



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

September 16, 2014

Mr. Thomas A. Vehec
Vice President
Duane Arnold Energy Center
NextEra Energy Duane Arnold, LLC
3277 DAEC Road
Palo, IA 52324-9785

SUBJECT: DUANE ARNOLD ENERGY CENTER - AUDIT OF THE LICENSEE'S
MANAGEMENT OF REGULATORY COMMITMENTS (TAC NO. MF4283)

Dear Mr. Vehec:

The U.S. Nuclear Regulatory Commission (NRC) informed licensees in Regulatory Issue Summary (RIS) 2000-17, "Managing Regulatory Commitments Made by Power Reactor Licensees to the NRC Staff," dated September 21, 2000, that the Nuclear Energy Institute (NEI) document NEI 99-04, "Guidelines for Managing NRC Commitment Changes," contains acceptable guidance for controlling regulatory commitments. RIS 2000-17 encouraged licensees to use the NEI guidance or similar administrative controls to ensure that regulatory commitments are implemented and that changes to the regulatory commitments are evaluated and, when appropriate, reported to the NRC.

The NRC Office of Nuclear Reactor Regulation has instructed its staff to perform an audit of licensees' commitment management programs once every three years to determine whether the licensees' programs are consistent with the industry guidance in NEI 99-04, and that regulatory commitments are being effectively implemented.

An audit of Duane Arnold's commitment management program was performed at the plant site during the period of July 21 to 24, 2014. The NRC staff concludes, based on the audit, that: (1) Duane Arnold has implemented NRC commitments on a timely basis, and (2) Duane Arnold has implemented an effective program for managing NRC commitment changes. Details of the audit are set forth in the enclosed audit report.

T. Vehec

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The NRC staff appreciates the resources that were made available by your staff for performing the audit. If you have any questions, I may be reached at (301) 415-8371.

Sincerely,

A handwritten signature in black ink, appearing to read "Chawla", with a stylized flourish at the end.

Mahesh Chawla, Project Manager
Plant Licensing Branch III-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-331

Enclosure:
Audit Report

cc: Listserv



UNITED STATES
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AUDIT REPORT BY THE OFFICE OF NUCLEAR REACTOR REGULATION

LICENSEE MANAGEMENT OF REGULATORY COMMITMENTS

DUANE ARNOLD ENERGY CENTER

DOCKET NO. 50-331

1.0 INTRODUCTION AND BACKGROUND

The U.S. Nuclear Regulatory Commission (NRC) informed licensees in Regulatory Issue Summary (RIS) 2000-17, "Managing Regulatory Commitments Made by Power Reactor Licensees to the NRC Staff," dated September 21, 2000, that the Nuclear Energy Institute (NEI) document NEI 99-04, "Guidelines for Managing NRC Commitment Changes," contains acceptable guidance for controlling regulatory commitments. RIS 2000-17 encouraged licensees to use the NEI guidance or similar administrative controls to ensure that regulatory commitments are implemented and that changes to the regulatory commitments are evaluated and, when appropriate, reported to the NRC. NEI 99-04 describes a "regulatory commitment" as an explicit statement to take a specific action agreed to, or volunteered by, a licensee by a certain date and submitted in writing on the docket to the NRC.

The NRC Office of Nuclear Reactor Regulation (NRR) has instructed its staff to perform an audit of licensees' commitment management programs once every three years to determine whether the licensees' programs are consistent with the industry guidance in NEI 99-04, and that the regulatory commitments are being effectively implemented. An audit of the Duane Arnold Energy Center (DAEC) commitment management program was performed at the plant site during the period of July 21 to 24, 2014. The audit reviewed commitments made since the previous audit on October 11, 2011.

NRR guidelines direct 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.).

2.0 AUDIT PROCEDURE AND RESULTS

The audit consisted of three major parts: (1) verification of the licensee's implementation of NRC commitments that have been implemented or are awaiting implementation, (2) verification of the licensee's program for managing changes to NRC commitments, and (3) verification that all regulatory commitments reviewed were correctly applied in NRC staff licensing action reviews.

Enclosure

2.1 Verification of Licensee's Implementation of NRC Commitments

The primary focus of this part of the audit is to confirm that the licensee has implemented commitments made to the NRC as part of past licensing actions/activities. For commitments not yet implemented, the NRC staff determines whether they have been captured in an effective program for future implementation. The audit also verifies that the licensee's commitment management system includes a mechanism to ensure traceability of commitments following initial implementation. This ensures that licensee personnel are able to recognize that future proposed changes to the affected design features or operating practices require evaluation in accordance with the commitment change control process.

2.1.1 Audit Scope

The audit addressed a sample of commitments made during the review period. The audit focused on regulatory commitments (as defined above) made in writing to the NRC as a result of past licensing actions (amendments, exemptions, etc.) or licensing activities (bulletins, generic letters, etc.). Commitments made in Licensee Event Reports or in response to Notices of Violation may be included in the sample, but the review will be limited to verification of restoration of compliance, not the specific methods used. Before the audit, the NRC staff searched the Agencywide Documents Access and Management System (ADAMS) for the licensee's submittals since the last audit and selected a representative sample for verification.

The audit excluded the following types of commitments that are internal to licensee processes:

- (1) Commitments made on the licensee's own initiative among internal organizational components.
- (2) Commitments that pertain to milestones of licensing actions/activities (e.g., respond to an NRC request for additional information by a certain date). Fulfillment of these commitments was indicated by the fact that the subject licensing action/activity was completed.
- (3) Commitments made as an internal reminder to take actions to comply with existing regulatory requirements such as regulations and Technical Specifications (TSs). Fulfillment of these commitments was indicated by the licensee having taken timely action in accordance with the subject requirements.

Due to a large number of commitments made by the licensee in the process of transitioning to NFPA 805 program, and a limited number of commitments made in other areas, some of the NFPA 805 commitments were included in the review. The NFPA 805 commitments were made as a part of license conditions, and as such, these are obligations the licensee is required to meet. Also included were license renewal commitment changes to review their commitment change process. There was one commitment made in a Licensee Event Report (LER), and it was also included in the sample of commitments made during the last three years.

2.1.2 Audit Results

The NRC staff found that the licensee has successfully implemented the regulatory commitment management process at DAEC. The attached table provides the list of commitments reviewed and their status.

The NRC staff provided the licensee a list of commitments and also the licensee was asked to provide the list from their database for the last 3 years. Initial comparison of both these lists showed some minor differences in the number of items. The differences existed due to the fact that descriptions of these items in the NAMS database were shortened from the original wording of the commitments.

Also noted was the fact that the licensee's search of the NAMS database did not turn up all existing commitments. The licensee searched for items labeled as "COMMs," which produced a list of commitments, but excluded ten items from the past three years. The licensee has entered Condition Report number 01980189 to determine why some of the COMMs did not appear in the NAMS search, when they are clearly identified in NAMS as COMMs.

One of the commitments had no due date. It is related to a License Amendment Request for Battery replacement. The licensee was waiting on a letter from a vendor to provide additional information, and committed to send the information to the NRC "when received." The licensee wrote Condition Report 01980195 to address this issue.

Licensing Desktop Instruction, LI-AA-101-1005-10000, Rev 1, "Commitment Tracking," section 4.0, calls for licensing personnel to perform periodic assessments and provide reports to management. However, during the last three years there were no periodic assessments performed. The discussion with licensing personnel revealed that this is not being done. The licensee wrote Condition Report 01980209 to address this issue.

2.2 Verification of the Licensee's Program for Managing NRC Commitment Changes

The primary focus of this part of the audit is to verify that the licensee has established administrative controls for modifying or deleting commitments made to the NRC. The NRC staff compared the licensee's process for controlling regulatory commitments to the guidelines in NEI 99-04, which the NRC has found to be an acceptable guide for licensees to follow for managing and changing commitments. The commitments at Duane Arnold Energy Center (DAEC) are maintained in a database named as Nuclear Asset Management System (NAMS). This is a large database which contains several documents and tasks related to the plant maintenance. NAMS is utilized to track and manage regulatory commitments identified in correspondence between NextEra nuclear locations and the NRC. NAMS is also used to track Obligations and Licensee Planned Actions. The plant procedure, AD-AA-100-1004-10000, Rev. 4, NAMS Controlled Documents Desk-Top Instruction, provides a brief description of the database system, and instructions on initiating procedure change request (PCR). The database was created approximately 2 years ago and it rolled in the older database which included regulatory commitments. The NAMS includes several other plant documents and other commitments besides the regulatory commitments. However, the regulatory commitments are designated as "COMM" and therefore can be easily identified.

The control and maintenance process for regulatory commitments at DAEC is described in Nuclear Fleet Administrative procedure, LI-AA-101-1005, Rev. 1, "NRC Commitment Management." Section 4.4 of this procedure provides the steps for changing the NRC commitments. The proposed commitment changes are identified within a condition report (CR) so that corrective action management review committee is made aware of potential NRC commitment changes. For each proposed commitment change, the procedure directs to complete a commitment change evaluation summary checklist. This process of commitment

changes at DAEC was reviewed by NRC staff and determined that it follows the guidelines provided in NEI 99-04. Due to sensitivity of some regulatory commitments, the procedure goes beyond NEI 99-04 guidelines in directing the licensee to choose to notify NRC prior to making changes. If the commitment change is unacceptable or if questions exist, licensing staff is required to resolve these concerns with the Technical Manager in charge of the commitment. This could result in a revision or cancellation of the proposed commitment change. From the review of commitment changes/deletions, it was found that the licensee followed the appropriate process for documenting these changes.

2.2.1 Audit Results

The NRC staff found that licensee's procedure for managing commitments and commitment changes conforms with the NEI 99-04 guidelines. The licensee procedures cover all aspects of managing regulatory commitments which include capturing new commitments, changing existing commitments, and closing/deleting commitments. It provides the flow chart to make decisions in processing the changes to commitments. The procedure also provides cautionary notes under general consideration regarding making commitments. It states that NRC's safety evaluation (SE) should not rely on commitments as a basis for any part of the NRC's approval of a proposed licensee action.

2.3 Review to Identify Misapplied Commitments

The commitments reviewed for this audit were also evaluated to determine if they had been misapplied. A commitment is considered to be misapplied if the action comprising the commitment was relied on by the NRC staff in making a regulatory decision such as a finding of public health and safety in an NRC safety evaluation associated with a licensing action. Reliance on an action to support a regulatory decision must be elevated from a regulatory commitment to a legal obligation (e.g., license condition, condition of a relief request, regulatory exemption limitation or condition). A commitment is also considered to have been misapplied if the commitment involves actions that were safety significant (i.e., commitments used to ensure safety).

Each of the commitments selected for the audit sample were reviewed to determine if any had been misapplied. There were no misapplied commitments found.

2.3.1 Review of Safety Evaluation Reports for Licensing Actions since the Last Audit to Determine if They Are Properly Captured as Commitments or Obligations

In addition to the commitments selected for the audit sample, all license amendment safety evaluations, exemptions and relief request safety evaluations that have been issued for the facility since the last audit were identified. These documents were evaluated to determine if they contained any misapplied commitments as described above. There were no misapplied commitments found in the NRC issued documents in the past three years. In one case, the NRC issued SE stated that NRC staff arrived at this finding, based on the supporting information and details provided in the licensee's application and supplements, rather than solely on the licensee's commitment statement. The commitments in the LAR issued for transition to NFPA 805 were covered under license conditions and are being appropriately treated as obligations.

3.0 CONCLUSION

The NRC staff concludes, based on the above audit, that the DAEC has appropriately implemented its regulatory commitments in a timely manner, has had no misapplied commitments over the past three years, and has implemented an effective program for managing NRC commitment changes, consistent with NEI 99-04. Minor procedural inconsistencies and general observations made were discussed with DAEC personnel during the exit meeting on July 24, 2014.

4.0 LICENSEE PERSONNEL CONTACTED FOR THIS AUDIT

Laura Swenzinski, Tracy Weaver, Rob Archibald

Principal Contributors: Mahesh Chawla

Date: September 16, 2014

Attachment: Audit Summary

AUDIT SUMMARY

Item no.	Category	Commitment number	Commitment Letter	Commitment Date	Description of Commitment	Status	ADAMS Accession No.
1	NFPA 805	1691105-17	NG-11-0267	5-Aug-11	Modify the "B" Emergency Service Water Pump motor control circuitry to provide separately fused branch circuits.	Open	ML11221A280. ML11221A281
2	NFPA 805	Deleted	NG-11-0267 NG-13-0182	5-Aug-11 1-May-13	Install incipient Detection in the main control room panels.	Deleted	ML11221A280 ML11221A281 ML13122A045
3	NFPA 805	1691105-01	NG-11-0267	5-Aug-11	Revise plant documents to define the AHJ and approval requirements.	Closed	ML11221A280 ML11221A281
4	NFPA 805	1691105-02	NG-11-0267	5-Aug-11	Revise plant documents to monitor and trend the fire protection program.	Closed	ML11221A280 ML11221A281
5	NFPA 805	1691105-04	NG-11-0267	5-Aug-11	Revise plant documents to explicitly indicate that cutting and welding activities are prohibited in areas where explosive atmospheres may develop due to poor housekeeping.	Closed	ML11221A280 ML11221A281
6	NFPA 805	1691105-06	NG-11-0267	5-Aug-11	The DAEC Fire Brigade program will be revised to comply with NFPA 600.	Closed	ML11221A280 ML11221A281
7	NFPA 805	Deleted	NG-11-0267 NG-13-0240	5-Aug-11 29-May-13	Revise the Fire Brigade requirements/guidance to include a third person from Operations or provide dedicated operations advisor to the fire brigade.	Deleted	ML11221A280 ML11221A281 ML13150A103
8	NFPA 805	1691105-34	NG-11-0267	5-Aug-11	The pre-fire plans will be updated/clarified to address components necessary to achieve the nuclear safety performance criteria which require entry to the affected fire area.	Closed	ML11221A280 ML11221A281
9	NFPA 805	1691105-10	NG-11-0267	5-Aug-11	Perform a full code evaluation of NFPA 72 to supplement the current evaluation of location and spacing.	Closed	ML11221A280 ML11221A281

Item no.	Category	Commitment number	Commitment Letter	Commitment Date	Description of Commitment	Status	ADAMS Accession No.
10	NFPA 805	1691105-11	NG-11-0267	5-Aug-11	Perform a code evaluation for NFPA 90A.	Closed	ML11221A280 ML11221A281
11	NFPA 805	1691105-12	NG-11-0267	5-Aug-11	Revise post-fire shutdown procedures and training as necessary to incorporate updated NSCA strategies. Formally update the recovery action feasibility study with the post-transition scope of recovery actions and the criteria against the criteria of FAQ-07-0030. Incorporate the criteria of Drills into the DAEC fire protection program.	Closed	ML11221A280 ML11221A281
12	NFPA 805	1691105-19	NG-12-0177	23-Apr-12	Update the appropriate fire protection program document(s) to provide a requirement that if the plant elects to implement the methodologies in EPRI Report TR1006756, the methodologies will be implemented in their entirety as they pertain to the fire protection systems or features being evaluated.	Closed	ML12117A052
13	NFPA 805	1691105-24	NG-12-0177	23-Apr-12	The UFSAR will be revised to reflect transition to NFPA 805 in accordance with FAQ 12-0062 and 10 CFR 50.71(e).	Closed	ML12117A052
14	NFPA 805	1691105-25	NG-12-0177	23-Apr-12	During transition to NFPA 805, the monitoring program will be enhanced to satisfy new requirements.	Closed	ML12117A052
15	LAR - Core Spray Operability	1739120-04	NG-12-0167 TSCR-135	1-May-12	NextEra Energy Duane Arnold will guard both CS subsystems and will not perform any work or testing on either of the CS subsystems during RFO 23 when both CS subsystems are needed to be Operable to meet the requirements of LCO 3.5.2	Closed	ML12122A212
16	NFPA 805	1691105-34	NG-12-0225	23-May-12	Enhance the pre-fire plans (committed to in Table S-2 of the enclosure to the LAR) as described in RAI RR-1.	Closed	ML12146A094
17	NTTF Recommendation 9.3, Emergency Preparedness	1744173-09	NG-12-0430	31-Oct-12	Develop procedural guidance to periodically test new communications equipment and portable generators.	Closed	ML12307A120

Item no.	Category	Commitment number	Commitment Letter	Commitment Date	Description of Commitment	Status	ADAMS Accession No.
18	NTTF Recommendation 9.3, Emergency Preparedness	1744173-10	NG-12-0430	31-Oct-12	Acquire Government Emergency Telecommunications Service (GETS), and the Wireless Priority Service (WPS) cards for each communication link.	Closed	ML12307A120
19	NFPA 805	Deleted	NG-13-0102 NG-13-0182	6-Mar-13 1-May-13	Design and install the incipient detection modification as described in RAI SSA-1.01.	Deleted	ML13070A065 ML13122A045
20	NFPA 805	1691105-41	NG-13-0287	2-Jul-13	Update the PRA model to incorporate the sensitivity results for changing the transient fire HRR to 317 kW.	Closed	ML13191A036
21	License Renewal Commitment Change (#55)	1616560-01	NG-13-0274	6-Sep-13	The sample selection for the DAEC One-Time Inspection Program will include a representative sample of the population. Existing maintenance records that document component condition will be used as part of the sample.	Closed	ML13254A150
22	Design Vulnerability in Electric Power System	1932001-03	NG-14-0032	30-Jan-14	Commit to the generic schedule provided in NEI 13-12, Open Phase, Condition Industry Guidance Document.	Open	ML14034A107
23	License Renewal Commitment Change (#22)	1918571-02	NG-14-0062	18-Feb-14	Enhance procedures to record over-capacity lifts for the reactor building and turbine building cranes.	Closed	ML14051A082
24	LER 2013-003-00 - Spent Fuel Storage	1902042-24	NG-14-0071	27-Feb-14	Revise the DAEC criticality analysis of record to include additional margin for Boron-10 areal density to bound testing uncertainty. A LAR with a revised criticality analysis will be submitted by March 15, 2016.	Open	ML14064A183

T. Vehec

- 2 -

The NRC staff appreciates the resources that were made available by your staff for performing the audit. If you have any questions, I may be reached at (301) 415-8371.

Sincerely,

/RA/

Mahesh Chawla, Project Manager
Plant Licensing Branch III-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-331

Enclosure:
Audit Report

cc: Listserv

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