



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

July 20, 2018

Ms. Victoria K. Anderson
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SUBJECT: INDUSTRY CONCERNS REGARDING RECENT INSPECTION EXPERIENCE
RELATED TO THE SURVEILLANCE FREQUENCY CONTROL PROGRAM

Dear Ms. Anderson:

In a letter dated February 1, 2018,¹ the Nuclear Energy Institute (NEI) expressed concerns regarding recent inspection experiences related to the surveillance frequency control program (SFCP). The letter referenced a non-cited violation of Title 10 of the *Code of Federal Regulations* (10 CFR) Section 50.59, "Changes, tests, and experiments," issued on June 29, 2017, to Exelon Generation Company, LLC (Exelon) related to changes to surveillance frequencies under the SFCP at Byron Station, Unit Nos. 1 and 2.² In particular, the letter expressed concerns regarding positions taken by the U.S. Nuclear Regulatory Commission (NRC) staff in a December 21, 2017, letter to Exelon upholding the violation.³

Background

The NRC has approved amendments for reactor licenses that relocated specific surveillance frequencies to a licensee-controlled program (i.e., the SFCP) and added the SFCP to the administrative controls section of technical specifications (TS). These amendments were based on NRC-approved Technical Specification Task Force (TSTF) traveler TSTF-425, Revision 3, "Relocate Surveillance Frequencies to Licensee Control – RITSTF Initiative 5b."⁴

The SFCP allows a licensee to change the frequency at which certain TS surveillance requirements are performed using the process in NEI 04-10, "Risk-Informed Method for Control of Surveillance Frequencies," Revision 1.⁵ If a licensee determines that the change to the surveillance frequency is acceptable per the NEI 04-10 methodology, then the licensee must

¹ Agencywide Documents Access and Management System (ADAMS) Accession No. ML18046A928.

² The June 29, 2017, inspection report is available under ADAMS Accession No. ML17180A534. By letter dated July 31, 2017 (ADAMS Accession No. ML17212B154), Exelon contested the violation.

³ The December 21, 2017, letter is available under ADAMS Accession No. ML17355A561. By letter dated February 8, 2018 (ADAMS Accession No. ML18039A707), Exelon requested the NRC reconsider its decision to uphold the violation.

⁴ ADAMS Accession No. ML090850642.

⁵ ADAMS Accession No. ML071360456.

make appropriate changes to procedures, the updated final safety analysis report (UFSAR), and other documents in order to implement the revised surveillance frequency.

Discussion

On March 20, 2018, the NRC staff held public meeting⁶ with NEI and other industry officials to discuss the concerns mentioned in the February 1, 2018, NEI letter. The primary industry concern was that it appeared the NRC staff did not consider the SFCP to be the dominant change control process for making changes to surveillance frequencies relocated to the SFCP. The industry also expressed concerns regarding the applicability of commitments as they relate to the NEI 04-10 methodology.

Applicability of 10 CFR 50.59

Licensees are required by 10 CFR 50.71(e) to update their UFSAR to include the effects of approved license amendments. Following approval of an SFCP amendment, the licensee should describe the scope of the program within its UFSAR and how future changes to surveillance frequencies in the SFCP will be addressed. However, 10 CFR 50.59 is not applicable to a surveillance frequency changed in accordance with the SFCP, because this altered surveillance frequency is considered to have been previously approved as part of the license amendment authorizing the SFCP.

Regulatory Commitments

The NRC's December 21, 2017, letter to Exelon incorrectly implied that a UFSAR statement that the facility complies with a specific industry code or standard is a regulatory commitment, and, therefore, must be addressed in Steps 1–3 of NEI 04-10 when changing surveillance frequencies under the SFCP. Steps 1–3 require the licensee to review “regulatory commitments,” which is defined in NEI 99-04⁷ as “an explicit statement to take a specific action agreed to, or volunteered by, a licensee and submitted in writing on the docket to the NRC.” Although the UFSAR or other licensing documents may state that a licensee complies with or commits to a particular industry code or standard, such statements typically do not meet the definition of a “regulatory commitment” in NEI 99-04.

Recommendations

In its February 1, 2018, letter, NEI stated that NRC oversight of the SFCP has been effective with very little enforcement activity. During the March 20, 2018, meeting, NEI stated that changes to TSTF-425, NEI 04-10, 10 CFR 50.59 guidance, and regulatory commitment guidance are not needed. The NRC staff agrees that changes to these documents are not needed, but recommends that the steps in NEI 04-10 regarding commitments be clarified if NEI 04-10 is revised in the future.

The NRC staff is considering improvements to internal processes and procedures in response to the industry's concerns. The staff is also providing the following recommendation to industry to reduce the likelihood of confusion regarding future surveillance frequency changes.

⁶ Meeting summary is available under ADAMS Accession No. ML18099A071.

⁷ NEI 99-04, “Guidelines for Managing NRC Commitment Change” (ADAMS Accession No. ML003680088), is endorsed by the NRC.

Following issuance of an SFCP amendment, licensees must update their UFSAR to reflect the revised licensing and design basis. As part of this update, licensees could revise the applicable descriptions and references to surveillance frequencies in the UFSAR to indicate that they are controlled by the SFCP. If this is done when the SFCP amendment is implemented, rather than waiting until individual surveillance frequencies are changed, it will make clear that the UFSAR revision is a result of the amendment. This practice may be helpful when making surveillance frequency changes under the SFCP in the future.

If you have any questions, please contact Blake Purnell by telephone at 301-415-1380 or by e-mail to Blake.Purnell@nrc.gov.

Sincerely,

/RA/

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