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SUBJECT: Comment on draft RG DG-1074, "SG Tube Integrity."

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Rules and Directives Branch  
Office of Administration  
U. S. Nuclear Regulatory Commission  
Washington, DC 20555-0001

Dear Sirs:

**Subject: Palo Verde Nuclear Generating Station (PVNGS)**  
**Units 1, 2, and 3**  
**Docket Nos. STN 50-528/529/530**  
**Comments on Draft Regulatory Guide DG-1074, "Steam Generator Tube Integrity"**

Arizona Public Service Company (APS) submits the following comments in response to the Nuclear Regulatory Commission's (NRC) request for comments on Draft Guide DG-1074, "Steam Generator Tube Integrity" (Federal Register: January 20, 1999, Volume 64, Number 12).

In the Federal Register, the NRC issued Draft Regulatory Guide DG-1074 for public comment. Comments were requested by June 30, 1999. Arizona Public Service (APS) has participated in an industry effort with NEI to develop industry comments. Based on our participation and review of this collective effort, APS endorses the comments transmitted by NEI.

Issuance of DG-1074 for public comment does not reflect the current state of the industry/NRC effort to revise NEI 97-06, Steam Generator Program Guidelines, and the associated generic license change package. The NRC has recognized this joint effort as the best path to a successful resolution of steam generator program issues. Considering the extensive nature of the industry comments and the progress of the joint industry/NRC effort, it is APS' position that no further effort be expended in modifying DG-1074; not by industry or the NRC.

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In performing a review of the industry comment package, APS recommends that the NRC focus on several important areas considered principal concerns and contentions. These include:

- In late 1998, the NRC agreed that the best path to a successful resolution of the questions surrounding steam generator program requirements was through approval of a generic license change package implementing the requirements of NEI 97-06 and its referenced EPRI Guidelines. DG-1074 does not reflect the current positions of the NRC or the industry on key issues. As a result, accepting the positions expressed by DG-1074 would result in a loss of six months of productive work on resolution of steam generator program requirements. Similarly, the potential for conflict and confusion that arises with parallel industry and NRC guidance documents is obvious. The recent focus has been on the industry guidance and should remain there. As stated previously, no further effort should be expended in modifying DG-1074; not by industry or NRC.
- DG-1074 is not clear on the issue of severe accidents and risk-informed methods. The draft regulatory guide repeatedly makes reference to "risk-informed" approaches in the context of "core damage severe accident" analysis and calls for a "risk assessment" to be performed. In other areas the draft regulatory guide states that the intent is to ensure that steam generator tubes "are capable of performing their intended safety functions consistent with the licensing basis." This seems to infer that severe accident risk assessment is part of the licensing/design basis of the plant. This is clearly not the case before now and would represent a major backfit.
- DG-1074 requirements contain excessive conservatism, given the safety margins currently contained in each plant's licensing basis. The treatment of analysis inputs and analysis variability goes well beyond typical design analysis for RCS pressure boundary components as governed by ASME Code. This excessive conservatism is considered punitive, is not performance based, and is contrary to a goal established at the beginning of the review of steam generator regulation.
- The draft regulatory guide contains an inconsistent level of detail. DG-1074 provides very detailed guidance in some instances, while in other situations the guidance is at such a high level that the desired licensee action is unknown.

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For example, the NDE Data Acquisition and Analysis regulatory position is so detailed concerning plant procedures that it includes requirements for procedures that regulations do not even dictate be implemented, e.g., independent two-party analyses. Detailed guidance such as this detracts from the real intent of the guidance, which is to ensure that steam generator tube integrity is maintained. On the other hand, where risk is discussed in the draft guide, a typical statement such as "The staff encourages licenses to follow risk-informed approaches..." can be found. The industry continues to wrestle with understanding the conditions requiring consideration of severe accident risk, the method of assessment and criteria by which to judge success or failure.

- Much of the guidance in DG-1074 does not meet the intent of a performance-based regulation. For example, DG 1074 includes guidance that goes well beyond what is required for plants applying NRC and ASME Code-approved repair criteria for repair on detection. The guidance is in large part taken from previous NRC staff documents and positions regarding submittals for alternative repair criteria. In these special cases, such prescription may be appropriate, but this type of prescriptive guidance in a regulatory guide is inconsistent with the attributes of performance-based regulation.

No commitments are being made to the NRC by this letter.

If you have any questions, please contact Scott A. Bauer at (623) 393-5421.

Sincerely,



AKK/SAB/JAP/mah

Enclosure

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