

September 20, 1999

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 1999 Energy and Water Development Appropriations Act, Senate Report 105-206, directed the Nuclear Regulatory Commission (NRC) to provide a monthly report on the status of its licensing and regulatory duties. I am pleased to transmit the ninth report which covers the month of August (Enclosure 1).

The July report provided information on several important staff activities. In particular, the Commission's approval of the staff's proposal for risk-informing our reactor regulations, 10 CFR Part 50, marks an important opportunity to permit both licensees and NRC to focus resources on issues commensurate with their importance to public health and safety. We also concluded in our July report that, based on licensee reports, independent NRC inspection, and ongoing regulatory oversight activities, the Year 2000 problem will not adversely affect the continued safe operation, or if necessary, the safe shutdown, of any of the 103 operational U.S. nuclear power plants.

Since our July report, the Commission has approved a final rule which amends 10 CFR Part 51, "Environmental Protection Regulations for Domestic Licensing and Related Regulatory Functions." This final rule eliminates the requirement that individual license renewal applicants address the generic and cumulative environmental impacts associated with transportation operations in the vicinity of a high-level waste repository site. This rule further streamlines the license renewal process and results in resource savings for both the NRC and the industry in processing future license renewal applications.

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These issues are discussed more fully in Enclosure 1. In addition, the NRC staff also has:

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/s/ Greta Joy Dicus

Greta Joy Dicus

Enclosures:

1. August Monthly Report
2. Tasking Memorandum

cc: Senator Bob Graham

September 20, 1999

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

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cc: Representative Ralph M. Hall

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Subcommittee on Energy and Water Development
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515

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cc: Senator Harry Reid

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

August 1999

Enclosure 1

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I. Implementing Risk-Informed Regulations

On July 27, 1999, the South Texas Project (STP) submitted requests to exempt low- and non-risk significant systems, structures, and components (SSCs) from special treatment normally required by the regulations. The effect of granting these exemptions will be essentially identical to reducing the scope of SSCs covered by those sections of Part 50 requiring special treatment. Option two of the Commission's June 8, 1999 Staff Requirements Memorandum directed the staff to develop risk-informed definitions for "safety-related" and "important to safety" to reduce the scope of SSCs requiring special treatment. Therefore, review of STPs' requests is being closely coordinated with the Nuclear Reactor Regulation (NRR) team implementing option two.

The staff completed its review of the last pilot application for using risk insights to support changes to In-Service Inspection (ISI), In-Service Testing (IST), and Quality Assurance programs and to plant specific Technical Specifications (TS). The last pilot application was a request to implement a risk-informed ISI program for Arkansas Nuclear One. The staff issued the first non-pilot application to change IST intervals (South Texas Project). The staff also approved a topical report for TS applications. This topical report was prepared by the Boiling Water Reactor's Owners Group and described a methodology which may be used to support the extension of the time that low pressure injection system and containment spray system equipment may be out of service. Approval of a topical allows individual licensees that use the methodology to simply reference the Topical instead of describing and defending the method.

II. Nuclear Plant Assessment, Inspection, and Enforcement Processes

The staff has continued to meet on a biweekly basis with Nuclear Energy Institute (NEI) and other stakeholders to refine the proposed changes to its assessment, inspection and enforcement processes. Activities include the following:

- ! The pilot program of the revised reactor oversight process described in Commission Papers SECY-99-007 and SECY-99-007A began on May 30, 1999, at nine (9) plants. The NRR staff is monitoring implementation and reviewing results of the pilot program. The date for full implementation of the revised oversight process is April 1, 2000.
- ! A request for public comment on the pilot program of the revised oversight process has been published in the Federal Register. The comment period expires on November 30, 1999.
- ! Changes to the enforcement policy to make it consistent with the revised oversight process for pilot plants have been published in the Federal Register. The NRC will evaluate the comments received from the public and revise the enforcement policy accordingly. Following the pilot program, the NRC will evaluate the results and will incorporate any changes into the enforcement policy for full implementation at all reactor plants that are regulated in accordance with 10 CFR Part 50.
- ! The Pilot Program Evaluation Panel (PPEP), a cross-disciplinary group consisting of 12 representatives from NRC, NEI, pilot plant licensees, the Union of Concerned Scientists, and the State of Illinois, conducted its first two meetings on July 28 and August 17,

1999. The objective of the PPEP is to monitor and assess the implementation of the new regulatory oversight processes. The PPEP discussed the rules and procedures for the conduct of PPEP and provided feedback on the criteria the staff had established to measure the success of the pilot program. Transcripts of the PPEP meetings will be placed on the web page.

- ! At a public meeting held on August 3, 1999, NRC senior managers, NEI, and the Chief Nuclear Officers of the 9 pilot plants discussed the revised oversight process pilot program. This meeting provided valuable feedback and insights to the NRC senior managers.
- ! NRR managers and members of the Inspection Program Branch are continuing to interface with NRC staff and stakeholders to discuss the revised oversight process, answer questions, and obtain feedback. The NRC staff participated in the inspection finding significance determination process workshop sponsored by NEI on August 12-13, 1999. The workshop was well attended by many licensees, including licensee's of non-pilot plants.

III. Status of Issues in the Reactor Generic Issue Program

Changes in the status or resolution dates for Generic Safety Issues since the July 1999 report and the reasons for the changes are described below:

GSI Number:	168
TITLE:	Environmental Qualification of Electrical Equipment
SCHEDULED RESOLUTION DATE:	12/2000
STATUS:	It was discovered that the scheduled resolution date for GSI-168 was not reported correctly in the original monthly status report provided to the Congress in December 1998. The originally reported resolution date was listed as 09/2000, but should have been listed as 12/2000. The reason for the error appears to have been a clerical error.

IV. Licensing Actions and Other Licensing Tasks

Licensing actions may be 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 1999 NRC Performance Plan incorporates three output measures related to licensing actions -- size of the licensing action inventory, number of licensing action completions per year, and age of the licensing action inventory.

Other licensing tasks may be defined as licensee responses to NRC requests for information through generic letters or bulletins, NRR responses to 2.206 petitions, NRC review of licensee

topical reports, NRR responses to regional requests for assistance, and NRC review of licensees' 10 CFR 50.59 analyses and FSAR updates. The FY 1999 NRC Performance Plan incorporates an output measures related to other licensing tasks (number of other licensing tasks completed).

The actual FY 1998 results, the FY 1999 goals, and the FY 1999 results through July 31, 1999, for the four NRC Performance Plan output measures are shown in the table below.

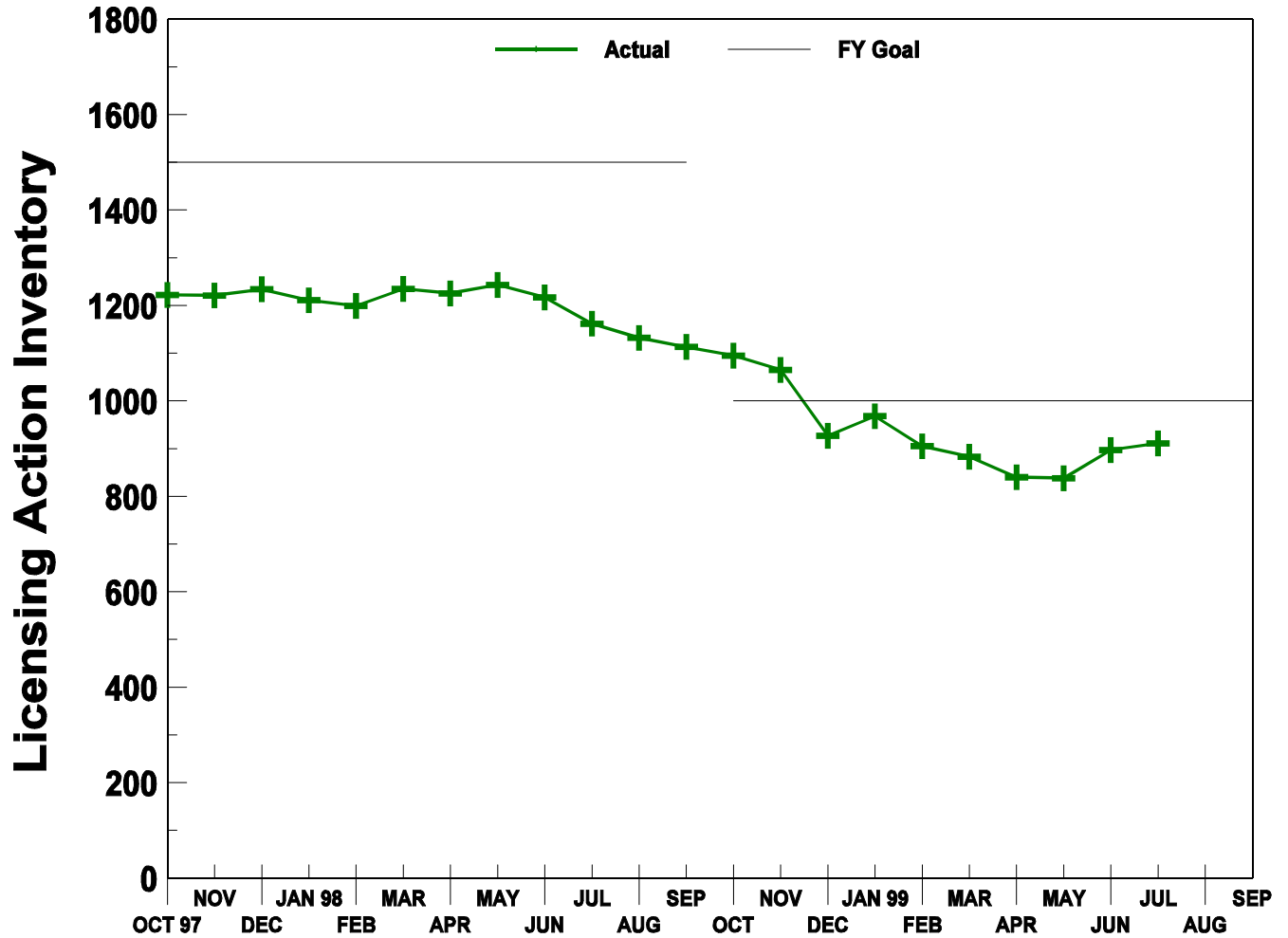
PERFORMANCE PLAN			
Output Measure	FY 1998 Actual	FY 1999 Target	FY 1999 Actual (thru 7/31/99)
Licensing actions completed per year	1425	1670	1423
Size of licensing actions inventory	1113	1000	911
Age of licensing action inventory	65.6% # 1 year; 86.0% # 2 years; and 95.4% # 3 years old	80% # 1 year; 95% # 2 years; and 100% # 3 years old	85.9%# 1 year; 98.8% # 2 years; and 99.9% # 3 years old
Other licensing tasks completed per year	1006	800	770

In FY 1999, NRC increased resources for completing licensing actions so that the inventory size and number of completions goals could be met by the end of the fiscal year. However, the goal for the age of the inventory has historically not been met. NRC has undertaken several initiatives to reduce the age of licensing action inventory. For instance, a special effort was initiated in mid-1998 to conduct a management review of the older items in the inventory. For each item, status was assessed, success paths for resolution were identified, and completion schedules were established. Monthly progress reports have been published and follow up management meetings have emphasized the need to meet established schedules. The NRC has made substantial progress towards meeting the licencing action age goal.

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

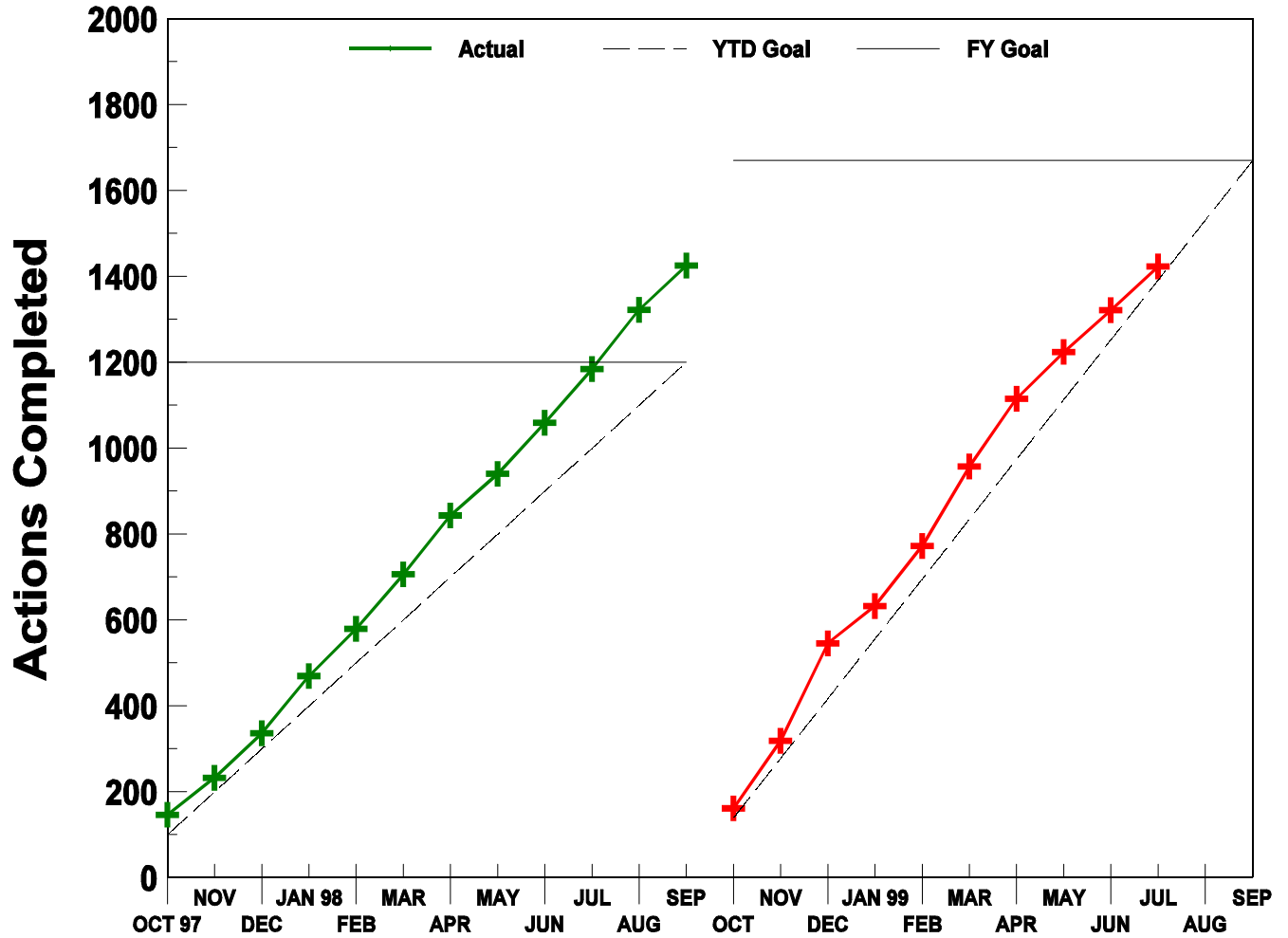
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Licensing Action Inventory



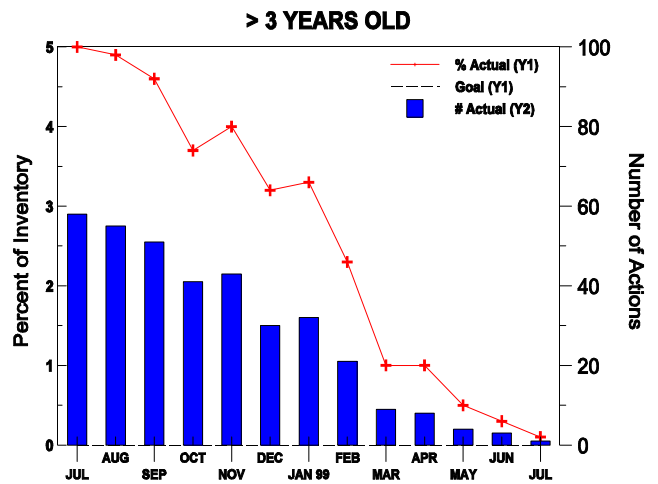
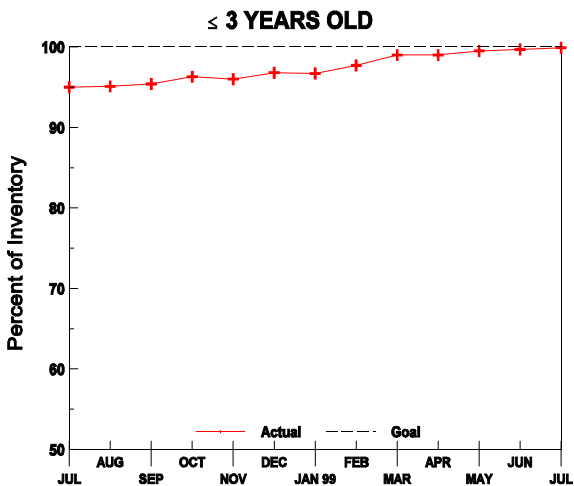
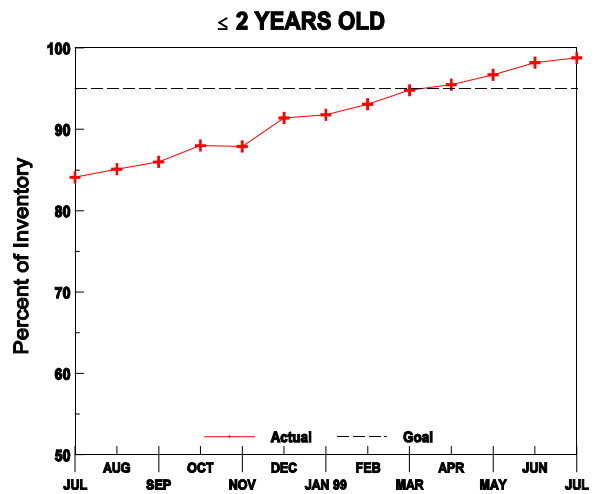
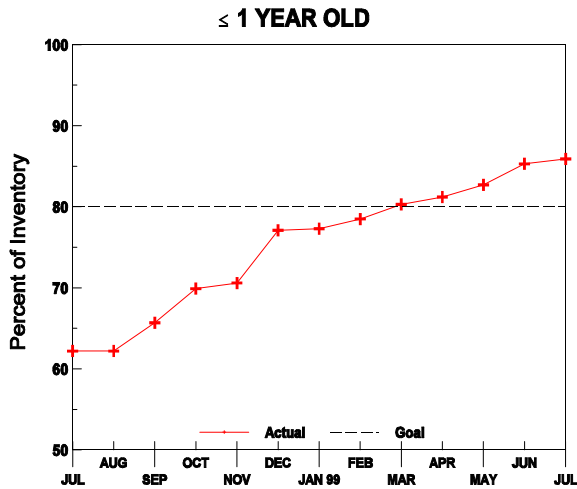
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Completed Licensing Actions



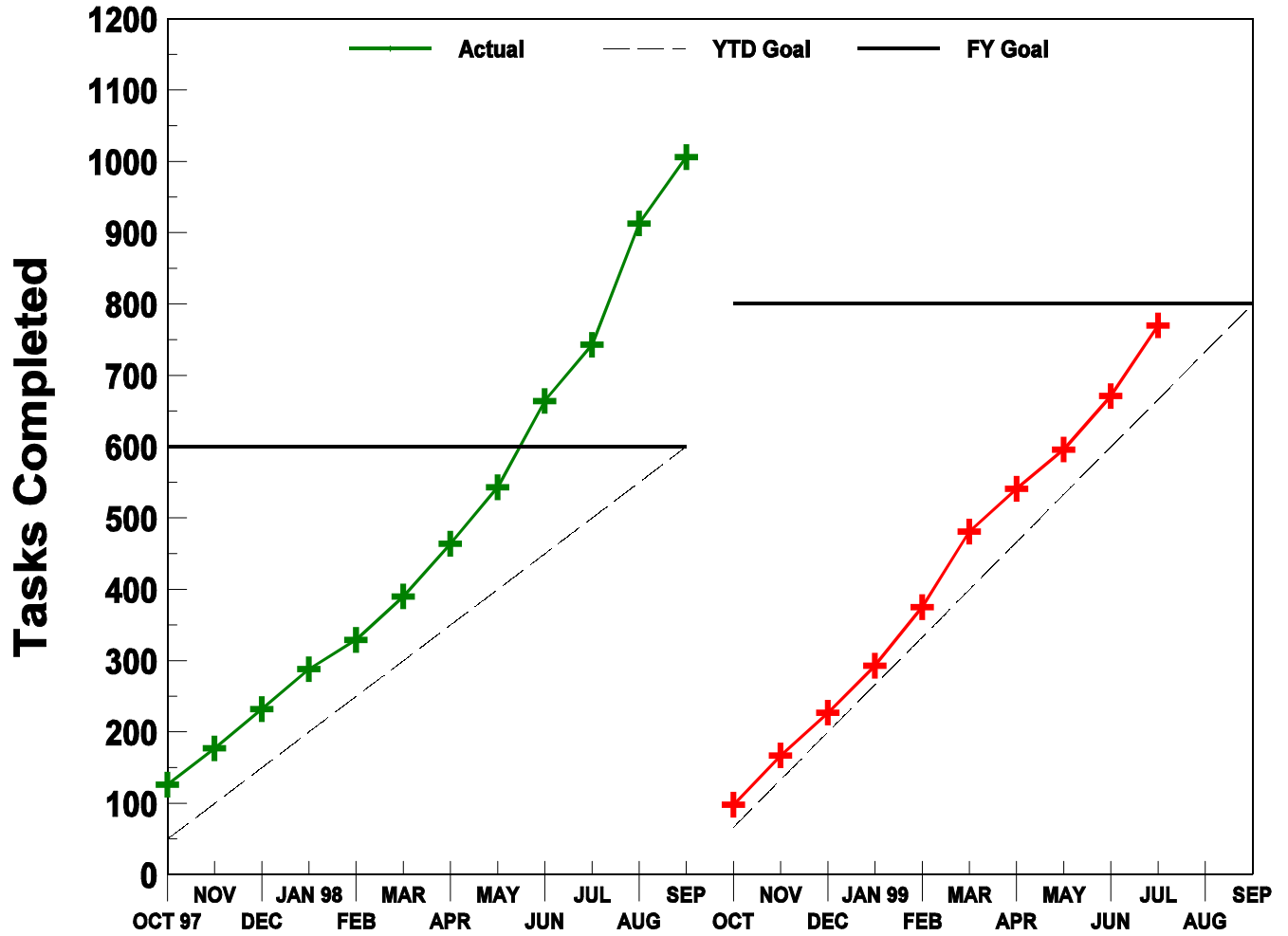
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Age of Licensing Action Inventory



Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Completed Other Licensing Tasks



V. Status of Calvert Cliffs License Renewal Application

All activities associated with the review of the Calvert Cliffs license renewal application are on schedule. Baltimore Gas and Electric provided responses in July to all open and confirmatory items identified in the safety evaluation report (SER) along with comments on the content of the SER. The NRC staff is reviewing the responses and updating the SER. Work on the resolution of public comments and preparation of the final environmental impact statement continues. The SER and final environmental impact statement are scheduled to be issued by November 16, 1999.

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, litigation in the adjudicatory proceeding on the Private Fuel Storage, Limited Liability Corporation application continued. The State of Utah submitted requests to admit two late contentions to the Atomic Safety and Licensing Board, which are pending before the Licensing Board at this time. In addition, Private Fuel Storage submitted motions for summary disposition of numerous safety-related contentions, which are under consideration by the Licensing Board at this time. The first round of safety-related hearings is scheduled to commence in November 1999; hearings on other issues will be held later.

Also during this reporting period, the Nuclear Regulatory Commission staff met in Salt Lake City, Utah, with staff from the Department of Interior's Bureau of Indian Affairs and Bureau of Land Management to discuss the preparation of the second request for additional information regarding the Private Fuel Storage environmental impact statement. The Bureau of Indian Affairs and the Bureau of Land Management are cooperating agencies with the Nuclear Regulatory Commission in the preparation of the environmental impact statement for the Private Fuel Storage project. The Nuclear Regulatory Commission staff has the lead for preparing the request for additional information. The purpose of this meeting was to assure that information needed by each agency was identified in the request for additional information.

VII. Summary of Reactor Enforcement by Region

		Reactor Enforcement Actions*				
		Region I	Region II	Region III	Region IV	TOTAL
Severity Level I	July 99	0	0	0	0	0
	FY 99 YTD	0	0	0	0	0
	FY 98 Total	0	0	0	0	0
Severity Level II	July 99	0	0	0	0	0
	FY 99 YTD	5	0	2	0	7
	FY 98 Total	3	1	1	1	6
Severity Level III	July 99	0	1	1	0	2
	FY 99 YTD	8	2	5	8	23
	FY 98 Total	46	11	15	19	91
Severity Level IV	July 99	0	0	0	0	0
	FY 99 YTD	50	42	54	60	206
	FY 98 Total	383	271	392	261	1307
Non-Cited Severity Level IV	July 99	29	25	28	21	103
	FY 99 YTD	270	200	286	261	1017
	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.

Description of Significant Actions (Severity Level I, II, III) taken in July 1999

Commonwealth Edison Company, Zion Station Supplement III, (EA 99-100)

A Notice of Violation for a Severity Level III violation was issued on July 20, 1999. This action was based on a violation of NRC requirements related to information reported to the NRC by the Commonwealth Edison Company (ComEd) on February 24, 1998, that a contract security officer inadvertently brought a personal handgun into the personnel search area at the ComEd Zion Station and that at the request of the officer owning the handgun, another officer, who had operated the x-ray search equipment, failed to make the required notifications that a firearm had been identified through the x-ray search process. In summary, a security officer entered the personnel search area of the Zion Station on February 24, 1998. He submitted a hand-carried bag for x-ray inspection and his personal handgun was identified among his belongings. He apparently forgot that the handgun was in his bag. The security officer immediately retrieved his belongings, including the handgun, from the belt of the x-ray equipment and asked the x-ray equipment operator to not report him because he feared his employment would be terminated for bringing a firearm to the Zion Station. He and the x-ray equipment operator then erased the image of the handgun from the x-ray equipment monitor. The procedures implementing the NRC-approved Zion security plan required the x-ray equipment operator to immediately notify the alarm station and a supervisor upon discovery of a firearm. The x-ray equipment operator did not make those immediate notifications. A short time later, the security officer returned to the personnel search area and offered cash to the x-ray equipment operator for not making a report about the handgun. The x-ray equipment operator did not accept the money. A few minutes later, a security force supervisor entered the personnel search area and the x-ray equipment operator did not tell the supervisor about the firearm. However, the x-ray equipment operator did tell a supervisor about the event approximately 1½ hours later. The actions of the security officers represent a deliberate violation of the procedures implementing the NRC-approved security plan for the Zion Station. Because the facility had been the subject of escalated enforcement action within the last 2 years, the NRC considered whether credit was warranted for Identification and Corrective Action. Credit was warranted for identification because the licensee identified and promptly reported the violation. Credit was also warranted for corrective action. As a result, no civil penalty was proposed in this case.

Duke Energy Corporation, Catawba Nuclear Station Supplement I, (99-094)

A Notice of Violation for a Severity Level III violation was issued on July 22, 1999. This action was based on a violation of NRC requirements related to the failure to comply with Technical Specification (TS) 3.7.13, when the misalignment of two electrical breakers rendered the Standby Shutdown System (SSS) inoperable from December 16 through 29, 1998. On December 16, 1998, in preparation for scheduled SSS maintenance, the two breakers were tagged and placed in the "off" (open) position. Upon completion of scheduled maintenance on December 18, plant personnel failed to return the two breakers to the normally "on" (closed) position. The misaligned breakers were discovered by Duke Energy Corporation's (DEC) personnel on December 29, 1998, while conducting a plant procedure validation. Upon discovery of the open breakers, DEC personnel promptly positioned the breakers to their

correct position to restore the SSS to operable status. TS 3.7.13 required that with the SSS inoperable, restore the inoperable equipment to operable status within seven days or be in at least hot standby within the next six hours and in at least hot shutdown within the following six hours; however, the SSS was inoperable for a total of 13 days and required actions were not taken to place the units in at least hot standby within the six hours and in at least hot shutdown within the following six hours. The root cause of the breaker misalignment was an oversight by DEC personnel in not referring to plant procedure to determine proper breaker position after the completion of maintenance, and in not specifying the correct position on system restoration procedures. Because the facility had been the subject of an escalated enforcement action within the last two years, the NRC considered whether credit was warranted for identification and corrective action. Credit for Identification was warranted because the violation was identified by DEC personnel while conducting a plant procedure validation. Credit also was warranted for corrective action because of the immediate corrective action to restore the SSS to operable status and because of long-term corrective actions to preclude recurrence. As a result, no civil penalty was proposed in this case.