



December 9, 2003

AEP:NRC:3591-01

Docket No. 50-316

U. S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Mail Stop O-P1-17
Washington, DC 20555-0001

Donald C. Cook Nuclear Plant Unit 2
EMERGENCY LICENSE AMENDMENT REQUEST FOR ONE-TIME
EXTENSION OF ALLOWED OUTAGE TIME FOR THE UNIT 2 AB
EMERGENCY DIESEL GENERATOR

Pursuant to 10 CFR 50.90, Indiana Michigan Power Company (I&M), the licensee for Donald C. Cook Nuclear Plant Unit 2, proposes to amend Facility Operating License DPR-74. I&M proposes to add a license condition allowing a one-time extension of the allowed outage time for the Unit 2 AB emergency diesel generator (EDG). The extension would allow continued operation of the unit while repairs and related testing of the EDG are completed. The proposed amendment is being requested on an emergency basis pursuant to 10 CFR 50.91(a)(5).

On December 7, 2003, at 0923, the Unit 2 AB EDG was declared inoperable and the 72-hour action statement of Technical Specification (TS) 3.8.1.1, Action "b," was entered to perform routine TS surveillance testing. During this testing, the EDG experienced load oscillations from a maximum of 3700 kilowatts to 2200 kilowatts. I&M replaced the electronic and hydraulic governor components in the EDG. Slow speed starts of the EDG were commenced to perform tuning evolutions that ensure proper speed control during EDG start by either the electronic or hydraulic governor. During one of the tuning evolutions, one of the twelve fuel injector pumps was found to be seized. Testing following repair of the fuel injector pump identified a fuel leak. The fuel line was replaced; however, the fuel leak persisted. Following troubleshooting, the decision was made to replace the fuel injector pump a second time to eliminate the fuel leak.

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Completion of repairs and testing to establish operability will not be completed prior to expiration of the 72-hour allowed outage time. I&M is requesting a one time extension of this 72-hour allowed outage time by an additional 72 hours to assure adequate time is available for completion of repair and retest of the EDG.

I&M has determined that the risk of the requested extension does not warrant subjecting the unit to a shutdown transient. This requested extension would be limited to the current period of EDG inoperability.

Enclosure 1 to this letter provides an affirmation affidavit pertaining to the proposed amendment. Enclosure 2 provides a detailed description and safety analysis to support the proposed amendment, including detailed justification for approving the amendment on an emergency basis, an evaluation of significant hazards considerations pursuant to 10 CFR 50.92(c), and an environmental assessment. Attachment 1 identifies the commitments documented in this letter.

No previous submittals affect the license pages that are affected by this proposed amendment. If any future submittals affect these license pages, I&M will coordinate the changes to the pages with the Nuclear Regulatory Commission (NRC) Project Manager to ensure proper page control when the associated license amendment requests are approved.

I&M requests approval of the proposed amendment by 0900 December 10, 2003, to preclude unnecessary shutdown of Unit 2. The proposed amendment will be implemented immediately following NRC approval. This letter contains no new regulatory commitments.

Should you have any questions, please contact Mr. Brian D. Mann, Acting Manager of Regulatory Affairs, at (269) 697-5806.

Sincerely,

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a horizontal line extending to the right.

Joseph N. Jensen
Site Vice President

JW/rdw

Enclosures:

- 1 Affidavit
- 2 Application for Emergency License Amendment, One-Time Extension of Unit 2 AB Emergency Diesel Generator Technical Specification Allowed Outage Time

Attachment:

- 1 Regulatory Commitments

c: J. L. Caldwell, NRC Region III
K. D. Curry, AEP Ft. Wayne, w/o enclosures/attachment
J. T. King, MPSC, w/o enclosures/attachment
MDEQ – WHMD/HWRPS, w/o enclosures/attachment
NRC Resident Inspector
J. F. Stang, Jr., NRC Washington DC

AFFIRMATION

I, Joseph N. Jensen, being duly sworn, state that I am Site Vice President of Indiana Michigan Power Company (I&M), that I am authorized to sign and file this request with the Nuclear Regulatory Commission on behalf of I&M, and that the statements made and the matters set forth herein pertaining to I&M are true and correct to the best of my knowledge, information, and belief.

Indiana Michigan Power Company



Joseph N. Jensen
Site Vice President

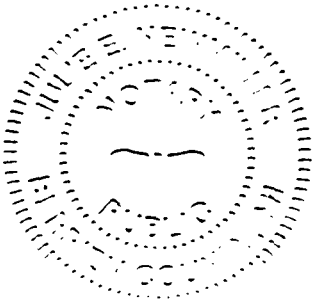
SWORN TO AND SUBSCRIBED BEFORE ME

THIS 9th DAY OF December, 2003

Julie E. Newmiller
Notary Public

My Commission Expires 8-22-2004

JULIE E. NEWMILLER
Notary Public, Berrien County, MI
My Commission Expires Aug 22, 2004



**Application for Emergency License Amendment
One-Time Extension of Unit 2 AB Emergency Diesel Generator Technical Specification
Allowed Outage Time**

1.0 DESCRIPTION

Pursuant to 10 CFR 50.90, Indiana Michigan Power Company (I&M), the licensee for Donald C. Cook Nuclear Plant (CNP) Unit 2, proposes to amend Facility Operating License DPR-74. I&M proposes to add a license condition allowing a one-time extension of the allowed outage time for the Unit 2 AB emergency diesel generator (EDG). The extension would allow continued operation of the unit while repairs and related testing of the EDG are completed. The proposed amendment is being requested on an emergency basis pursuant to 10 CFR 50.91(a)(5).

On December 7, 2003, at 0923, the Unit 2 AB EDG was declared inoperable and the 72-hour action statement of Technical Specification (TS) 3.8.1.1, Action "b," was entered to perform routine TS surveillance testing. This testing consisted of a slow start full load test. The EDG is a Worthington 3500 kilowatt generator. During this testing, the EDG experienced load oscillations from a maximum of 3700 kilowatts to 2200 kilowatts. I&M replaced the Woodward Governor Company electronic and hydraulic governor components in the EDG. Slow speed starts of the EDG were commenced to perform tuning evolutions that ensure proper speed control during EDG start by either the electronic or hydraulic governor. During one of the tuning evolutions, one of the twelve fuel injector pumps was found to be seized. This is being investigated as another potential cause of the original oscillation. Testing following repair of the fuel injector pump identified a fuel leak. The fuel line was replaced; however, the fuel leak persisted. Following troubleshooting, the decision was made to replace the fuel injector pump a second time to eliminate the fuel leak.

Completion of repairs and testing to establish operability will not be completed prior to expiration of the 72-hour allowed outage time. I&M has determined that the risk of the requested extension does not warrant subjecting the unit to a shutdown transient. This requested extension would be limited to the current period of EDG inoperability.

2.0 PROPOSED CHANGE

The proposed change would add a new License Condition to Section 2.C of the CNP Unit 2 Facility Operating License, License No. DRP-74. The proposed License Condition is as follows:

The 72-hour allowed outage time of Technical Specification 3.8.1.1 Action "b" which was entered at 0923, on December 7, 2003, may be extended one time by an additional 72 hours to complete repair and testing of the 2 AB diesel generator.

3.0 BACKGROUND

Description of Events

On December 7, 2003, at 0923, the Unit 2 AB EDG was declared inoperable to perform monthly surveillance testing in accordance with TS 4.8.1.1.2.a. As part of the surveillance testing, an electrical load of approximately 3500 kilowatts was applied to the EDG at about 1100, December 7, 2003. Approximately 40 minutes later, the EDG began to exhibit load oscillations. The load decreased to 2250 kilowatts, then increased to approximately 3700 kilowatts, then decreased to approximately 2250 kilowatts, and then began oscillating approximately 300 kilowatts above and below 2250 kilowatts. The EDG was then manually tripped. The vendor was consulted and it was determined that the likely cause of the load swings was the electronic governor component (the EGM). I&M replaced the EGM and also replaced the hydraulic governor component (the EGB). The EGB was replaced because it was approaching the end of its recommended service life, and because it would preclude the need to perform a second system tuning operation if the EGB were replaced later. System tuning with the new EGM and EGB commenced at approximately 1100 December 8, 2003. During the tuning operation, one of the twelve fuel injector pumps was found to be seized. At about 1400 on December 9, 2003, testing was recommenced following replacement of the fuel injector pump and injector. During initiation of testing, a fuel leak was identified. The fuel line was replaced. The leakage continued and a second fuel line was installed and a second injector. As the leakage was not eliminated, a second fuel injector pump was installed. Testing of this configuration is ongoing.

Completion of repairs and testing to establish operability will not be completed prior to expiration of the 72-hour allowed outage time. I&M would be required to follow TS 3.8.1.1, Action "b." TS 3.8.1.1, Action "b" would require that the unit be placed in hot standby (Mode 3) within 6 hours, and in cold shutdown (Mode 5) within the following 30 hours.

The purpose of this amendment request is to seek additional time in order to satisfactorily complete the operability test. I&M has determined that the risk of extending the 72-hour allowed outage time by an additional 72 hours does not warrant subjecting the unit to a shutdown transient. Accordingly, I&M is requesting that the 72-hour allowed outage time specified by TS 3.8.1.1, Action "b," be extended one time by an additional 72 hours to allow completion of repairs and retesting of the Unit 2 AB EDG. This requested extension would be limited to the current period of EDG inoperability.

Current Requirements

TS 3.8.1.1 requires that two separate and independent EDGs be operable in Modes 1, 2, 3, and 4. Action "b" of TS 3.8.1.1 requires that an inoperable EDG be restored to an operable status within 72 hours or the unit must be in at least hot standby within the next 6 hours and in cold shutdown within the following 30 hours.

Basis for Current Requirements

The operability requirements for the alternating current power sources during operation ensures that sufficient power will be available to supply the safety-related equipment required for 1) the safe shutdown of the facility and 2) the mitigation and control of accident conditions within the facility. The minimum specified independent and redundant alternating power sources satisfy the requirements of General Design Criteria 17 of Appendix "A" to 10 CFR 50.

The TS Action requirements specified for the levels of degradation of the power sources provide restrictions for continued facility operation commensurate with the level of degradation. The operability requirements for the power sources are consistent with the initial condition assumptions of the accident analyses and are based upon maintaining at least one of each of the onsite alternating current power sources and associated distribution systems operable during accident conditions coincident with an assumed loss of offsite power and single failure of the other onsite alternating current source.

According to Regulatory Guide 1.93, operation may continue with an EDG inoperable for a period that should not exceed 72 hours. In this condition, the remaining operable EDG and offsite circuits are adequate to supply electrical power to the onsite Class 1E distribution system. The 72-hour allowed outage time takes into account the capacity and capability of the remaining alternating current sources, a reasonable time for repairs, and the low probability of a design basis accident occurring during this period.

Reason for Requesting Emergency Amendment

Regulation 10 CFR 50.91(a)(5) states that where the Nuclear Regulatory Commission (NRC) finds that an emergency situation exists, in that failure to act in a timely manner would result in derating or shutdown of a nuclear power plant, or in prevention of either resumption of operation or of increase in power output up to the plant's licensed power level, it may issue a license amendment involving no significant hazards consideration without prior notice and opportunity for a hearing or for public comment. The regulation also states that the NRC will decline to dispense with notice and comment on the determination of no significant hazards if it determines that the licensee has abused the emergency provision by failing to make timely application for the amendment and thus itself creating the emergency. The regulation requires that a licensee requesting an emergency amendment explain why the emergency situation occurred and why the licensee could not avoid the situation. As explained below, an emergency amendment is needed to preclude an unnecessary plant shutdown, and I&M could not have reasonably avoided the situation or made timely application for an amendment.

Reason Emergency Situation Has Occurred

The emergency situation resulted from the testing and repair to address EDG load oscillations and subsequent failure of the fuel injector pump and a fuel leak. Correction and retesting of the Unit 2 AB EDG will exceed the 72 hours allowed by TS 3.8.1.1, Action "b," which will require that the unit be shutdown. However, I&M has determined that the risk of extending the 72-hour allowed outage time by an additional 72 hours does not warrant subjecting the unit to a shutdown transient. Neither a routine nor an exigent amendment could be processed within 72 hours. Therefore, an emergency amendment is needed to preclude an unnecessary shutdown.

Reason the Situation Could Not Have Been Avoided

The failure of the Unit 2 AB EDG could not have been avoided. The original failure occurred during TS required testing of the EDG. The expected outcome of any surveillance is demonstration that the component is operable. The load swings which occurred during the required testing could not have been anticipated. The original EDG repair to address the load swings would have been completed within the 72-hour allowed outage time. However, the subsequent failure of the fuel injector pump and the fuel leak which required replacement of the fuel line and a second replacement of the fuel injector pump will result in delaying restoration of the EDG beyond the 72-hour allowed outage time.

The EGM that was in service at the time of the load oscillations had been installed in September 2003 to increase EDG reliability due to concerns regarding potentially age-degraded capacitors that contributed to failures of other EDGs during the previous year. The refurbished spare EGM had met the applicable monthly full load surveillance test requirements prior to the test conducted December 7, 2003. As a result, failure of the EDG to successfully pass the surveillance was not anticipated.

I&M is currently evaluating whether the failure of the fuel pump was a contributor to the load oscillation or an independent failure. Repair of the fuel leak has involved replacement of the fuel line and a second replacement of the fuel injector pump.

CNP has previously experienced a failure of a fuel injector pump. The root cause evaluation determined that this failure was likely debris induced. Analysis of the fuel oil following the December 7, 2003, load oscillations demonstrated the fuel oil was not contaminated with debris. Therefore, I&M does not believe these failures are related.

The sequence of failures resulting from the initial EDG load oscillations could not have been foreseen. I&M will conduct a comprehensive root cause analysis evaluation with a multi-disciplinary team, including external component experts.

I&M therefore considers that the situation could not have been avoided and there is justification for requesting the proposed license amendment on an emergency basis.

4.0 TECHNICAL ANALYSIS

The proposed amendment to allow a one-time extension of the allowed outage time for the Unit 2 AB EDG is based on risk considerations, operation and maintenance restrictions, grid reliability, and reliability of the Unit 2 CD EDG.

Risk Considerations

I&M has evaluated the risk implications of the proposed amendment.

Risk From Proposed Allowed Outage Time Extension

A quantitative probabilistic risk analysis (PRA) for the extended 2 AB EDG allowed outage time extension was produced by splitting out contributors to loss of offsite power frequency (switchyard maintenance, weather, etc.) and developing a new loss of offsite power frequency estimate for controlled conditions that will exist during the extended allowed outage time. The revised frequency was developed using the Westinghouse Owners Group project MUHP-3010 methodology associated with normal, permanent EDG allowed outage time extensions. The overall impact/change in annual core damage frequency/large early release frequency (CDF/LERF) was estimated using the following steps:

- Evaluate plant risk with 361 days at the normal loss of offsite power frequency and nominal CDF/LERF plus 4 days with the "short-term" MUHP-3010 loss of offsite power frequency (with no plant testing and maintenance and additional limitations on switchyard activity) with exception of the unavailable EDG.
- Compare this result to nominal CDF and LERF to obtain the associated delta CDF/LERF value for the condition.

The evaluation determined that the risk associated with maintaining either unit at power for an additional 96 hours beyond the present TS allowed outage time with an EDG unavailable falls within the available regulatory guidance. Following Regulatory Guide 1.177, Section 2.4, and Regulatory Guide 1.174, Section 2.24 guidance, I&M has concluded that the one-time, single EDG TS allowed outage time change has only a small quantitative impact on plant risk.

The evaluation was performed using the updated 2001 version of the CNP average PRA model. The evaluation used the average PRA model results as the "base case" for the PRA assessment. The evaluation also included PRA model runs that assumed that no equipment was out-of-service for test and maintenance (i.e., a "zero-maintenance" case), as well as a case that assumed that the Unit 2 AB EDG was not available, but that no other equipment affecting risk was considered out

of service or unavailable. The changes in CDF and LERF, and the values of ICCDP and ICLERP were determined based on the additional four-day outage, accounting for reductions in single-unit and dual-unit loss of offsite power initiating event frequencies based on crediting switchyard activity restrictions. The changes in CDF and LERF were determined using the following equations:

$$\Delta \text{CDF} = \text{CDF}_{\text{new}} - \text{CDF}_{\text{ave}}$$

where

$$\text{CDF}_{\text{new}} = \text{CDF}_{\text{inst}} (4 \text{ days} / 365 \text{ days}) + \text{CDF}_{\text{ave}} (361 \text{ days} / 365 \text{ days})$$

$$\text{CDF}_{\text{ave}} = \text{the Unit 2 "base case" average maintenance CDF value (4.87E-05 / year)}$$

$$\text{CDF}_{\text{inst}} = \text{the Unit 2 CDF value when only the 2 AB EDG is unavailable and the operation and maintenance restrictions described below are in place (1.258E-04 / year)}$$

$$\Delta \text{LERF} = \text{LERF}_{\text{new}} - \text{LERF}_{\text{ave}}$$

where

$$\text{LERF}_{\text{new}} = \text{LERF}_{\text{inst}} (4 \text{ days} / 365 \text{ days}) + \text{LERF}_{\text{ave}} (361 \text{ days} / 365 \text{ days})$$

$$\text{LERF}_{\text{ave}} = \text{the Unit 2 "base case" average maintenance LERF value (5.59E-06 / year)}$$

$$\text{LERF}_{\text{inst}} = \text{the Unit 2 LERF value when only the 2 AB EDG is unavailable and the operation and maintenance restrictions described below in place (1.852E-05)}$$

Estimated values for ICCDP and ICLERP associated with the proposed amendment were determined using the following equations:

$$\text{ICCDP} = (\text{CDF}_{\text{inst}} - \text{CDF}_{\text{zm}}) * (4 \text{ days} / 365 \text{ days/year})$$

where

$$\text{CDF}_{\text{zm}} = \text{the Unit 2 "zero-maintenance" CDF value of 3.85E-05 / year}$$

$$\text{ICLERP} = (\text{LERF}_{\text{inst}} - \text{LERF}_{\text{zm}}) * (4 \text{ days} / 365 \text{ days/year})$$

where

$$\text{LERF}_{\text{zm}} = \text{the Unit 2 "zero-maintenance" LERF value of 4.77E-06 / year}$$

Using the 2001 average PRA model and equations as described above, extending the Unit 2 AB EDG unavailability period by four days was determined to yield the following results:

Δ CDF increased by $9\text{E-}07$ per year

Δ LERF increased by $1.4\text{E-}07$ per year

ICCDP equals $9.6\text{E-}07$

ICLERP equals $1.5\text{E-}07$

CNP also has a revised PRA model which resolves the WOG Peer Review Level A&B Findings and Observations (except for the Internal Flooding Finding and Observation.) Although one notebook associated with the revised model is still being technically reviewed, and the model has not yet become the official CNP model of record, this model was also quantified to evaluate the risk associated with this request. The results of this evaluation are:

Δ CDF increased by $9.8\text{E-}07$ per year

Δ LERF increased by $1.5\text{E-}07$ per year

ICCDP equals $1.0\text{E-}06$

ICLERP equals $1.7\text{E-}07$

These values are comparable to the values calculated using the 2001 model.

Transition Risk

I&M has made a comparison of the risk of transitioning to a shut down condition, to the increase in risk of continued operation. Averting this transition risk should be considered when evaluating the overall risk of continued operation while performing the EDG maintenance activities. The transition risk considered is that associated with a reactor trip that could occur during a controlled shutdown. This risk was characterized by the conditional core damage probability (CCDP) and conditional large early release probability (CLERP) for such an occurrence. The averted CCDP (CLERP) value was determined as the product of the CCDP (CLERP) for a reactor trip initiating event and the probability that such a trip might occur during a power transient.

The CCDP (CLERP) associated with a reactor trip that could occur during a controlled shutdown was calculated as follows:

- The CDF from transients with power conversion available was divided by the transient event frequency.

- The LERF from transients with power conversion available was divided by the transient event frequency.
- These probabilities were then multiplied by the conditional probability of a reactor trip occurring during power maneuvering.

The probability of a reactor trip during power maneuvering was estimated based on CNP-specific data from 1990 through July 2003. The resulting CCDP and CLERP values are approximately $3.2\text{E-}07$ and $2.2\text{E-}08$, respectively.

Operation and Maintenance Restrictions

Maintenance and testing during the allowed outage time extension will be rescheduled for both units as warranted to minimize risk of unit transients. This will specifically include:

- No work will be performed on shared safety significant systems (i.e., essential service water, nonessential service water, plant air compressors, motor driven auxiliary feed pumps, and chemical and volume control system), and their applicable supporting systems, that could render the system inoperable or unavailable. By limiting work on these systems and related equipment, they remain available to provide either cross-unit support in case of a trip and subsequent failure on the affected unit, and/or assure that back-up capability exists to compensate for unexpected failures in shared systems (such as the plant air or nonessential service water system) such that a single failure in these systems will not result in a single or dual unit trip.
- No work will be performed that could potentially jeopardize unit operation (e.g., condenser waterbox flushing, pump swaps, etc). This is not meant to prevent operator actions to switch equipment in response to any failures or extenuating circumstances outside those considered that occur during the extended allowed outage time. This provision is intended to eliminate any challenge to unit operation that might result from operational changes in plant alignment or switching operating equipment for elective reasons.
- No surveillance testing on plant equipment will be performed that could jeopardize plant operation (e.g., starting or stopping pumps, stroking valves, taking instrument channels out of service, etc.) during the additional time the EDG is out of service. However, non-intrusive surveillance testing (e.g., rod position verification, instrument channel checks, leak rates, etc.) may be performed.

The essential service water screenhouse condition currently meets CNP's Level 1 (least vulnerable) status. In accordance with plant procedural requirements, screen house vulnerability is evaluated daily based on equipment status, planned evolutions, plant operating mode, wind conditions, lake wave height, fish conditions, and traveling screen debris loading. During the allowed outage time extension:

- No elective actions will be taken that would increase screen house vulnerabilities.
- No heat sink alignment changes will be made. No elective changes in the alignment or operation of this equipment will be allowed.
- Main condenser and feed pump condenser differential pressure will be monitored at a frequency commensurate with the screenhouse walkdowns. This is intended to provide added assurance that condensate and feed systems will not initiate a plant transient.
- The integrity of the other on-site power supplies, including the station batteries will be maintained.

The following actions will be taken to provide increased assurance of grid stability:

- No test or maintenance activities that could reduce switchyard reliability will be performed.
- Periodically, the projected grid voltage following postulated unit trip will be verified to indicate a stable grid. Assuring that grid conditions are expected to remain stable serves to reduce the grid as an initiator for loss of offsite power to the units.
- I&M will contact the system dispatcher to ensure that no short-term activities adversely affecting grid stability are planned or have transpired.
- I&M will confirm that the system dispatcher will notify the control room or Shift Manager in the event system degradation or perturbations do occur so that an appropriate plant response can be determined.

I&M will confirm that no severe weather is forecast during the allowed outage time extension at the time of its initiation. Any forecast of severe weather during the allowed outage time extension will be evaluated by the Shift Manager for potential impact on offsite power sources (with assistance from the Fort Wayne Transmission Dispatch Center). If adverse impact is identified such that grid stability is at risk, then with concurrence of the Plant Manager or Director of Operations, the unit will be shut down in an orderly manner. Currently, no severe weather is expected during the extended allowed outage time extension.

Special Operations Start-of-the-Shift briefings will be conducted in each unit on use of the 69 kV emergency power backup in case of loss of offsite power or station blackout, and use of the chemical and volume control system unit cross tie. These briefings will include review of the associated procedures and initiating indications.

I&M will ensure the recovery of the EDG is of the highest priority and will exit the proposed action following satisfactory completion of the final operability runs.

Grid Reliability

Historical CNP grid voltage data was reviewed for the time period between January 1, 1997, and December 7, 2003. Both the 765 kV and 345 kV distribution systems grid voltages were reviewed to determine the percentage of time the grid was in a degraded voltage (i.e., less than

93.8 percent rated voltage) condition. The 765 kV distribution system grid showed no instances of degraded voltage. The 345 kV distribution system grid data showed 3 instances of potential degraded voltage. However, based on other distribution system indications these data points are not considered valid. Therefore, I&M believes there were no instances of degraded voltage during the past 7 years of grid operation.

On December 2 and December 3, 2003, grid voltage in the vicinity of CNP began to drop due to operation of equipment outside of the I&M system. The CNP Unit 1 generator voltage regulator increased reactive output to compensate. On December 3, 2003, the area grid coordinator imposed transfer restrictions on the interconnections to the utility that was causing the voltage problem. The impact of the operation at the other utility has been limited by these controls. At this time there are no reactive load problems and no associated concern for system stability.

Unit 2 CD EDG Reliability

The reactor oversight process data for the third quarter of 2003 indicates that the Unit 2 CD EDG unavailability over the previous 12 quarters is 0.8 percent. In accordance with TS, the Unit 2 CD EDG was successfully started following entry into the action statement for the Unit 2 AB EDG. If there was a common failure mechanism, I&M believes it would have been evident during this testing.

Equipment Reliability

I&M has several initiatives underway to make significant improvements to enhance safe plant operation and overall reliability. I&M has recently established a broad-based plant improvement initiative in response to internal and external stakeholders concerns. Specifically, six major Recovery Plans have been developed. One plan titled "Equipment Reliability," addresses CNP processes to enhance the safety and reliability of equipment. Also, I&M has a plant health committee (consistent with the rest of the industry) that oversees implementation of the EDG action plan. The EDGs are prioritized as one of the "top ten" components and receive significant resources and management attention. The EDG action plan contains numerous specific actions to improve the reliability of the EDGs. For example, I&M is systematically replacing the EDG control systems with an improved design. The Unit 1 CD EDG was modified in November of 2003.

5.0 REGULATORY SAFETY ANALYSIS

No Significant Hazards Consideration

I&M has evaluated whether or not a significant hazards consideration is involved with the proposed change by focusing on the three standards set forth in 10 CFR 50.92, "Issuance of Amendment," as discussed below:

1. Does the proposed change involve a significant increase in the probability of occurrence or consequences of an accident previously evaluated?

Response: No

Probability of Occurrence of an Accident Previously Evaluated

The proposed change is a one-time extension of the TS allowed outage time for the Unit 2 AB EDG that will allow continued operation of CNP Unit 2 during repair and retest. The Unit 2 AB EDG function is only mitigative and is not needed unless an accident occurs. The Unit 2 AB EDG does not affect any accident initiators or precursors. The extension of the allowed outage time does not affect the Unit 2 AB EDG interaction with any system whose failure or malfunction can initiate an accident. Therefore, the probability of occurrence of an accident previously evaluated is not significantly increased.

Consequences of an Accident Previously Evaluated

The Unit 2 AB EDG functions to mitigate a loss of offsite power by supplying electric power to vital components. The risk evaluation performed in support of this amendment demonstrates that the consequences of an accident are not significantly increased. Therefore, the consequences of an accident previously evaluated are not significantly increased.

2. Does the proposed change create the possibility of a new or different kind of accident from any accident previously evaluated?

Response: No

The proposed change allows operation of the unit to continue while the Unit 2 AB EDG is repaired and retested. There are no new failure modes for the Unit 2 AB EDG created and the Unit 2 AB EDG is not an initiator of any new or different kind of accident. The proposed extension does not affect the interaction of the Unit 2 AB EDG with any system whose failure or malfunction can initiate an accident. Therefore, the proposed change does not create the possibility of a new or different kind of accident from any previously evaluated.

3. Does the proposed change involve a significant reduction in a margin of safety?

Response: No

The margins of safety applicable to the proposed change are those associated with the availability of the Unit 2 AB EDG to perform its mitigative function. The risk evaluation performed to support this amendment demonstrates that the slight decrease in availability is not significant. When the Unit 2 AB EDG is returned to operation, there will be no reduction

in the safety margins associated with its capacity, such as voltage current, or frequency of electric power. Therefore, the proposed change does not involve a significant reduction in margin of safety.

In summary, based upon the above evaluation, I&M has concluded that the proposed change involves no significant hazards consideration under the standards set forth in 10 CFR 50.92(c), and, accordingly, a finding of "no significant hazards consideration" is justified.

Environmental Evaluation

I&M has evaluated this license amendment request against the criteria for identification of licensing and regulatory actions requiring environmental assessment in accordance with 10 CFR 51.21. I&M has determined that the proposed amendment would change a requirement with respect to installation or use of a facility component located within the restricted area, as defined in 10 CFR 20, or would change an inspection or surveillance requirement. However, the proposed amendment does not involve (i) a significant hazards consideration, (ii) a significant change in the types or significant increase in the amounts of any effluent that may be released offsite, or (iii) a significant increase in individual or cumulative occupational radiation exposure. Accordingly, the proposed amendment meets the eligibility criterion for categorical exclusion set forth in 10 CFR 51.22(c)(9). Therefore, pursuant to 10 CFR 51.22(b), no environmental impact statement or environmental assessment needs to be prepared concerning the proposed amendment.

ATTACHMENT 1 TO AEP:NRC:3591-01

REGULATORY COMMITMENTS

The following table identifies those actions committed to by Indiana Michigan Power Company (I&M) in this document. Any other actions discussed in this submittal represent intended or planned actions by I&M. They are described to the Nuclear Regulatory Commission (NRC) for the NRC's information and are not regulatory commitments.

| Commitment | Date |
|---|--|
| I&M will conduct a comprehensive root cause analysis evaluation of the December 7, 2003, Unit 2 AB Emergency Diesel Generator failure with a multi-disciplinary team, including external component experts. | Within 60 days after the issuance of the license amendment |