



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

February 21, 2018

Mr. Dean Curtland  
NextEra Energy  
Duane Arnold Energy Center  
3277 DAEC Road  
Palo, IA 52324-9785

SUBJECT: DUANE ARNOLD ENERGY CENTER – AUDIT PLAN AND SETUP OF ONLINE REFERENCE PORTAL FOR LICENSE AMENDMENT REQUEST – 10 CFR 50.69, “RISK-INFORMED CATEGORIZATION AND TREATMENT OF STRUCTURES, SYSTEMS AND COMPONENTS FOR NUCLEAR POWER PLANTS” (CAC NO. MG0199; EPID L-2017-LLA-0283)

Dear Mr. Curtland:

By letter dated August 31, 2017 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML17243A469), NextEra Energy Duane Arnold, LLC (NextEra) submitted a license amendment request (LAR) for the Duane Arnold Energy Center. The proposed amendment would revise the licensing basis by adding a license condition to allow for the implementation of the provisions of Title 10 of the *Code of Federal Regulations* (10 CFR) Section 50.69, “Risk-Informed Categorization and Treatment of Structures, Systems and Components for Nuclear Power Reactors.”

To improve the efficiency of the U.S. Nuclear Regulatory Commission (NRC) reviews, the licensee’s representatives and the NRC staff have discussed the use of an audit using an online reference portal that would allow the NRC staff and contractors limited read-only access to the basis documents and other reference materials cited in the applications. The staff plans to initially conduct a desk audit to review the documentation provided on the portal. The online reference portal would allow the staff to audit basis documents to determine whether the information included in the documents is necessary to reach a safety conclusion on the application. Documents identified as necessary for analysis of the application will be identified by the NRC staff. NextEra will be formally requested to submit those documents on the NRC docket. Use of the online reference portal is acceptable, as long as the following conditions are met:

- The online reference portal will be password-protected and passwords will be assigned to those directly involved in the review on a need-to-know basis;
- The online reference portal will be sufficiently secure to prevent staff from printing, saving, or downloading any documents; and
- Conditions of use of the online reference portal will be displayed on the login screen and will require concurrence by each user.

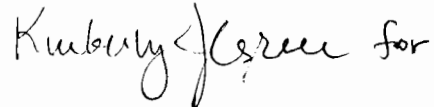
The NRC staff would like to request that the portal be populated with the documents listed in the enclosure to this letter. This is the initial list identified by the NRC staff. The staff may request additional documents during the review, which will be transmitted to you via email. This will help with the preparation for a possible site audit. Please provide NRC staff access to the

portal and send me the information needed to access the portal, such as username and password, as soon as possible.

The conditions associated with the online reference portal must be maintained throughout the duration of the review process. Please provide written confirmation that NextEra agrees to the terms and conditions set forth in this letter.

If you have any questions, please contact me at (301) 415-8371 or [Mahesh.Chawla@nrc.gov](mailto:Mahesh.Chawla@nrc.gov).

Sincerely,

Handwritten signature of Kimbly J. Green in cursive script.

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

Docket No. 50-331

cc: ListServ

AUDIT PLAN  
NEXTERA ENERGY DUANE ARNOLD, LLC  
DUANE ARNOLD ENERGY CENTER  
DOCKET NO. 50-331

**BACKGROUND**

Section 3.3 of the license amendment request (LAR), "PRA [probabilistic risk assessment] Review Process Results (10 CFR 50.69(b)(2)(iii))," states:

Closed findings were reviewed and closed using the process documented in Appendix X to NEI [Nuclear Energy Institute] 05-04, NEI 07-12 and NEI 12-13, "Close-out of Facts and Observations" (F&Os) (Reference 12) as accepted by NRC [U.S. Nuclear Regulatory Commission] in the staff memorandum dated May 3, 2017 (ML17079A427) (Reference 13). The results of this review have been documented and are available for NRC audit.

In accordance with the memorandum dated May 3, 2017, the NRC will periodically conduct audits of licensee's implementation of the Appendix X F&O closure process, as well as review a sampling of the final independent assessment team reports, and expects licensees to adhere to the guidance in Appendix X in its entirety. However, based on NRC staff observations of implementation of the Appendix X F&O closure process for Point Beach, Duane Arnold Energy, St. Lucie, Turkey Point, and Seabrook Nuclear Stations from July 18 and 19, 2017, the staff observed that vital steps in Appendix X may not have been fully applied.

While the observations do not reflect a final assessment by the NRC staff, a review of the F&O closure process is necessary to follow-up with these observations and ensure the guidance in Appendix X was adhered to in its entirety.

**REGULATORY AUDIT BASES**

The NRC staff's review of the LAR has commenced in accordance with the Office of Nuclear Reactor Regulation's Office Instruction LIC-101, "License Amendment Review Procedures." Information that the staff relies upon to make findings in the safety evaluation must be submitted on the docket. However, there may be supporting information that, although not required to be submitted as part of the licensing action, would help the staff better understand the licensee's submitted information.

An audit was determined to be the most efficient approach toward a timely review of supporting information and resolution of questions associated with this LAR, since the NRC staff will have an opportunity to minimize the potential for further rounds of requests for additional information (RAIs) and ensure no unnecessary burden will be imposed by requiring the licensee to address issues that are not necessary to make a safety determination. The staff is requesting an initial

Enclosure

review of documentation at the NRC headquarters. Upon completion of this desk audit, the staff is expected to achieve the following.

1. Determine the need for additional documentation.
2. Develop an RAI.
3. Decide if a site audit is required to verify information.

The RAIs will be issued soon after the audit, with an expected response being delivered by the licensee by an agreed upon date. The information discussed in the audit to be included in the development of the technical NRC staff's safety evaluation will be requested to be submitted on the docket.

### **REGULATORY AUDIT SCOPE OR METHODOLOGY**

The desk audit is being conducted to get a better understanding of the submittal and the availability of the information to make an assessment of NextEra's review approach. The areas of focus for the regulatory audit are the information that will be requested by the NRC. The staff will review the documentation and generate any RAIs necessary to complete the review. It will also lead to the decision if a site audit is necessary.

### **INFORMATION AND OTHER MATERIAL NECESSARY FOR THE REGULATORY AUDIT**

The NRC staff has determined that the following information would be useful to gain a better understanding of NextEra's LAR, in particular, LAR Section 3.3, related to the technical adequacy of the PRA.

The following information is requested for the initial desk audit:

- Duane Arnold F&O closure report that was developed in accordance with Appendix X to NEI 05-04, NEI 07-12 and NEI 12-13, "Close-out of Facts and Observations (F&Os)," as accepted by NRC in the staff memorandum dated May 3, 2017 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML17079A427).

NextEra will be informed via electronic mail if there is a need for additional supporting documentation.

### **TEAM ASSIGNMENTS**

Key licensee personnel involved in the development of the RAI responses should be made available on a mutually agreeable schedule to respond to any questions from the NRC staff.

<b>Team Member</b>	<b>Title</b>	<b>Division</b>	<b>Area of Responsibility</b>
Mahesh Chawla	Project Manager	NRR/DORL/LPL3	Project Management
Mihaela Biro	Reliability and Risk Analyst	NRR/DRA/APLA	Reliability and Risk Analysis
Steve Dinsmore	Reliability and Risk Analyst		

Garill Coles	Principal Engineer	Pacific Northwest National Laboratory	Reliability and Risk Analysis
--------------	--------------------	---	----------------------------------

Additional NRC staff may be involved in the review of documents on the portal as the staff's review progresses.

### **LOGISTICS**

The audit will be started once an online reference portal is set up and the documentation is made available to the NRC staff. The desk audit will be conducted over a few weeks consistent with the internal review schedule for the issuance of the request for additional information. NextEra will be kept informed on a regular basis during biweekly discussions with the project manager regarding the progress and the decision to arrange a site visit.

### **DELIVERABLES**

The NRC team will develop an audit summary report to convey the results. The report will be placed in ADAMS within 30 days of the completion of the final audit session. The NRC will also finalize the RAIs after completion of the desk audit and issue them to the licensee.

SUBJECT: DUANE ARNOLD ENERGY CENTER – AUDIT PLAN AND SETUP OF ONLINE REFERENCE PORTAL FOR LICENSE AMENDMENT REQUEST – 10 CFR 50.69, “RISK-INFORMED CATEGORIZATION AND TREATMENT OF STRUCTURES, SYSTEMS AND COMPONENTS FOR NUCLEAR POWER PLANTS” (CAC NO. MG0199; EPID L-2017-LLA-0283) DATED FEBRUARY 21, 2018

DISTRIBUTION:

## PUBLIC

RidsACRS\_MailCTR Resource

RidsNrrDorl Resource

RidsNrrDorlLpl3 Resource

RidsNrrLASRohrer Resource

RidsNrrPMMChawla Resource

RidsRgn3MailCenter Resource

SDinsmore, NRR

MBiro, NRR

KStoedter, RGN3

RNg, RGN3

CPhillips, RGN3

CNorton, RGN3

JSteffes, RGN3

**ADAMS Accession No. ML18046A988**

OFFICE	NRR/DORL/LPL3/PM	NRR/DORL/LPL3/LA	NRR/DRA/APLA/BC
NAME	MChawla (Kimberly Green for)	SRohrer	SRosenbug
DATE	02/20/2018	02/20/2018	02/20/2018
OFFICE	NRR/DORL/LPL3/BC	NRR/DORL/LPL3/PM	
NAME	DWrona	MChawla (Kimberly Green for)	
DATE	02/21/2018	02/21/2018	

OFFICIAL RECORD COPY