

July 31, 2006

Mr. Joseph E. Venable
Vice President Operations
Entergy Operations, Inc.
17265 River Road
Killona, LA 70066-0751

SUBJECT: WATERFORD STEAM ELECTRIC STATION, UNIT 3 - ISSUANCE OF
AMENDMENT RE: STEAM GENERATOR TUBE INTEGRITY
(TAC NO. MC7973)

Dear Mr. Venable:

The Commission has issued the enclosed Amendment No. 204 to Facility Operating License No. NPF-38 for the Waterford Steam Electric Station, Unit 3 (Waterford 3). This amendment consists of changes to the Technical Specifications (TSs) in response to your application dated July 21, 2005, as supplemented on February 15, May 3, and June 2, 2006.

The amendment revises TS 1.14, "Identified Leakage," TS 1.21, "Pressure Boundary Leakage," TS 3.4.4, "Steam Generator (SG) Tube Integrity," TS 3.4.5.2, "Reactor Coolant System Operational Leakage," and adds two new specifications, TS 6.5.9, "Steam Generator (SG) Program," and TS 6.9.1.5, "Steam Generator Tube Inspection Report." The changes implement the guidance for the industry initiative in Nuclear Energy Institute 97-06, "Steam Generator Program Guidelines." The changes are also consistent with TS Task Force (TSTF) Change TSTF- 449, Revision 4, "Steam Generator Tube Integrity."

A copy of our related Safety Evaluation is also enclosed. The Notice of Issuance will be included in the Commission's next biweekly *Federal Register* notice.

Sincerely,

/RA/

Mel B. Fields, Senior Project Manager
Plant Licensing Branch IV
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-382

Enclosures: 1. Amendment No. 204 to NPF-38
2. Safety Evaluation

cc w/encls: See next page

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Package: **ML062210050** TSs: **ML062120723**

Accession Number: **ML062000169**

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ENTERGY OPERATIONS, INC.

DOCKET NO. 50-382

WATERFORD STEAM ELECTRIC STATION, UNIT 3

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 204
License No. NPF-38

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by Entergy Operations, Inc. (EOI), dated July 21, 2005, as supplemented on February 15, May 3, and June 2, 2006, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

2. Accordingly, the license is amended by changes to the Technical Specifications as indicated in the attachment to this license amendment, and paragraph 2.C.2. of Facility Operating License No. NPF-38.
3. This license amendment is effective as of its date of issuance and shall be implemented within 90 days from the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

David Terao, Chief
Plant Licensing Branch IV
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Attachment: Changes to the Technical
Specifications and Facility Operating License

Date of Issuance: July 31, 2006

ATTACHMENT TO LICENSE AMENDMENT NO. 204

TO FACILITY OPERATING LICENSE NO. NPF-38

DOCKET NO. 50-382

Replace page 4 of Facility Operating License No. NPF-38 with the attached revised page 4.

Replace the following pages of the Appendix A Technical Specifications with the attached revised pages. The revised pages are identified by an amendment number and contain marginal lines indicating the areas of change.

Remove

1-4
1-5
3/4 4-10
3/4 4-11
3/4 4-12
3/4 4-13
3/4 4-14
3/4 4-15
3/4 4-16
3/4 4-18
3/4 4-19
6-7a

6-17a

Insert

1-4
1-5
3/4 4-10
3/4 4-11

3/4 4-18
3/4 4-19
6-7a
6-7b
6-7c
6-17a

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION

RELATED TO AMENDMENT NO. 204 TO

FACILITY OPERATING LICENSE NO. NPF-38

ENTERGY OPERATIONS, INC.

WATERFORD STEAM ELECTRIC STATION, UNIT 3

DOCKET NO. 50-382

1.0 INTRODUCTION

By application dated July 21, 2005 (Agencywide Documents and Access Management System (ADAMS) Accession No. ML052150133), Entergy Operations, Inc. (the licensee), requested changes to the Technical Specifications (TSs) for Waterford Steam Electric Station, Unit 3 (Waterford 3). The licensee provided additional information in letters dated February 15 (ADAMS Accession No. ML060480405), May 3 (ADAMS Accession No. ML061250173), and June 2, 2006 (ADAMS Accession No. ML061570425).

The proposed changes would revise TS 1.14, "Identified Leakage," TS 1.21, "Pressure Boundary Leakage," TS 3.4.4, "Steam Generator (SG) Tube Integrity," TS 3.4.5.2, "Reactor Coolant System Operational Leakage," and adds two new specifications, TS 6.5.9, "Steam Generator (SG) Program," and TS 6.9.1.5, "Steam Generator Tube Inspection Report." Changes will be made to the Waterford 3 TS Bases in accordance with the TS Bases Control Program (TS 6.16).

The requested changes would revise the existing SG tube surveillance program to be consistent with the U.S. Nuclear Regulatory Commission's (NRC's) approved TS Task Force (TSTF) Change TSTF-449, "Steam Generator Tube Integrity," Revision 4, and the model safety evaluation prepared by the NRC and published in the *Federal Register* notice on March 2, 2005 (70 FR 10298). In this regard, the scope of the application includes changes to the definition of leakage, changes to the primary-to-secondary leakage requirements, changes to the SG tube surveillance program (SG tube integrity), changes to the SG reporting requirements, and associated changes to the TS Bases.

The February 15, May 3, and June 2, 2006, letters provided additional information that clarified the application, did not expand the scope of the application as originally noticed, and did not change the staff's original proposed no significant hazards consideration determination as published in the *Federal Register* on October 25, 2005 (70 FR 61659).

2.0 REGULATORY EVALUATION

The background, description, and applicability of the proposed changes associated with the SG tube integrity issue and the applicable regulatory requirements were included in the NRC

staff's model safety evaluation (SE) published in the *Federal Register* on March 2, 2005 (70 FR 10298). The "Notice of Availability of Model Application Concerning Technical Specification; Improvement To Modify Requirements Regarding Steam Generator Tube Integrity; Using the Consolidated Line Item Improvement Process" was published in the *Federal Register* on May 6, 2005 (70 FR 24126), which made the model SE available to licensees for use.

The NRC's regulatory requirements related to the content of the TSs are set forth in Title 10 of the *Code of Federal Regulations* (10 CFR) Section 50.36, "Technical Specifications." This regulation requires that the TSs include items in five specific categories. These categories include: (1) safety limits, limiting safety system settings and limiting control settings; (2) limiting conditions for operation (LCOs); (3) SRs; (4) design features; and (5) administrative controls. Additionally, Criterion 2 of 10 CFR 50.36(c)(2)(ii) requires an LCO to be established for a process variable, design feature, or operating restriction that is an initial condition of a design-basis accident or transient analysis that either assumes the failure of, or presents a challenge to, the integrity of a fission product barrier.

3.0 TECHNICAL EVALUATION

In its July 21, 2005, application, as supplemented by the letters referenced above, the licensee proposed changes to the TSs that are modeled after TSTF-449. There were minor differences between TSTF-449 and the licensee's application. These included differences associated with the facility having a different licensing basis (than that discussed in TSTF-449) and differences in TS numbering and wording since the licensee has a different TS format (than that assumed in TSTF-449). Since these differences were administrative in nature or they were consistent with the plant's licensing basis, the NRC staff determined they were acceptable. The remainder of the application was generally consistent with or more conservative than TSTF-449. As a result, the NRC staff determined that the generic SE is applicable to this review and finds the proposed changes acceptable.

The proposed TS changes establish a programmatic, largely performance-based regulatory framework for ensuring SG tube integrity is maintained. The NRC staff finds that this framework addresses key shortcomings of the current framework by ensuring that SG programs are focused on accomplishing the overall objective of maintaining tube integrity. The proposed changes incorporate performance criteria for evaluating tube integrity that the NRC staff finds consistent with the structural margins and the degree of leak tightness assumed in the current plant licensing basis. The NRC staff finds that maintaining these performance criteria provide reasonable assurance that the SGs can be operated safely without an increase in risk.

The revised TSs will contain limited specific details concerning how the SG Tube Surveillance Program is to achieve the required objective of maintaining tube integrity; the intent being that the licensee will have the flexibility to determine the specific strategy for meeting this objective. However, the NRC staff finds that the revised TSs include sufficient regulatory constraints on the establishment and implementation of the SG Tube Surveillance Program, such as, to provide reasonable assurance that tube integrity will be maintained.

Failure to meet the performance criteria will be reportable pursuant to the requirements in Parts 50.72 and 50.73 of Title 10 of the *Code of Federal Regulations* (10 CFR). The NRC

reactor oversight process provides a process by which the NRC staff can verify that the licensee has identified any SG Tube Surveillance Program deficiencies that may have contributed to such an occurrence and that appropriate corrective actions have been implemented.

In conclusion, the NRC staff finds that the TS changes proposed by the licensee in its July 21, 2005, application, as supplemented, are consistent with TSTF-449, conform to the requirements of 10 CFR 50.36 and establish a TS framework that will provide reasonable assurance that SG tube integrity is maintained without undue risk to public health and safety.

4.0 STATE CONSULTATION

In accordance with the Commission's regulations, the Louisiana State official was notified of the proposed issuance of the amendment. The State official had no comments.

5.0 ENVIRONMENTAL CONSIDERATION

The amendment changes a requirement with respect to installation or use of a facility component located within the restricted area as defined in 10 CFR Part 20 and changes a surveillance requirement. The NRC staff has determined that the amendment involves no significant increase in the amounts, and no significant change in the types, of any effluents that may be released offsite, and that there is no significant increase in individual or cumulative occupational radiation exposure. The Commission has previously issued a proposed finding that the amendment involves no significant hazards consideration, and there has been no public comment on such finding published October 25, 2005 (70 FR 61659). Accordingly, the amendment meets the eligibility criteria for categorical exclusion set forth in 10 CFR 51.22(c)(9). Pursuant to 10 CFR 51.22(b) no environmental impact statement or environmental assessment need be prepared in connection with the issuance of the amendment.

6.0 CONCLUSION

The Commission has concluded, based on the considerations discussed above, that: (1) there is reasonable assurance that the health and safety of the public will not be endangered by operation in the proposed manner, (2) such activities will be conducted in compliance with the Commission's regulations, and (3) the issuance of the amendments will not be inimical to the common defense and security or to the health and safety of the public.

7.0 REFERENCES

A complete list of references used to complete this review can be found in the NRC's model SE published in the *Federal Register* on March 2, 2005 (70 FR 10298).

Principal Contributor: G. Makar

Date: July 31, 2006

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cc:

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May 2006