

September 30, 2005

Mr. L. William Pearce
Vice President
FirstEnergy Nuclear Operating Company
Beaver Valley Power Station
Post Office Box 4
Shippingport, PA 15077

SUBJECT: BEAVER VALLEY POWER STATION, UNIT NOS. 1 AND 2 (BVPS-1 and 2) -
AUDIT OF FIRSTENERGY NUCLEAR OPERATING COMPANY's (FENOC's)
COMMITMENT MANAGEMENT PROGRAM (TAC NOS. MC1244 AND MC1245)

Dear Mr. Pearce:

On May 27, 2003, the Office of Nuclear Reactor Regulation published Office Instruction LIC-105, "Managing Regulatory Commitments Made by Licensees to the NRC [Nuclear Regulatory Commission]." LIC-105, which is publicly available electronically from the Agencywide Documents Access and Management System at Accession No. ML022750041, provides the NRC staff and its stakeholders with a common reference for handling regulatory commitments made by licensees for commercial nuclear reactors to the NRC staff. The guidance is consistent with the industry guidance prepared by the Nuclear Energy Institute (NEI), NEI 99-04, "Guidance for Managing NRC Commitment Changes." According to LIC-105, and as also defined in NEI 99-04, a "regulatory commitment" is 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. LIC-105 further directs the NRR Project Manager to "audit the licensee's commitment management program by assessing the adequacy of the licensee's implementation of a sample of commitments made to the NRC in past licensing actions (amendments, reliefs, exemptions, etc.) and activities (bulletins, generic letters, etc.)." The audit is to be performed every 3 years.

On November 19, 2003, with a follow-up visit in March 30, 2005, the NRC staff conducted an audit of the BVPS-1 and 2 commitment management program. This audit consisted of an in-office review of the BVPS-1 and 2 commitment management program procedures and an onsite review of a representative sample of formal regulatory commitments made to the NRC by FENOC. The FENOC staff member contacted during the audit was Mr. Brian Sepelak.

The NRC staff compared the licensee's commitment management procedures to the guidance contained in NEI 99-04. The NRC staff determined that the licensee's guidance conformed almost exactly to the NEI guidance except for obvious plant-specific references to BVPS-1 and 2, where appropriate.

During the onsite portion of the audit, the NRC staff noted that the licensee's commitment management program included items such as commitments made in Licensee Event Reports and responses to Notices of Violation which would not be defined as regulatory commitments per LIC-105. NRC staff had previously reviewed regulatory commitments contained in license amendment requests and supplements and compiled a list of commitments for consideration during the audit. The audit was limited to include only those items which would correspond to

the LIC-105 definition of regulatory commitments. The NRC staff looked at a representative sample of commitments (about 10) in detail during the onsite portion of the audit. The NRC staff determined that the licensee's database captured all the regulatory commitments that were identified by the NRC staff before the audit. For commitments that had changed, the NRC staff determined that the licensee promptly informed the NRC of the change in commitment. The NRC staff further determined that the licensee's tracking system and related data base were very effective in determining the status and history of regulatory commitments. The system had been newly incorporated to consolidate several commitment management systems that had been in place prior to its inception. It provided a comprehensive and accurate "cradle-to-grave" research of all regulatory commitments.

In evaluating the adequate completion of regulatory commitments, the NRC staff observed one deviation from expected practices. This involved a update to a response to Generic Letter 88-14. A review of the justification of the change led the NRC staff to determine that the licensee had misinterpreted the guidance provided by the Instrument Air Standards Committee in a letter to the licensee dated August 15, 1990. This item was brought to the licensee's attention and the licensee promptly entered the item into its corrective action program and initiated condition report CR 04-01045. The follow-up onsite visit on March 30, 2005, confirmed that this condition report had been closed and that the deficiency had been corrected. The licensee's revised supporting analysis utilized a more recent version of the Instrument Air Standards Committee's guidance to justify the change in commitment.

The NRC staff concludes, based on the audit, that (1) FENOC's commitment management program is consistent with NRC guidance contained in LIC-105 and industry guidance contained in NEI 99-04, (2) FENOC has implemented NRC commitments on a timely basis, and (3) FENOC's program for managing NRC commitment changes is effective.

Sincerely,

/RA/

Timothy G. Colburn, Senior Project Manager, Section 1
Project Directorate I
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-334 and 50-412

cc: See next page

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Sincerely,

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