

August 17, 2012

Mr. Mark McBurnett, Vice President
Regulatory Affairs
Nuclear Innovation North America, LLC
4000 Avenue F
Bay City, TX 77414

SUBJECT: REGULATORY AUDIT SUMMARY FOR NUCLEAR INNOVATION
NORTH AMERICA, LLC, COMBINED LICENSE APPLICATION OF
GENERAL FINANCIALS RELATING TO ENGINEERING, PROCUREMENT
AND CONSTRUCTION

Dear Mr. McBurnett:

By letter dated September 20, 2007, STP Nuclear Operating Company (STPNOC) submitted to the U.S. Nuclear Regulatory Commission (NRC) a combined license (COL) application to construct and operate two reactor units (Units 3 and 4) based on the U.S. Advanced Boiling Water Reactor (ABWR) design certification at the South Texas Project Nuclear Power Plant (STPNPP). The NRC Office of New Reactors (NRO) is reviewing the South Texas Project (STP) COL application that incorporates by reference the ABWR design control document.

As part of this review, the NRO conducted an audit of the Master Engineering, Procurement and Construction Agreement of the STP COL application. The audit was conducted at the Westinghouse Office in Rockville, Maryland on May 30, 2012. The NRC staff followed the guidance in NRO Office Instruction NRO-REG-108, "Regulatory Audits," in performing this audit. Enclosure 1 is a summary of the audit. Enclosure 2 is a list of the NRC staff and the applicant team members who participated in the audit.

Please contact Patricia Vokoun at (301) 415-3470 or patricia.vokoun@nrc.gov if you have any questions related to the audit.

Sincerely,

/RA Tekia Govan for/

Ronaldo Jenkins, Chief
Licensing Branch 3
Division of New Reactor Licensing
Office of New Reactors

Docket Nos.: 52-012
52-013

Enclosures:

1. Audit Summary
2. Attendee List
3. Audit Plan (ML12125A381)

cc w/encls: See next page

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DISTRIBUTION: See next page

ADAMS Accession No.: ML12227A539

*via e-mail

NRO-002

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NAME	PVokoun	SGreen	ASimmons*	GWunder	RJenkins (Tekia Govan for)
DATE	08/14/2012	08/14/2012	08/14/2012	08/14/2012	08/17/2012

OFFICIAL RECORD COPY

Letter to M. McBurnett from R. Jenkins dated August 17, 2012.

SUBJECT: REGULATORY AUDIT SUMMARY FOR NUCLEAR INNOVATION
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AND CONSTRUCTION

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SUMMARY

By letter dated February 23, 2012, Nuclear Innovation North America, LLC (NINA), submitted request for additional information (RAI) responses related to the South Texas Project Units 3 and 4 Combined License Application. In addition, public meetings were conducted on January 26 and March 5, 2012, for clarification. The staff identified a need to audit the Engineering, Procurement and Construction (EPC) document and any supporting documents and request for additional information responses developed to support the EPC.

The audit took place at the Westinghouse office in Rockville, Maryland, on May 30, 2012. The following documents were reviewed and discussed.

DOCUMENTS REVIEWED

- South Texas Project Units 3 & 4 Amended and Restated Master Engineering, Procurement and Construction Agreement (Nov. 29, 2010)
- South Texas Project Units 3&4 Credit Agreements and Intercreditor Agreement (Nov. 29, 2010)
- 2010 Owner's Estimate Unit 3 and 4 (Dec. 7, 2009)
- 2010 Schedule
- South Texas Project Units 3&4 CONTRACT NO: B03974; 2009 Preliminary Estimate (TANE Estimate Rev. O) Volume 1/19
- Binder Regarding South Texas Project 3 and 4 Sources and Uses of funds
 1. Inputs
 2. S&U
 3. NINA Investments Construction
 4. U3 Construction
 5. U4 Construction
 6. Cost Summary
 7. Unit Financing
 8. Debt
- South Texas Project Units 3 & 4, Fluor 2009 Preliminary Estimate Revision M, October 1, 2009, Volume 1 of 6
 1. Transmittal Letter
 2. Estimate Basis
 3. Cost Estimate Summary
 4. Project Schedule
 5. Labor Survey
 6. Construction Indirects
 7. Summary of Priced Equipment & Subcontracts

8. Project Organization
9. Site and Plot Plan Drawings

- South Texas Project Units 3 & 4, Fluor 2009 Preliminary Estimate Revision M, October 1, 2009, Volume 2A of 6, Detailed Estimates

00 Account – Civil
10 Account – Concrete
20 Account – Structural Steel
30 Account – Buildings
40 Account – Equipment
41 Account – Modules

- South Texas Project Units 3 & 4, Fluor 2009 Preliminary Estimate Revision M, October 1, 2009, Volume 2B of 6, Detailed Estimates

50 Account – Piping

- South Texas Project Units 3 & 4, Fluor 2009 Preliminary Estimate Revision M, October 1, 2009, Volume 3 of 6

Change Log Details #1 – #30

- South Texas Project Units 3 & 4, Fluor 2009 Preliminary Estimate Revision M, October 1, 2009, Volume 5 of 6

Change Log Details #31 – Update HO Cost (part 2 of 2) (continued)

- South Texas Project Units 3 & 4, Fluor 2009 Preliminary Estimate Revision M, October 1, 2009, Volume 6 of 6

Change Log Details #32 – #70

CONCLUSION

In general, NRC staff informed the applicant that the audit was productive. There were no action items or follow on RAIs associated with this audit.

REFERENCES

1. NRO Office Instruction NRO-REG-108, (Revision 0), "Regulatory Audits"
2. Audit Plan for Nuclear Innovation North America, LLC, Combined License Application, Regulatory Audit of General Financials dated May 17, 2012 (ML12125A381)

ATTENDEE LIST

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(Revised 06/14/2012)

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FROM: Patricia Vokoun, NRO/DNRL, 301-415-3470

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NORTH AMERICA, LLC, COMBINED LICENSE APPLICATION OF
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SECRETARY: C. Nagel

DATE: August 17, 2012

MAILING LIST: Attached? YES ☒ NO ☐

●●● ROUTING LIST ●●●

	NAME	DATE
1.	P. Vokoun	/ /12
2.	S. Green	/ /12
3.	ASimmons	/ /12
4.	CRegan	/ /12
5.	GWunder	/ /12
6.	RJenkins	/ /12

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