

7 AUG 1987

MEMORANDUM FOR: Jesse L. Funches, Chief
Policy Development and Technical
Support Branch

THRU: George W. Knighton, Director
Project Directorate V
Division of Reactor Projects - III,
IV, V and Special Projects

FROM: Richard F. Dudley, Jr., Project Manager
Project Directorate V
Division of Reactor Projects - III,
IV, V and Special Projects

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SUBJECT: OPERATOR LICENSING BACKFIT DETERMINATION: SAN ONOFRE
UNITS 1, 2, AND 3

On July 20, 1987, I spoke with Dennis Cox, the Southern California Edison (SCE) Licensing Supervisor who is responsible for the subject issue. Mr. Cox stated that SCE had contracted with a law firm for an independent evaluation of the staff's Backfit Determination issued on October 31, 1986.

Mr. Cox stated that the results of the evaluation indicated that SCE had adequate grounds to appeal the staff's determination for all three units. However, with the issuance on March 19, 1987 of the new 10 CFR Part 55, which clearly requires the five facility reactivity control manipulations which formed the basis for the backfit, the licensee has concluded that they will not formally appeal the staff's determination. However, the licensee's legal consultant has advised that the Backfit Rule may be used as the basis for a request for Exemption from the new 10 CFR Part 55. Mr. Cox then stated that SCE plans to submit such an Exemption request for staff evaluation in approximately one month.

The above information is provided so that you may update the NRR Monthly Backfitting Status Report as appropriate. We recommend that the Backfit appeal issue be indicated as closed and that the anticipated Exemption request be handled as a separate licensing action.

Original signed by: *[Signature]*
George W. Knighton

Richard F. Dudley, Jr., Project Manager
Project Directorate V
Division of Reactor Projects - III,
IV, V and Special Projects

cc: D. Crutchfield
G. Holahan
B. Boger
J. Hannon
S. Black
J. Scinto

Office: PM/PDV
Surname: RDudley/tg
Date: 08/1/87

HR
PM/PDV
HRood
08/6/87

PD/PDV
GKnighton
08/1/87

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PDR