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UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

March 27, 1998

Mr. M. L. Marchi  
Manager - Nuclear Business Group  
Wisconsin Public Service Corporation  
P.O. Box 19002  
Green Bay, WI 54307-9002

SUBJECT: NRR AUDIT OF LICENSEE PROGRAMS FOR MANAGING COMMITMENTS  
MADE TO THE NRC

Dear Mr. Marchi:

The NRC staff has initiated a variety of activities related to the management of licensing basis information as a result of problems encountered at the Millstone and Maine Yankee facilities. As part of the staff's activities, audits of commitment management programs will be performed at eight representative reactor facilities. The audits will assess the licensees' implementation of commitments made to NRC and will also assess the long-term control of commitments as a followup to the issuance of industry guidance for evaluating and reporting changes to commitments made to the NRC. Kewaunee has been selected as one of eight facilities for which the staff will audit commitment management programs.

The audits will be performed by the respective NRR project managers and will be performed using the guidance in the attachment to Enclosure 1. The staff's schedule calls for the audits to be completed by May 30, 1998. Each audit will require the auditor to be onsite approximately 1 week. Details regarding dates and information to be provided in advance of the auditor's site visit will be coordinated with your staff. Following the completion of the audits, the staff will report the findings to the Commission and, as necessary, make recommendations for changes to NRC policy or regulations regarding the handling of commitments made to the NRC that are not otherwise controlled by specific regulations.

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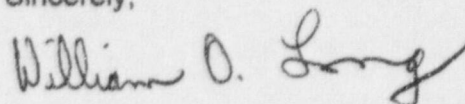
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M.L. Marchi

- 2 -

Enclosure 2 provides additional background information relating to the audits. Thank you for your cooperation in supporting this effort. If you have any questions regarding the forthcoming audit, please contact me at 301-415-3026.

Sincerely,



William O. Long, Senior Project Manager  
Project Directorate III-3  
Division of Reactor Projects III/IV  
Office of Nuclear Reactor Regulation

Docket No. 50-305

Enclosures:

- (1) Memorandum from S. Collins w/Attachment
- (2) Letter from D. Crutchfield

cc w/encls: See next page

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NAME	WLong		EBarnhill <i>EP</i>		WReckley*	RSavio
DATE	03/ /98		03/27/98		03/26 /98	03/ LV98

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M. L. Marchi  
Wisconsin Public Service Corporation

Kewaunee Nuclear Power Plant

cc:

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Harold Reckelberg, Chairman  
Kewaunee County Board  
Kewaunee County Courthouse  
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Wisconsin Public Service Commission  
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Regional Administrator - Region III  
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Public Service Commission  
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UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20545-0001

January 5, 1998

MEMORANDUM TO: Roy P. Zimmerman  
Associate Director for Projects  
FROM: *[Signature]*  
Samuel J. Collins, Director  
Office of Nuclear Reactor Regulation  
SUBJECT: NRR AUDIT OF LICENSEE PROGRAMS FOR MANAGING COMMITMENTS MADE TO THE NRC

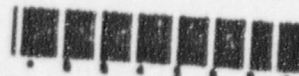
The NRC staff evaluated problems encountered with licensing basis issues at Millstone and Maine Yankee and offered lessons learned from these experiences in SECY-97-036, "Millstone Lessons Learned Report, Part 2: Policy Issues," dated February 12, 1997, and SECY-97-042, "Response to OIG Event Inquiry 96-04S Regarding Maine Yankee," dated February 18, 1997. Both reports recommended that, as part of an overall revision of its oversight of licensing basis information, the staff proceed with its plans to evaluate the industry's implementation of commitment management systems. In related communications with the Commission, such as SECY-96-135, "Response to Event Inquiry - Maine Yankee Atomic Power Station (Case No. 96-04S)," the NRC staff also stated that an assessment would be performed to verify that licensees had implemented commitments made to the NRC in past licensing actions (amendments, exemptions, etc.) and licensing activities (bulletins, generic letters, etc.).

In SECY-95-300, "Nuclear Energy Institute's Guidance Document, 'Guideline for Managing NRC Commitments,'" dated December 20, 1995, the staff informed the Commission that licensees' commitment change processes, either implementation of the NEI guideline or licensee-specific programs, would be monitored at all reactor facilities to verify that commitments are being appropriately controlled. If the audit process shows that licensees have not implemented the NEI guidance, or have not adopted some equivalent level of control and documentation of changes to their commitments, the staff will reassess the need to promulgate staff guidance or initiate rulemaking. This reassessment will be initiated after the commitment control process at selected facilities has been audited using the attached guidance.

In order to address the follow-up items related to assessing licensees' commitment management systems, the divisions of reactor projects should perform audits of eight licensee programs for managing commitments in accordance with the attached, "Guidance for NRR Audit of Licensee Programs for Managing Commitments Made to the NRC." These audits are currently addressed in the Consolidated Operating Plan for Reactor Licensing. The audit should include licensees from each NRC region, licensees different from those

CONTACT: William Reckley  
415-1314

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included in previous commitment management audits, and licensees representing a variety of plant designs, plant ages, and performance assessment ratings. The selection of plants for the audit should also consider the availability of those project managers with the desired level of experience to most effectively perform the audit.

I recognize that an audit of commitment management programs at a selected sample of reactor facilities is less of a follow-up than was described in SECY-95-300 (i.e., inspection of all facilities). Although resource considerations and the need to complete other priority tasks preclude the more inclusive evaluations at this time, the audits may be sufficient to support a general assessment of commitment management programs implemented by licensees for operating reactors and support a decision regarding the possible need for additional actions by the NRC staff. The results from the audits and, if necessary, subsequent audits and inspections will also be incorporated into other staff activities pertaining to the appropriate controls for and maintenance of licensing basis information.

In order for the audits to help determine if additional regulatory actions are needed in the area of commitment management, please have your staff, working with the regional offices, select an appropriate sample of operating reactors for auditing of the licensees' programs for managing commitments made to the NRC. The lead project manager and the project managers for the selected facilities should incorporate the performance of the audits into their activity planning so that the pilot audits may be completed by May 1998 and the results evaluated and documented by June 1998.

Attachment: As stated



GUIDANCE FOR NRR AUDIT OF LICENSEE PROGRAMS  
FOR MANAGING COMMITMENTS MADE TO THE NRC

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1.0 OBJECTIVES

The audits will assess the adequacy of licensees' implementation of a sample of commitments made to the NRC in past licensing actions (amendments, exemptions, etc.) and licensing activities (bulletins, generic letters, etc.). The NRC staff informed the Commission that such assessments would be conducted as a follow-up to the licensing basis issues identified at facilities such as Maine Yankee and Millstone. The audits will also determine if licensees have implemented appropriate controls for managing current and future commitments made to the NRC that are not controlled by a codified regulatory process such as 10 CFR 50.59 or 50.54, including notification of the NRC when changes to commitments are determined to have safety or regulatory significance. The combined results of these audits and other NRC activities will help to determine if additional regulatory actions are needed in the area of commitment management.

2.0 BACKGROUND

In the original Statements of Consideration for 10 CFR Part 54, "Requirements for Renewal of Operating Licenses for Nuclear Power Plants," dated December 13, 1991 (56 FR 64943), the Commission explained in some detail the basis for its belief that the current regulatory process provides an acceptable level of safety. Among other things, the Commission described a process whereby licensee-initiated changes to any particular plant's licensing basis are subject to the Commission's formal regulatory controls. This process ensures that a documented basis for licensee-initiated changes in the licensing basis exists and that NRC staff review and approval is obtained before implementation if the changes to the licensing basis raise an unreviewed safety question or involve changes to the technical specifications.

In SECY-92-314, "Current Licensing Basis for Operating Plants," dated September 10, 1992, the staff responded to the Commission's request to provide information and recommendations concerning compilation of the current licensing basis for operating reactors and current industry practices for updating the Final Safety Analysis Report (FSAR). In conducting the activities necessary to respond to the Commission, the staff noted that some licensee commitments are not contained in the plant's FSAR and, therefore, are not controlled by a defined regulatory process such as 10 CFR 50.59. As a result of the findings described in SECY-92-314, the staff proposed a series of actions to further examine the issues. The staff summarized these actions in SECY-94-066, "Evaluation of Issues Discussed in SECY-92-314, 'Current Licensing Basis for Operating Plants'."

On January 4, 1993, the EDO established the Regulatory Review Group (RRG) to identify those areas in which increased flexibility in the regulatory process could be made available to licensees without adversely affecting the level of safety at operating plants. In SECY-94-003, "Plan for Implementing Regulatory Review Group Recommendations," the staff informed the Commission of its plan to implement recommendations made by the RRG. One of the areas identified in SECY-94-003 that would substantially reduce unnecessary regulatory burden was the development of guidance for use by licensees to control docketed commitments that are not contained in the FSAR. Two options were discussed in SECY-94-003 to complete this RRG item: (1) to develop and promulgate staff guidance on what constitutes a "commitment" and the types of controls to be placed on changing commitments; or (2) to endorse a guideline developed by the industry. As described below, the Nuclear Energy Institute (NEI) volunteered to develop a guideline for managing commitments.

In SECY-94-066, the staff submitted to the Commission the results of its further evaluation of the issues identified in SECY-92-314. To address the issues pertaining to commitments made to the NRC but not controlled by processes defined in regulations, the staff performed audits of licensee programs at Hope Creek, Crystal River, Fort Calhoun, Braidwood, Davis-Besse, Beaver Valley, and McGuire. On the basis of the audit findings, the staff concluded that, in general, licensees had developed their own programs and processes that effectively managed commitments made to the NRC and controlled changes to these commitments. In its evaluation, the staff found that many licensees and NRC staff members did not have a clear understanding of when commitments can be changed without NRC interaction. This circumstance led most licensees to act conservatively, interacting with NRC staff, and reporting changes to commitments regardless of safety significance. This type of action resulted in an inefficient expenditure of both licensee and NRC resources. Therefore, in SECY-94-066, the staff referred to the recommendation of the RRG in SECY-94-003 to develop guidance, either by the staff or by the nuclear industry, on what constitutes a commitment and the types of controls to be placed on commitments.

The guidance developed by NEI on managing commitments provides a structured process, found acceptable to the staff in late 1995, that licensees can use on a voluntary basis. The NRC accepted version of the NEI document, "Guideline for Managing NRC Commitments," Revision 2, dated December 19, 1995, is provided as an attachment to this audit guidance. The NEI guidance describes a process that can be used by licensees to modify or delete commitments and defines the circumstances in which interaction with the staff is appropriate.

The NEI guidance document provides the following definitions to help clarify the regulatory significance of, and distinction between, an obligation and a regulatory commitment:

Obligation means any condition or action that is a legally binding requirement imposed on licensees through applicable rules, regulations, orders, and licenses (including technical specifications and license conditions).



Regulatory Commitment means an explicit statement to take a specific action agreed to or volunteered by a licensee that has been submitted in writing on the docket to the Commission.

In SECY-95-300, "Nuclear Energy Institute's Guidance Document, 'Guideline for Managing NRC Commitments'," dated December 20, 1995, the staff informed the Commission that the licensees' commitment change processes, either implementation of the NEI guideline or licensee-specific programs, would be monitored to verify that commitments are being appropriately controlled. If the audit process shows that licensees have not implemented the NEI guidance, or have not adopted some equivalent level of control and documentation of changes to their commitments, the staff will reassess the need to promulgate staff guidance or initiate rulemaking. This reassessment will be initiated after the commitment control process at selected facilities has been audited using this guidance.

The NRC staff evaluated problems encountered with licensing basis issues at Millstone and Maine Yankee and offered lessons learned from these experiences in SECY-97-036, "Millstone Lessons Learned Report, Part 2: Policy Issues," dated February 12, 1997, and SECY-97-042, "Response to OIG Event Inquiry 96-04S Regarding Maine Yankee," dated February 18, 1997. Both reports recommended that, as part of an overall revision of its oversight of licensing basis information, the staff proceed with its plans to perform this audit to evaluate the industry's implementation of commitment management systems. As a result of the lessons learned from these efforts, it was deemed prudent to have the staff define a sample of previous commitments made to the NRC in licensing actions and licensing activities and to verify the licensees' implementation of those commitments.

This and other staff efforts related to managing licensee commitments made to the NRC are integral to improving the staff's performance in (1) identifying important licensee commitments or other supporting design features or operating practices used by the licensee to justify a proposed change or address design or operational problems, (2) determining by what means important commitments or other supporting information should be verified, and (3) determining the appropriate placement of the information within the various licensing basis documents associated with the affected facility (i.e., the license or technical specifications, the FSAR, program description documents, or docketed correspondence without formal regulatory controls). NRR process changes are being made to address these concerns for future activities. The part of this audit that looks at licensee implementation of past commitments will be included, along with reviews of past audit and inspection findings, in an assessment of the need for additional staff actions. This assessment will include, to the extent practical, a review of the findings from those inspections performed in accordance with temporary instructions associated with licensing activities such as bulletins and generic letters. Additional staff actions following the assessment may include additional NRC inspections, requests for information from licensees, or proposing changes to NRC regulations.



### 3.0 AUDIT GUIDELINES

#### 3.1 VERIFICATION OF LICENSEE IMPLEMENTATION OF PAST COMMITMENTS

The primary focus of this part of the audit is to confirm that licensees have implemented those commitments made to the NRC as part of past licensing actions and resolution of past licensing activities. The audit should ensure that the sample of past commitments were implemented in a manner that satisfied both the action committed to and the overall intent of the commitment. The auditor should select a sample of approximately 15 individual and unrelated commitments that were included in licensee correspondence in order to justify a licensing action (amendment, exemption, etc.) or resolve a licensing activity (bulletin, generic letter, etc.). The sample should be selected following informal discussions with appropriate regional staff, review of licensee tracking data, review of any reports submitted by the licensee, and consideration of other information or concerns of individual auditors.

#### 3.2 LICENSEE PROGRAMS FOR MANAGING COMMITMENTS MADE TO THE NRC

The primary focus of this part of the audit is the licensee's performance related to implementing controls for modifying or deleting commitments made to the NRC. The audit should ensure that changes to commitments (modifications or deletions) are evaluated in accordance with the licensee's programs and procedures, the licensee's technical evaluations adequately justify the change, and that the NRC is informed of commitment changes that have safety or regulatory significance. The auditor should, as a minimum, determine whether the licensee, using the NEI guidelines or alternative process, resolved safety issues pertinent to the associated commitment and has or will inform the NRC of the change if the applicable notification threshold is exceeded.

##### 3.2.1 Procedures and Controls

- a. Verify that the licensee has established administrative controls for modifying or deleting commitments made to the NRC. The controls for changing commitments made to the NRC may be included in a stand-alone commitment management system or may be incorporated into other licensee administrative programs.
- b. Verify that the programs provide guidance regarding the evaluation of proposed changes to commitments in terms of safety and regulatory significance. The licensee's guidance should likewise include criteria for determining when it would be appropriate to notify the NRC of a commitment change. The NEI guidance document is an acceptable guide for licensees to follow for managing and changing their commitments to the NRC. For those licensees that have not adopted the NEI methodology, document a comparison of the licensee's process, including criteria for evaluation of changes and NRC notification, to that recommended in the NEI guideline.

### 3.2.2 Implementation

- a. Commitment Changes Reported to NRC. Select an appropriate sample of commitment changes (modifications or deletions) that were reported or will be reported to the NRC. Ten or more examples should be used if the licensee has performed many evaluations since the last major revision of its commitment change process; otherwise, include as many examples as practical to assess the licensee's program for controlling commitment changes. Each commitment will be reviewed to determine the adequacy of the licensee's technical justification for the change in commitment. The sample should be selected following informal discussions with appropriate regional staff, review of licensee tracking data, review of any reports submitted by the licensee, and consideration of other information or concerns of individual auditors. Try to select commitment changes from as many of the following categories as practical:
  1. Generic Letter Responses;
  2. Bulletin Responses;
  3. Licensing Actions (amendments, reliefs, or exemptions); or
  4. Responses to Notices of Violation (NOVs);
  5. Licensee Event Reports (LERs);
  6. Inspection Reports;
  7. Other docketed correspondence.
- b. Commitment Changes Not Reported to NRC. Select examples of commitment changes (modifications or deletions) that the licensee has not and does not plan to report to the NRC. Approximately 10 commitment changes should be selected using the various categories and considerations discussed above. Each selected commitment change will be reviewed to determine the adequacy of the licensee's technical justification for the change as well as the determination that notification of the NRC was not warranted. The sample should be selected following informal discussions with appropriate regional staff, review of licensee tracking data, and consideration of other information or concerns of individual auditors.
- c. Notifications to the NRC. For those commitment changes that are determined to warrant NRC notification, confirm that the notification has or is planned to be made and that the notification accurately describes the change.
- d. Traceability of Commitments. Confirm that the licensee has implemented a process to ensure the traceability of commitments to support the change control process. Such processes should ensure that licensee personnel are able to identify when their activity may involve changing a



regulatory commitment and direct them to the commitment management process. Select a sample of recently implemented commitments and evaluate whether the licensee's process would reasonably support identification of the commitment in case personnel subsequently propose to alter the design features or operating practices that were the subject of the commitments. The sample should be selected following informal discussions with appropriate regional staff, review of licensee tracking data, review of any reports submitted by the licensee, and consideration of other information or concerns of individual auditors. Note that the NEI guide does not provide recommendations for performing this function.

#### 4.0 GUIDANCE

Regulatory commitments are specific actions that have been agreed to or volunteered by a licensee and are documented in docketed correspondence. Unlike regulatory requirements (obligations) contained in regulations, licenses, and orders, regulatory commitments are not legally-binding. However, the regulatory process appropriately relies on commitments in many instances and the NRC expects licensees to honor, in good faith, commitments that have a safety or regulatory purpose. In large measure, regulatory commitments are not contained in the FSAR, but in other docketed correspondence such as licensee event reports, responses to Notices of Violation, responses to generic letters, applications for licensing actions, and responses to requests for additional information. Those commitments not contained in the FSAR may not be controlled by a defined regulatory process such as 10 CFR 50.59. Therefore, licensees may have the ability to change docketed commitments not contained in the FSAR without informing the Commission. The NRC staff has the ability to issue an enforcement action if the failure to implement a commitment has the potential to adversely affect reactor safety. The staff may also use the administrative enforcement tool of a Notice of Deviation if a licensee fails to satisfy a commitment. In addition, issues regarding completeness and accuracy of information submitted to the NRC may warrant consideration of the requirements of 10 CFR 50.9. Additional measures are being implemented to ensure that licensee commitments and other important information regarding plant design and operating practices are placed into the most appropriate licensing basis document, whether that be the license, FSAR, or docketed correspondence.

Although a specific action committed to by a licensee may not be legally-binding, the auditors should carefully consider whether the commitment, or an alternative action, is necessary to ensure compliance with an NRC regulation or otherwise ensure safe plant operation. For example, a licensee's response to a generic letter may commit to perform routine surveillances or tests beyond those contained in a plant's technical specifications in order to ensure the operability of an important system or component. The licensee's failure to implement such a commitment or failure to adequately evaluate changes to that commitment may call into question the operability of the related system or component. Safety concerns or possible regulatory nonconformances that are discovered during this audit should be forwarded to the appropriate regional personnel for follow-up as part of the NRC's inspection program.



#### 4.1 VERIFICATION OF LICENSEE IMPLEMENTATION OF PAST COMMITMENTS

In defining the audit sample of approximately 15 commitments from past licensing actions and licensing activities, the auditors should consider the following in selecting commitment changes for review:

1. Choose commitments related to a variety of systems;
2. Choose commitments involving a variety of engineering disciplines, such as nuclear, mechanical, civil, and electrical;
3. Choose commitments that involve a variety of licensee actions, such as design modifications, temporary modifications, procedure revisions, personnel training, and revised administrative controls;
4. Ensure that the sample of selected commitments includes some which were important to the NRC staff's decision-making process for licensing actions and licensing activities during the last several years.

To the extent practical, identify commitments for verification that have not been previously addressed by NRC inspections or audits. It is desirable to choose commitments with a preference to risk significant issues or systems. In addition, the auditor should attempt to verify that not only the stated commitments have been satisfied but that the underlying intents of the commitments have been fulfilled. For example, in contrast to verifying the installation of major pieces of equipment or issuance of major procedure or program documents, the auditor should assess the lower profile but essential aspects of implementation such as the commitments regarding maintenance or surveillance of the subject equipment and training or effectiveness measures for the subject process changes. The commitment or aspect of a commitment being verified and the information needed to perform the verification should, as much as possible, be identified and communicated to the licensee prior to the site visit in order to minimize time spent waiting for information. The auditor should have informal discussions with the regional staff and other NRC staff with potential insights pertaining to a licensee's performance in the area of implementing commitments in preparation for the audit.

To verify the implementation of specific commitments, review licensee commitment management records, work orders, revised procedures, NRC inspection reports, and other documentation that could demonstrate that the specific actions were completed in accordance with the stated commitment and related schedule. Discussions with licensee personnel in licensing, system engineering, and other organizations may be useful in placing the commitment and its implementation in the appropriate historical and technical context. Where appropriate, utilize actual physical verifications of affected equipment or procedures. The auditor should determine the needed level of investigation to verify the implementation of each selected commitment. Whereas some commitments may be verified by a simple review of a revised procedure, training record, or completed work order,

verification of other commitments may require more exhaustive reviews of design documents and surveillance histories, comparison of corrective actions to appropriate effectiveness measures, or interviews with licensee personnel.

For each selected commitment, determine if the implementation of the commitment resulted in an update to the facility's updated final safety analysis report (UFSAR), additional docketed correspondence (e.g., a letter confirming implementation), or other communications with the NRC staff. The auditor should also determine if the commitment should have been captured in an update of the UFSAR. Concerns regarding a potential violation of 10 CFR 50.71(e) identified during this audit should be referred to the appropriate regional office for follow-up or otherwise pursued using other inspection and enforcement guidance.

#### 4.2 LICENSEE PROGRAMS FOR MANAGING COMMITMENTS MADE TO THE NRC

This guidance is intended to help auditors in evaluating licensee programs related to the revision of commitments made to the NRC. The audit consists of two parts: (1) procedures and controls; and (2) implementation. Reviewing the licensee's commitment management program procedures in the office will allow more time for implementation review while onsite. Choose the initial selection of commitment changes in the office using licensee-supplied lists of proposed and completed commitment changes and any available independent knowledge of recent changes to previous commitments or activities that would likely affect past commitments. In addition, select recent commitments from docketed correspondence for performing the part of the audit dealing with traceability. At least one week before the audit, inform the licensee which commitment changes have been selected for possible review. This should minimize the time waiting for the licensee to produce the requested documentation.

NEI's guidance document is an acceptable guide for licensees to follow for managing and changing their commitments to the NRC. The defined process and controls of the NEI guidance document are the preferred method, but auditors may encounter various degrees of formality and involvement of NRC staff in licensee processes for changing commitments. Various inspection and NRR activities include, or will include, verification that commitments agreed to or volunteered by the licensee have been implemented in accordance with the original licensee commitment and related schedule. This part of the audit focuses on subsequent changes to licensee commitments that may or may not involve interactions with the NRC. The audit should (1) evaluate the licensee's method for evaluating proposed changes to regulatory commitments with consideration given to the intent of the original commitment and the safety and regulatory significance of the proposed change, and (2) evaluate the licensee's method for communicating commitment changes to the NRC when such changes are deemed significant to safety or the NRC's regulatory function.

An important aspect of commitment management that is not addressed in the NEI guideline is the part of the process that ensures traceability of commitments. The NEI guideline provides a basic framework for evaluating a change to a commitment once licensee personnel propose such a change. However, for those personnel to utilize the NEI guideline, they must realize when a change to a



plant design feature or operating practice affects a commitment made to the NRC staff. For example, a licensee commits to perform independent verification at a specific point in the execution of a procedure as a result of problems identified in an NRC Notice of Violation. Several years later, the licensee determines that the independent verification step is no longer necessary due to improved performance of its personnel. In order for a commitment change process to work effectively, the personnel likely to propose a revision to the affected procedure must be able to identify that the independent verification was added to the procedure as part of a regulatory commitment. Possible ways to provide traceability include markings or notations within the procedure and administrative requirements to investigate proposed procedure changes that might affect regulatory commitments. Similar processes would be necessary for design features or other licensee commitments not incorporated into controlled procedures.

#### 4.2.1 Procedures and Controls

- a. Verify that the licensee has defined a process for managing commitments made to the NRC. Such process descriptions may be contained in licensee procedures, general guidance documents, program descriptions, training material, administrative documents, or combinations of these documents. The controls for changing commitments made to the NRC may be included in a stand-alone commitment management system or may be incorporated into other licensee corrective action, licensing, or administrative programs. Commitment management systems may involve periodic assessments of all outstanding commitments or may evaluate changes on a case-by-case basis.

Identify the governing procedures and guidance documents and discuss the licensee's commitment change process with the responsible licensee personnel. Document how the licensee's process is controlled as well as the how the process is used to evaluate proposed changes to commitments. For example, the process may be governed by an administrative procedure or other document that is controlled in accordance with facility technical specifications and quality assurance programs or the process may be controlled within a licensing group as a relatively informal procedure. In either case, the effectiveness of a licensee program will consider the assessments performed for Item 3.2.2, Implementation, of this audit.

- b. Verify that licensee programs include guidance regarding the evaluation of proposed changes to commitments in terms of safety and regulatory significance. The commitment change process should distinguish between the changes licensees can implement without interaction with the NRC and those governed by regulations that may require NRC review and approval prior to implementation. The process should include a mechanism for determining when it would be appropriate to notify the NRC of a commitment change. The NEI guidance document is an acceptable guide for licensees to follow for managing and changing their commitments to the NRC. Ensure that the licensee has integrated the commitment management system with other line organization functions to ensure traceability of



a regulatory commitment following its initial implementation. Such systems are necessary to ensure that licensee personnel are able to recognize that future changes to the affected design features or operating practices require evaluation of the proposed change in accordance with the commitment change process as well as the normal design or procedure change process.

Although the process and review criteria in the NEI guidance document is the preferred method for controlling changes to commitments, there is no defined regulatory requirement that specifies how licensees must control those changes. Therefore, licensees may define criteria for justification of commitment changes and NRC notification of such changes that are different than those recommended in the NEI guidance. For those licensees that have not adopted the NEI methodology, document a comparison of the licensee's process, including criteria for evaluation of changes and NRC notification, to that recommended in the NEI guide. Although observations regarding the licensee's process or related criteria should be included in the documentation of the audit, any concerns related to the actual effectiveness of licensee programs should be reinforced by actual examples reviewed in accordance with Item 4.2.2, Implementation, of this audit guidance.

#### 4.2.2 Implementation

The implementation area of the audit assesses the licensee's performance implementing its commitment change process. Commitments and changes thereto can involve all technical disciplines associated with a nuclear plant. Few auditors are expert in every nuclear-related discipline. Therefore, the auditor should recognize when technical assistance is needed to effectively review a safety evaluation or resolve a safety concern. The need for assistance can be anticipated based on the commitment changes selected for review. Also acceptable is simply identifying and documenting (in the documentation of the audit) technical questions for follow-up at a later date (either by the region or NRR). Recognizing failures of the licensee to comply with the administrative control requirements of its commitment change process is important. However, recognizing failures of the licensee to adequately assess how a change will affect plant operational safety or compliance with applicable regulations is more important.

The focus of the implementation part of the audit should, therefore, be on safety and ensuring that revised commitments have not led to noncompliance with applicable regulations. For example, if you agree that a commitment change was safe and believe it would not introduce issues of compliance with any regulations, questions or concerns regarding the change process can simply be documented in the audit report. By contrast, a commitment change evaluation that failed to address an obvious safety or regulatory consideration would be more significant. Failure to recognize that a commitment change required assessment by regulations such as 10 CFR 50.59 or 50.54 may also be significant. Safety concerns or possible regulatory nonconformances that are discovered during this audit should be forwarded to the appropriate regional personnel for follow-up as part of the NRC's inspection program.





a. Commitment Changes Reported to the NRC. In addition to the selection of commitment changes from various sources such as submittals pertaining to licensing actions, responses to bulletins and generic letters, responses to NOVs, and LERs, other considerations for selecting commitment changes for review are:

1. Choose changes related to a variety of systems;
2. Choose changes involving a variety of engineering disciplines, such as nuclear, mechanical, civil, and electrical;
3. Choose changes that involve a variety of licensee actions, such as design modifications, temporary modifications, procedure revisions, personnel training, and revised administrative controls;
4. The selected sample of commitments and commitment changes to be reviewed may need to give preference to recent items since the commitment management systems being evaluated vary in regard to when they were developed and the extent to which past commitments have been captured;
5. Since changes to the FSAR and other programs are, or will be, assessed in NRC inspection procedures, this review should exclude commitments integrated into the FSAR, Quality Assurance Program, Site Security Plan, Emergency Plan, or other document governed by a change control mechanism contained in regulations such as 10 CFR 50.59 or 50.54; and
6. Give preference to changes related to commitments which were previously considered in an NRC decision-making process. Examples include commitments related to enforcement discretion, resolution of generic safety issues, and resolution of significant inspection issues.

Review each selected commitment change against the requirements and guidance established in the licensee's procedures or guidance. For each change, consider:

- the relationship between the commitment being changed and regulatory requirements (obligations);
- the relationship between the commitment being changed and overall plant safety or risk profile;
- the licensee's criteria for determining the acceptability of a proposed commitment change (e.g., the NEI guidance includes the use of the questions from 10 CFR 50.92);

- systems and components affected by the change (What is the effect of the change on their capability to perform their specified or intended functions?);
  - intent of the original commitment (Was commitment related to regulatory compliance, required safety function, or process enhancement?);
  - potential effects of commitment change (Has licensee reasonably concluded that revised commitment will maintain plant safety and regulatory compliance, that original commitment was unnecessary or ineffective, or that revised commitment will improve performance?);
  - documentation of the commitment change (Each evaluation of a commitment change should be documented in accordance with the licensee's procedural requirements. Auditors should note that the NRC accepted NEI guidance recommend less documentation for the justification of commitment changes than that typically provided in licensee 10 CFR 50.59 safety evaluations or design documents.); and
  - effective implementation of the revised commitment (Select several commitment changes for verification of implementation. Review licensee commitment management records, work orders, revised procedures, NRC inspection reports, and other documentation that could demonstrate that the specific revised actions were completed in accordance with the stated commitment revision and related schedule. Where appropriate, utilize actual physical verifications of equipment and processes.).
- b. Commitment Changes Not Reported to NRC. Review each selected evaluation of a commitment change against the requirements and guidance established in the licensee's procedures or guidance. For each change, consider the technical factors listed above as well as the licensee's criteria for determining if the commitment change requires notification of the NRC. For those commitment changes not requiring NRC notification, ensure that the justification for the change is documented in a record that will be maintained for the life of the facility (maintenance of current licensing basis).
- c. Notifications to the NRC. Verify that each commitment change determined to warrant NRC notification, has been or will be included in either a periodic or individual report to the NRC. Ensure that the description of the commitment change submitted to the NRC is consistent with the action taken by the licensee.
- d. Traceability of Commitments. Verify that each sample of a recently implemented commitment would be reasonably identifiable as a commitment to those licensee personnel most likely to be involved in a subsequent change to the affected design feature or operating practice.



## 5.0 REPORTING REQUIREMENTS

Document the results of this audit in an audit report which summarizes the licensee's commitment management process, specific reviews performed, and other pertinent information (recent changes in programs, planned changes in programs, etc.). The report will be transmitted to the licensee in a standard letter from the project manager.

## 6.0 ENFORCEMENT

The failure of any licensee to adopt the approach recommended by NEI and accepted by the NRC is not subject to enforcement action. However, an administrative action, such as a Notice of Deviation, may be warranted if poor licensee controls of commitment changes resulted in a significant failure to satisfy a commitment made to the NRC. In addition, issues regarding completeness and accuracy of information submitted to the NRC may warrant consideration of the requirements of 10 CFR 50.9. Suggested items for a Notice of Deviation and apparent violations of NRC regulations, operating licenses, or other regulatory requirements discovered during execution of this audit must be referred to the appropriate regional office for follow-up or otherwise pursued using other inspection and enforcement guidance.

## 7.0 COMPLETION SCHEDULE

This audit shall be performed and documented for the facilities selected for the pilot effort by May 31, 1998. Subsequent audits or inspections, if necessary, will be determined on the basis of the lessons learned from the first set of audits.

## 8.0 CONTACT

If you have questions regarding this audit guidance, contact William Reckley, NRR/DRPW/PD3-3, at (301) 415-1314, e-mail WDR.

## 9.0 STATISTICAL DATA REPORTING

TAC numbers will be opened for the reporting of time spent in the preparation for and execution of this audit.

## 10.0 RESOURCE ESTIMATE

It is estimated that approximately 125 hours per facility will be expended in performing this audit. The required time will consist of an in-office review of process descriptions, procedures, and documentation related to commitments and commitment changes that has been provided by the licensee in support of the audit and an onsite portion involving interviews, review of supporting documentation for commitment changes, and verification of implementation of specific commitments. Subsequent evaluation of the audit reports and preparation of recommendations is estimated to require an additional 100 hours. The total resource estimate, assuming audits at eight facilities, is 1100 hours.

The development of this guidance and the performance of the audits have been incorporated into NRR's Operating Plan for 1998 - 1999 as as part of the Reactor Licensing Program as well as being part of the division level operating plan for DRPE/DRPW.

#### 11.0 REFERENCES

Nuclear Energy Institute's, "Guideline for Managing NRC Commitments," Revision 2, dated December 19, 1995 (copy attached).

SECY-95-300, Nuclear Energy Institute's Guidance Document, "Guideline for Managing NRC Commitments," dated December 20, 1995.

SECY-94-066, "Evaluation of Issues Discussed in SECY-92-314, 'Current Licensing Basis for Operating Plants'," dated March 15, 1994.

SECY-92-314, "Current Licensing Basis for Operating Plants," dated September 10, 1992.

SECY-94-003, "Plan for Implementing Regulatory Review Group Recommendations," dated January 7, 1994.

SECY-97-036, "Millstone Lessons Learned Report, Part 2: Policy Issues," dated February 12, 1997.

SECY-97-042, "Response to OIG Event Inquiry 96-04S Regarding Maine Yankee," dated February 18, 1997.

END

Attachment: NEI Guideline For Managing NRC  
Commitments, Rev. 2, 12/19/95