

September 27, 2005

Mr. Stephen D. Floyd  
Vice President, Regulatory Affairs  
Nuclear Generation Division  
Nuclear Energy Institute  
1776 I Street, NW  
Suite 400  
Washington, D.C. 20006-3708

Dear Mr. Floyd:

As you know, the staff is performing a plant-specific Mitigating Systems Performance Index (MSPI) implementation review to assess the technical adequacy and quality of MSPI to support a targeted January 2006 implementation. This review has two parts, a review of the Birnbaum risk coefficient component candidate outliers and a review of the basis document that each licensee will compile before MSPI implementation. As agreed during the last MSPI Working Group Meeting, the staff will attempt to resolve any issues with the respective licensees. Any remaining issues will be brought to a December 2005 MSPI workshop to be resolved by the MSPI Working Group. In addition, in order to adhere to a January 2006 implementation, any outstanding Birnbaum risk coefficient component issues that remain unresolved by December 31, 2005, will be addressed by substituting a Birnbaum risk coefficient adjustment factor for the licensee's calculated probabilistic risk assessment (PRA) Birnbaum value until the licensee can present an acceptable justification. The staff has determined that this adjustment factor should be three times the median Birnbaum risk coefficient value from the appropriate plant grouping, or the calculated licensee PRA Birnbaum risk coefficient value, whichever is higher. Once the staff receives the complete industry cross-comparison effort, the staff will decide whether to use the industry groupings or Standardized Plant Analysis Risk (SPAR) model groupings using industry values to determine the basis for the adjusted value.

In reviewing your July 27, 2005, letter regarding the industry approach to establishing the level of PRA quality needed for implementation of the MSPI, the staff concluded that the industry cross-comparison effort is, in principle, a valid approach. However, since the staff has some concerns with the proposed criteria for identifying candidate outliers, and since it has not received the complete industry effort, the staff will, in addition, identify Birnbaum risk coefficient component candidate outliers using its own criterion of a four decile difference between the SPAR Birnbaum value and the licensee's PRA Birnbaum value. Using this criterion, the staff has compiled a preliminary list of Birnbaum risk coefficient candidate component outliers. This list is subject to change during our MSPI review based on licensee updates to the bases documents, as well as from our review efforts. Although the industry has undertaken a similar effort to identify Birnbaum risk coefficient candidate component outliers, the staff did not have sufficient time to compare the outlier lists before commencing the staff review. However, the staff will use the industry effort during its review.

Concurrent with the staff's review and followup of Birnbaum risk coefficient component candidate outlier issues, the regional review teams will review each licensee's MSPI basis document. This review will check that the MSPI guidance documents are adhered to, that appropriate relevant PRA information is documented, and it is compatible with the calculated MSPI PRA values. The review will also check that any component outlier issues that remain unresolved are captured, documented, and the appropriate Birnbaum adjustment factor is substituted in its place. Since the candidate outlier review is only looking at pumps and diesels, the staff will also selectively audit valves as time permits.

The schedule of activities needing to be accomplished is very challenging and dependent on several milestones yet to be achieved. Although the industry submitted a portion of the Birnbaum risk coefficient component candidate outlier summary studies by the September 1, 2005 deadline, the boiling water reactor licensees have not yet provided the results of their effort. The Birnbaum data for the support cooling water systems must be finalized and submitted to the staff by September 30, 2005. MSPI guidance documents, NEI 99-02, Section 2.2, and Appendices F and G, must be in final form by September 30, 2005. Any delay in any of these milestone objectives could impact the January 2006 MSPI implementation.

Additionally, industry has agreed to (1) notify the staff by December 31, 2005, of any significant changes in PRA values used by MSPI, where the change is an order of magnitude or greater from those values already submitted in the plant PRA data, (2) submit the final MSPI basis documents by December 31, 2005, and (3) provide the generic two year demand failure data by November 30, 2005.

My staff plans to continue to discuss these milestone objectives with industry at the periodic MSPI public meetings. Please contact John Thompson of my staff at 301-415-1011 if you have any questions.

Sincerely,

J. E. Dyer, Director/**RA**/  
Office of Nuclear Reactor Regulation

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J. E. Dyer, Director  
Office of Nuclear Reactor Regulation

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