR Part 170 fee requirement is appropriate for that portion of the BFN Unit 3 submittal that the staff determined has generic applicability. The exemption is authorized by law and is granted in accordance with 10 CFR 170.11(b)(1). The recently completed Turkey Point RI-ISI review is used as a "typical review" (i.e., a review performed for another facility/licensee in which the scope was consistent with use of the WCAP-14572 methodology) to compare total costs to be invoiced for the plant-specific portion of the BNF Unit 3 review. A total of \$166,379 was billed for the BFN Unit 3 RI-ISI review and a total of \$60,233 was billed for the similar Turkey Point review.

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If you have any questions, please contact Ellen Poteat, of my staff, at 301-415-6392.

Sincerely, *Memorandum signed by*
 Peter J. Funches
 Deputy Chief Financial Officer *(for)*
 Jesse L. Funches
 Chief Financial Officer

Docket Nos. 50-259, 50-260, 50-296

cc: See next page

Distribution: (See attached)

*See previous concurrence

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