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BY THE  
UNITED STATES NUCLEAR REGULATORY COMMISSION'S  
LICENSE RENEWAL PROJECT DIRECTORATE, NRR**

**October 30, 1996**

The contents of this transcript of the proceedings of the United States Nuclear Regulatory Commission's License Renewal Regulatory Guide Workshop, held on October 29, 1996, as reported herein, is a record of the discussions recorded at the meeting held on the above date.

This transcript has not been reviewed, corrected and edited and it may contain inaccuracies.

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1 UNITED STATES OF AMERICA  
2 NUCLEAR REGULATORY COMMISSION

3 + + + + +

4 LICENSE RENEWAL REGULATORY GUIDE WORKSHOP

5 + + + + +

6 TUESDAY

7 OCTOBER 29, 1996

8 + + + + +

9 ROCKVILLE, MARYLAND

10  
11 The workshop was held in the Auditorium of the  
12 Nuclear Regulatory Commission, Two White Flint North,  
13 11545 Rockville Pike, at 9:00 a.m., Scott Newberry,  
14 Director, License Renewal Project Directorate, NRR,  
15 presiding.

16 PRESENT:

17 SCOTT NEWBERRY

18 TIM MARTIN

19 STEVE HOFFMAN

20 PT KUO

21 ROBERT PRATO

22 DOUG WALTERS

23 FRANK GREGOR

24 GREG GURICAN

25 GARY MIZUNO

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1 PRESENT (CONTINUED):

2 RICHARD JOHNSON

3 JOHN CAREY

4 DAVE ROTH

5 JOHN MOULTON

6 FRED POLASKI

7 CHUCK KRAUSE

8 ROGER NEWTON

9 DEBBIE RAMSEY

10 DON EGGETT

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## A-G-E-N-D-A

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P-R-O-C-E-E-D-I-N-G-S

(9:03 a.m.)

DIRECTOR NEWBERRY: Well, let's get started.

I want to welcome everybody here today to the NRC's License Renewal Regulatory Guide Workshop, so you know you are in the right place or the wrong place. My name is Scott Newberry. I am the director of the License Renewal Project, director here in the Office of Reactor Regulation at the NRC. I will be up and down here, orchestrating today's activities, introducing the speakers, et cetera.

I want to take a few minutes to go through some of the logistics and administration aspects of the workshop today. First of all, the purpose of the workshop is really two-fold. Certainly to provide everyone here with an overview of the rule. We won't go into a lot of detail, but I will go through overviews of the license renewal rule. We'll talk about the guidance development activity primarily, including an industry demonstration program to test out the guidance that's been developed. We will also mention some of the areas that we already know need some additional work.

Second, and most important in terms of the purpose today, is to get input from those of you that are here. Some of the positions in the guidance certainly aren't final. It is draft. It is out for public comment

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1 now. We are here to invite comment. That's the main  
2 focus of the workshop.

3 Some of the logistical items. All the  
4 documents being discussed here today are available out in  
5 the lobby. It looked like everybody was being given those  
6 documents. If you haven't got them, please pick them up  
7 at the table outside. We've got plenty of copies.

8 If you need to communicate with the outside  
9 world, there's capability to do that. There's a message  
10 board if you want to leave a phone number for somebody to  
11 reach you here if it's important. Take care of that. Of  
12 course there's refreshments outside. As well, don't  
13 hesitate to ask for help from somebody outside.

14 In terms of getting comments here today, you  
15 can see there are microphones in the aisles. There's also  
16 going to be an opportunity certainly for you to provide  
17 written comments into the NRC for the public comment  
18 period. But the format for today's meeting will provide  
19 you the opportunity throughout the day at key spots, or  
20 certainly at the end of the day to talk to us, ask  
21 questions, give us comments verbally. My staff will be  
22 here with cards to pass out the cards, so that if you want  
23 to pass them forward here either throughout the day or for  
24 us to respond at the end of the day, that will be fine  
25 too.

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1           We will make every effort to capture what we  
2 hear today. The meeting is being transcribed. We also  
3 are going to be taking extensive notes. So we want to  
4 make every effort to capture comments and questions.

5           On the screen is today's agenda. I think it's  
6 also in your handout. We do have some flexibility based  
7 on how things go today in terms of the presentation  
8 materials and comments. We can adjust the agenda as we  
9 go.

10          The plan is to offer the opportunity for  
11 comments and questions after each segment of the  
12 presentation, as I said. If we need to adjust the agenda,  
13 keep an eye on the time, we'll do that.

14          As you can see in the agenda, under the end of  
15 the day, right now it's 2:45, there's quite a bit of time  
16 left for particular comments and questions.

17          To help us out, we would really like to have  
18 you identify yourself, if you would, when you have a  
19 comment or question from the floor, in terms of  
20 identifying yourself and the affiliation organization you  
21 are from.

22          So that's about it for organizational aspects.  
23 I think -- let me introduce some of the key players here  
24 today. I introduced myself, but to my right is Steve  
25 Hoffman. He is my lead staffer on the whole regulatory

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1 guide activity. He will be playing a key role in today's  
2 workshop.

3 Other members of my staff are here today. Dr.  
4 P.T. Kuo, and Bob Prato, who were involved in the  
5 demonstration activity, will be speaking today. Doug  
6 Walters from NEI will be talking a little bit later about  
7 some of the observations on their demonstration program.

8 So before I speak, I want to next ask the  
9 gentleman way over to my right here, my boss, Tim Martin,  
10 to offer some welcoming and opening remarks here before we  
11 get started.

12 MR. MARTIN: Thanks, Scott. Let me add my  
13 welcome to this license renewal reg guide workshop.  
14 Compliance with part 54 is going to be extremely important  
15 to us. Part 54, the requirements for license renewal of  
16 licenses for nuclear power plants is an issue that is very  
17 important to NRC senior managers. We wanted to make sure  
18 that we had a controlled process to facilitate those  
19 license renewals where warranted.

20 To make sure that you understand what  
21 compliance is and to meet our and the public's expectation  
22 on license renewal, we felt that the reg guide and the  
23 guidance that goes along with that were extremely  
24 important to facilitate meeting those expectations. As a  
25 result, this workshop is intended to glean from you

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1 information necessary to make those reg guides as good as  
2 they can be.

3 We intend during this session to communicate  
4 to you where we currently stand with the regulatory guide,  
5 what our experiences have been, where we see opportunities  
6 for improvement. We look forward to your comments in this  
7 forum.

8 We have staged this particular activity so  
9 there's still 30 days left in the comment period. We are  
10 having this session transcribed so that we can mind the  
11 transcript for your comments. But if you don't make them  
12 here, we look forward to them in writing during the  
13 remaining period of the comment period.

14 Let me say that although we have been working  
15 very closely with the industry to gain experience in how  
16 the reg guide or how the rule might be applied, and we are  
17 continuing to work very closely with NEI and there's been  
18 a lot of work going on, the bottom line is, NRC will  
19 decide what is in that reg guide based upon our  
20 understanding of the issues and the comments that we've  
21 received from the public.

22 This is an extremely important workshop. Your  
23 comments are extremely important to us. I am not going to  
24 stand up here much longer, but to again welcome you to  
25 this conference. I look forward to your comments. Have a

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1 good workshop. Let's get going here. Scott?

2 DIRECTOR NEWBERRY: I want to put up the first  
3 viewgraph there, Sam.

4 Tim might have to excuse himself here in a  
5 little while based on another commitment, but we're going  
6 to get going.

7 Is the sound okay? I know the lights are  
8 dimmed a little bit so you can see the viewgraph.

9 My job is to touch on each of the key elements  
10 of the rule. I will do that. Then I will go into a  
11 little bit on the process of developing the draft reg  
12 guide that is out for comment before Steve Hoffman comes  
13 up and does a more detailed job of going through the draft  
14 reg guide and industry guidance content.

15 The first license renewal rule was issued in  
16 1991. Experience of the industry and the NRC, not too  
17 long after that, indicated that we needed to amend the  
18 rule, and we did that. The amendment was issued in mid-  
19 1995.

20 The rule that is in place right now is a more  
21 focused rule. It credits quite a bit current plant  
22 programs. But the rule establishes both technical  
23 requirements and administrative requirements.

24 I will talk primarily about the technical  
25 requirements today. There are technical requirements in

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1 terms of what needs to be put into an application. But  
2 there are also administrative requirements that I won't go  
3 into very much today, but those would certainly include  
4 such things as opportunity for a hearing and review by the  
5 Advisory Committee on Reactor Safeguards.

6           Next slide. It's important to point out the  
7 underpinnings of the license renewal rule. They really  
8 are imbedded in the two key principles mentioned in the  
9 background for the rule. I have them listed here on this  
10 viewgraph.

11           The focus of renewal is to look at the  
12 detrimental effects of aging on the functionality of  
13 certain plant equipment during their extended period of  
14 operation. Of foremost importance is that the plant-  
15 specific licensing basis has to be maintained during the  
16 renewal term in the same manner and to the same extent as  
17 during the original licensing term. Next slide, please.

18           Let me go through some of the key technical  
19 requirements. The scope of the rule is mentioned in 54.4.  
20 Here in this viewgraph I have mentioned the requirements  
21 for determining the scope of equipment for review.

22           That scope includes safety related systems,  
23 structures and components; non-safety related systems,  
24 structures, and components whose failure could prevent  
25 safety related functions, as outlined here; and systems,

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1 structures and components relied upon for compliance with  
2 certain regulations. They are listed on the viewgraph and  
3 in the rule. Next slide.

4 54.21 describes the contents of a renewal  
5 application. The application has to contain an integrated  
6 plant assessment, referred to as an IPA. The IPA must  
7 identify -- should be structures and components subject to  
8 an aging management review.

9 These structures and components are structures  
10 and components within the scope of renewal review, as I  
11 mentioned previously, that perform intended functions  
12 without moving parts or without a change in configuration  
13 or properties.

14 The terms or jargon we'll be using today many  
15 times will be passive, referred to as passive structures  
16 and components, or long-lived structures and components.  
17 The precise definition are those structures and components  
18 not subject to replacement based on a qualified life or a  
19 specified time period.

20 Intended functions are defined in 54.4, and  
21 are functions that a system, structure, or component must  
22 be shown to fulfill that form the basis for including the  
23 system, structure or component within the scope of the  
24 rule.

25 Now the IPA must also describe and justify the

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1 methods to identify the structures and components subject  
2 to this ageing management review. That's explicitly  
3 mentioned in the rule.

4           Of course very importantly, for each of these  
5 structures and components, a demonstration is required  
6 that the effects of aging will be adequately managed so  
7 that the intended function I referred to previously, will  
8 be maintained consistent with the CLB for this extended  
9 period of operation.

10           Time-limited aging analysis, TLAA's. The  
11 application must also contain an evaluation of time-  
12 limited aging analysis. These analyses are defined in  
13 54.3. I put the definition here on this slide. I won't  
14 read through the definition, but the key part is the third  
15 sub-bullet there which talks about how these analyses  
16 involve time-limited assumptions defined by the current  
17 operating term. An example would be the effects of a  
18 neutron embrittlement on the reactor vessel, which has  
19 been evaluated explicitly for the license term of 40  
20 years.

21           The rule requires that the applicant provide a  
22 list of these TLAA's and then demonstrate that for the  
23 period of extended operation, either the analyses will  
24 remain valid or that the analyses have been projected to  
25 the end of the extended period, or that the effects of

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1 aging on the intended functions would be adequately  
2 managed.

3 The rule also requires that the applicant  
4 address particular exemptions. You can read the  
5 requirement there. Next slide.

6 On this viewgraph, I have listed in the first  
7 three items, they are additional parts of the application.  
8 The FSAR supplement requirement in the rule and in the  
9 guidance that will be discussed today, is a very important  
10 part of the reg. guide. It will be discussed later  
11 several times.

12 I will point out that 54.22 requires that any  
13 technical specifications that are needed also need to be  
14 submitted.

15 In 54.33 of the rule, related to technical  
16 specifications, the Commission may also decide that other  
17 technical specifications or conditions could be necessary  
18 or could be appropriate to ensure appropriate or adequate  
19 equipment performance during the extended period of  
20 operation.

21 The rule also requires submission of an  
22 environmental report supplement. I am not going to go  
23 into that here today. That is a subject of another rule,  
24 part 51, a recent rule making that was completed, which  
25 will have its own regulatory guide. But we are not going

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1 to spend any time on that today.

2 54.29, the standard for issuance of the  
3 license. This standard is paraphrased here on this  
4 viewgraph, but it would probably be best that you look at  
5 the entire standard in 54.29. But the standard is based  
6 on the principles that I discussed previously, and that  
7 the renewal evaluation, the review that we are going to be  
8 doing here will provide reasonable assurance that the  
9 activities performed in the extended period will continue  
10 to be conducted in accordance with the current licensing  
11 basis.

12 That's a quick overview of the rule. It's  
13 interesting, as we completed the rulemaking last year on  
14 part 54 and proceeded to work on the regulatory guide, we  
15 still had a number of activities going on in parallel that  
16 assisted us in developing experience, having experience  
17 that could be applied to the regulatory guidance we are  
18 talking about here today. I wanted to mention some of  
19 them here because they are important.

20 Even though we haven't received an application  
21 for renewal to date, plant-specific technical reports have  
22 been submitted to the staff for review. We are reviewing  
23 them. These reports would be referenced in an  
24 application, as would the staff's review, should a utility  
25 decide to apply for a renewed license.

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1           We are also reviewing owners group reports,  
2 particular parts of the plants, structures and components.  
3 Similarly, these reports and staff evaluations would also  
4 be referencable in an application. As I said, and this is  
5 important, it's actual experience I think that bears on  
6 our activity today.

7           I wanted to mention that we also have a  
8 standard review plan activity underway, and an activity to  
9 clearly establish what NRC inspection program would be in  
10 place to look at a utility's program once they applied.

11           Next slide, Sam.

12           Before Steve Hoffman gets up here to go over  
13 the guidance document themselves that are now out for  
14 comments, I think it is important to put in perspective  
15 the process that we are embarked on here.

16           I mentioned the rule was amended and finalized  
17 last year, last summer. It was at that time that we  
18 initiated the regulatory guide development activity here  
19 at the NRC. That's when the Nuclear Energy Institute  
20 informed the staff that they were interested in developing  
21 detailed implementation guidance for the rule. So they  
22 requested that the staff endorse their guideline with the  
23 staff regulatory guide.

24           This proposal was sent up to the Commission.  
25 It was approved. Then in August, NEI submitted NEI 95-10,

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1 which we will be talking about today. Then from August  
2 1995 until the spring of this year, a detailed interaction  
3 occurred between NEI and NRC staff. There were I think  
4 seven guideline revisions submitted to the staff for  
5 review and comment. I think there were 16 working level  
6 meetings, and then half a dozen or so management meetings  
7 to hammer out the issues before NEI finished their final  
8 revision to 1995-10.

9 All of these meetings, every meeting we had  
10 and the summaries and all were conducted in an open way.  
11 The meeting summaries are available. All activities were  
12 open to the public.

13 As I mentioned before, the context of that  
14 review was also influenced by many of the reviews we had  
15 underway.

16 So since that time, until the workshop here,  
17 the draft was finalized and then issued this August for  
18 public comment period, for public comment.

19 I wanted to mention there in the last bullet,  
20 an important part of what we are going to be talking about  
21 here today, because I think it was very useful, was the  
22 demonstration program proposed by the industry to validate  
23 and test out the guideline. This was useful to the NRC.  
24 I hope it was to the industry. In this workshop later on,  
25 my staff and also NEI will be talking about some of the

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1 lessons from that demonstration program to test out the  
2 guideline.

3 I think that wraps up what I wanted to say in  
4 terms of a backdrop. I know many people in the room are  
5 quite familiar with the license renewal rule, but I wanted  
6 to do that because some of you may not. So at this time,  
7 if you want to ask clarification questions on the rule or  
8 if you want to just wait and maybe hear more of the  
9 presentations and jot your comments or questions down on a  
10 card, that would be okay too.

11 But I'll just pause a second before Mr.  
12 Hoffman gets up here to get into the guidance. No  
13 questions, okay.

14 Steve is saying right away, you notice we are  
15 way ahead on the agenda. That's true. We put time in  
16 here for you to ask some questions. So it looks like  
17 everybody wants to get out by lunch or something.

18 MR. HOFFMAN: It's hard to know exactly how  
19 much time it's going to take and how many questions.

20 Before I get started, one thing I do want to  
21 emphasize is we have attempted to make this as public a  
22 process as we could. If you haven't been aware and  
23 haven't been involved in the meetings up to date, these  
24 are announced meetings. We do allow the public the  
25 opportunity to participate during the meeting. So if

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1 anybody wants to make a comment or a suggestion during the  
2 meeting, they are free to do so. That will be the way we  
3 continue up through the finalization of the reg guide.

4 The regulatory guide is to establish the  
5 format and content for a license renewal application.  
6 It's to simplify the staff's review and the industry's  
7 preparation.

8 We need to ensure the guidance is there to  
9 ensure that the information is developed and submitted to  
10 the NRC or maintained on site is sufficient for the staff  
11 to make the determinations that are required by the rule.  
12 Our regulatory guide proposes to endorse the NEI 95-10  
13 right now. That document will be revised before we do  
14 issue the final reg guide.

15 We approached this that if we were going to  
16 take the endorsement approach to the maximum extent  
17 possible, incorporate all the guidance in the 95-10.  
18 That's why we had the extensive comment revision process  
19 that went on, rather than trying to spread it between.

20 The regulatory guide though, if there's  
21 anything that we feel is necessary to clarify or provide  
22 additional guidance on, we will do that in the regulatory  
23 guide. As I get into it a little bit, you will see that  
24 there were two points where we felt it was probably better  
25 to clarify in the reg guide than to incorporate the

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1 guidance in the guideline.

2 One note is, Appendix C, that we will get to  
3 later in 95-10, contains some examples. The reg guide  
4 clarifies that those are not to be misunderstood to be  
5 complete demonstrations or complete aging management  
6 reviews. They are only there to illustrate the process.

7 Regulatory guides are not regulatory  
8 requirements. They are guidance. Other methods are  
9 acceptable. If somebody wants to come in with a process  
10 that's different than what's in 95-10, that's acceptable.  
11 It's just that the staff will have to review it and  
12 determine that it is an acceptable approach.

13 The reg guide quickly summarizes what should  
14 be contained in the application. The general information  
15 on the applicant and the plant, the technical information  
16 in the integrated plant assessment, the time-limited aging  
17 analysis evaluations, the tech spec changes, FSAR  
18 supplement and ER supplement.

19 It also clarifies the intent of staff's  
20 review, that we want to ensure that the application  
21 contains sufficient information for that determination  
22 that the methods and the results developed by the licensee  
23 are adequate, that they have identified all systems,  
24 structures, and components within the scope of the rule.

25 They have identified out of that group the

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1 structures and components subject to an aging management  
2 review, that all time-limited aging analyses have been  
3 identified and evaluated, and that the actions will be  
4 taken to manage the effects of aging and ensure that the  
5 TLAAAs remain valid.

6           It also indicates that the intent of the  
7 summary description of the activities and programs to  
8 manage aging that will be submitted in the FSAR supplement,  
9 that that forms part of the regulatory process by which in  
10 the future after the application is issued, we ensure that  
11 any changes that are made will be reviewed for adequacy,  
12 and that there will not be a decrease in the effectiveness  
13 of the programs.

14           As Scott mentioned, the tech spec changes or  
15 additions that are going to be required, where it's felt  
16 that the additional regulatory control is necessary to  
17 ensure that aging is managed for the period of extended  
18 operation. This may also include the limiting conditions  
19 for operations.

20           The reg guide requested an implementation  
21 plan. As we go through this review, there's going to be  
22 commitments, activities described, evaluations that are  
23 necessary. This is the place where we request that this  
24 all be pulled together in a summary form, and that a  
25 schedule be provided for when these commitments will be

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1 fulfilled.

2           Also, we want to understand what  
3 administrative controls will be in place to ensure that  
4 these commitments are completed on schedule. Next slide.

5           The reg guide does contain additional guidance  
6 in two areas. The first one, matters not subject to  
7 renewal review, or subject to hearing. This comes out of  
8 54.30 of the rule.

9           The reg guide clarifies that if it's a current  
10 operating issue that's identified let's say during the  
11 license renewal review, that needs to be taken up today  
12 under the part 50 license.

13           Then if in addition, it could carry over, and  
14 affect structures or components in the scope of the rule  
15 and their intended functions during the extended period of  
16 operation, you still have to address it in the application  
17 for renewal.

18           The reg guide also goes on to clarify that the  
19 rule in 54.30 is not intended to support the position that  
20 because aging is a continuous process and you have  
21 programs in place today, that those current practices are  
22 acceptable for renewal and you don't need to address them  
23 in the renewal application.

24           If it's structures and components in scope,  
25 intended functions during an extended period of operation,

1 you still need to make the demonstration required by the  
2 rule.

3           The second area in which we provide additional  
4 guidance is resolution of current generic issues. The  
5 NRC's generic issues process is described and summarized  
6 in our document NUREG 0933. You have unresolved safety  
7 issues and generic safety issues.

8           The statements of consideration for the rule  
9 in the reg guide and the guideline, you don't have to have  
10 resolution of a generic issue in order to issue a renewed  
11 license. The statements of consideration and NEI's  
12 guideline contain four options for handling a generic  
13 issue that applies to a structure or component subject to  
14 an aging management review with an applicable aging  
15 effect.

16           One, the obvious one is if the generic issue  
17 happens to be resolved, you can incorporate that  
18 resolution into your application. If it hasn't been  
19 resolved, you can also justify that the current licensing  
20 basis will be maintained until some later time, that there  
21 are options available to deal with it, and that you will  
22 manage the effects until that resolution is achieved.

23           The third approach would be to come up with a  
24 plant-specific resolution and establish your own aging  
25 management programs.

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1           The fourth would be you could amend the CLB if  
2 justified to remove that intended function. That would  
3 normally be done in advance of the application.

4           The reg guide goes on then to cover an area  
5 that wasn't really picked up in the SOC or NEI's  
6 guideline. That is, if in the process of doing your  
7 renewal review you identify what appears to be a generic  
8 issue, it's applicable to more than one plant, but it  
9 hasn't really gotten into the formal generic issues  
10 process yet, that doesn't excuse an applicant from taking  
11 on the issue. They still are going to have to address  
12 that in the application.

13           Are there any questions on the regulatory  
14 guide before I go on into the NEI guideline? Everybody is  
15 familiar with it.

16           Okay. Next slide, Sam.

17           The NEI guideline contains a lot of  
18 information. We would be here all day if I tried to go  
19 through it all. I want to try and hit the major points  
20 that are in the guidelines, for those people that may not  
21 be as familiar with it. I know some people here in the  
22 audience have been intimately involved in the development  
23 of it. But I will cover the main points. There's a lot  
24 of detail in the guideline that you may want to go look at  
25 in addition.

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1           Section 1, the introduction, gives background,  
2 purpose and scope of the guideline, describes the major  
3 elements. Two points to note there is that's the section  
4 in which the guidance on resolution of generic issues that  
5 I just talked about is contained.

6           It also emphasizes that the intent is when  
7 possible, is to maximize the use of existing industry  
8 programs. If possible, it's not intended that license  
9 renewal require all new programs. A lot of current  
10 programs may adequately manage the effects of aging.

11           In this section, it also discusses the use of  
12 maintenance rule. Plants are doing a lot of review for  
13 maintenance rule. A lot of that information may be  
14 applicable to license renewal, especially if they set up  
15 the programs at the same time, they can integrate the two.  
16 However, there are differences.

17           Maintenance rule results need to be evaluated  
18 for applicability and compliance with the license renewal  
19 rule. For example, the scoping criteria for safety  
20 related for maintenance rule and license renewal are the  
21 same. For non-safety related, the support the function  
22 the safety related, there's a difference. They are not  
23 quite the same.

24           For the most part, the maintenance rule  
25 doesn't require seismic two over one to be included.

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1 Whereas in license renewal, that would be in the scope.  
2 So the maintenance rule could provide a lot of good  
3 information to support preparation of a license renewal  
4 application, but you do have to look at the applicability  
5 of that information.

6 Section 2 of the guideline is an overview of  
7 the rule. It does emphasize the principles of license  
8 renewal that Scott talked about. It does point out one  
9 point that was discussed extensively during development of  
10 the guideline. This will come up throughout the  
11 discussion on 95-10, is that when you are looking at  
12 managing the effects of aging in accordance with the CLB,  
13 that you have to look at it under design basis conditions.

14 Sometimes when you look at programs that are  
15 in effect they may demonstrate functionality under normal  
16 operating conditions, but a lot of these systems have  
17 additional design basis requirements, seismic, wind  
18 loadings, LOCA, that type of thing. Those have to be  
19 looked at in demonstrating that aging is managed.

20 Section 3 goes into scoping. The NEI  
21 guideline was developed with a system level or major  
22 structure level approach to scoping, using the criteria in  
23 54.4 to determine out of all systems, structures, and  
24 components to plants, what's within scope of license  
25 renewal.

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1           That process is acceptable. If a plant for  
2 its own reasons, or maybe because of the way its plant  
3 data bases are set up, wants to scope at a component  
4 level, that's totally acceptable.

5           But the guideline and the rest of the  
6 discussion, because it is at a system level approach,  
7 we'll be talking about following that logic.

8           A couple points to note out of the scoping  
9 criteria on safety related. Some plants for their own  
10 reasons, may be designated a structure or component of the  
11 plant as safety related. If you look at the criteria in  
12 54.4 (a) (1) for what constitutes a safety related  
13 component, it may not meet that criteria. In that case,  
14 if there's a documented process that provides the  
15 justification, just because it's designated as safety  
16 related at the plant, if it doesn't meet the scoping  
17 criteria, it does not have to be evaluated for license  
18 renewal. But again, that needs to be documented and clear  
19 to the staff when they do the review.

20           On non-safety related structures and  
21 components whose failure could affect the function and is  
22 safety related, the 54.4 (a) (2) criteria, when you go in  
23 to look at failures, it is important that you have to look  
24 at not only just plant experience, but industry operating  
25 experience, go look at engineering analyses, make sure you

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1 do a broad look to identify failures.

2           You need to look at the hypothetical failures  
3 that are assumed in your CLB. If it's not a failure  
4 that's been assumed, it's not part of your CLB, it doesn't  
5 have to be evaluated.

6           However, in looking at your CLB, be aware that  
7 you may have to go to second, third, fourth level support  
8 systems in order to identify all the non-safety related  
9 that support safety-related functions.

10           Okay. Identification of structure and system  
11 intended functions. This is the structure or system  
12 function that is the basis for including it within the  
13 scope. Whether you start at a system level or the major  
14 structure level for your scoping, or whether you start at  
15 the component level, you should still come up with the  
16 same structure or component intended function when you are  
17 done.

18           If the CLB includes redundancy, diversity,  
19 defense in depth, that has to be maintained for license  
20 renewal. The position can not be taken that well, if  
21 aging is occurring and I have got redundant trains, most  
22 likely it's not going to occur at the same rate. So if  
23 train A fails, I have always got train B, so I don't need  
24 to manage aging. That is not an acceptable approach.

25           A lot of these systems, structures, and

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1 components have multiple functions. The ones that you are  
2 concerned about for license renewal are the ones that meet  
3 the 54.4 criteria. If it's not a function within the  
4 scope of the rule, it does not have to be analyzed under  
5 the aging management review for renewal terms.

6           The last section in 3, and actually in 4 and 5  
7 also, is the documentation section. This section tells  
8 you out of the information developed in the preceding  
9 subsections, what should be documented as part of the  
10 process. It encourages use of existing documentation  
11 programs if they are sufficient, and also emphasizes that  
12 they should be under a controlled administrative control  
13 like QA program to ensure their accuracy. Next slide.

14           Section 4 is a transition from the system  
15 major structure level down to focus on the structures and  
16 components and their intended functions. The rule really  
17 focuses on managing aging at the structure and component  
18 level. The demonstrations that are required are not at  
19 the system level or the major structure. You have to get  
20 down to the individual structures and components.

21           The way of identifying those. It's going to  
22 differ from plant to plant. It depends on how your  
23 information management systems are set up, whether you  
24 have data bases that you can quickly sort on the computer,  
25 whether you have to go out and do it by hand, pulling

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1 drawings. But you must in the end come up with a  
2 comprehensive list of the structures and components that  
3 are subject to an aging management review.

4 Because the guideline is set up on a system  
5 level approach, guidance is provided to established the  
6 evaluation boundaries. On the initial scoping step, if  
7 one structure or component out of the larger system or  
8 structure is in scope or renewal, the whole system gets  
9 scoped in initially.

10 So here, what you do is you start looking at  
11 what portions of the system or structure are actually  
12 required to perform the intended function required in  
13 accordance with the rule.

14 The process by which you establish this  
15 boundary should be documented, available for review. It  
16 may differ. If you have databases, you may go in there  
17 and flag them. You may go to piping and instrumentation  
18 drawings and do markups of controlled drawings that you  
19 then incorporate into your document control system.

20 One way or the other, it has to be clear what  
21 the boundary is for the structures and components within  
22 the scope of the rule.

23 Guidance is also provided, because this  
24 question came up during the guidance development, for  
25 what's called complex assemblies. Say a diesel generator

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1 air-starting skid, where you have a collection of  
2 components that may have come in on a skid, may have been  
3 considered in a general term like equipment, guidance is  
4 provided that says in that case where you need to look at  
5 the structures and components that make up the complex  
6 assembly, just the same as if they were used elsewhere in  
7 the plant, and evaluate those to determine if there are  
8 aging effects that need to be managed in the renewal  
9 period.

10           Okay. Once you have established your  
11 boundaries, you are going to go in and determine actually  
12 what structures and components are subject to an aging  
13 management review. These are the passive, long-lived that  
14 Scott talked about, the ones we kind of short-hand called  
15 passive, long-lived.

16           For passive, there's guidance provided in  
17 there. If they are doing their review, I will point out  
18 it's not the intent to get down to a piece parts review.  
19 We are looking at the component.

20           The only exception will be is like, and these  
21 are covered in the rule, is like if you have a pump or a  
22 valve, the pump, you have to look at the casing but not  
23 the internals. The valve, again, you have to look at the  
24 valve body as a passive component.

25           For long-lived, I will point out that the

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1 replacement frequency has to be specific. It has got to  
2 be in a controlled program. It has got to specifically  
3 give you the qualified life or time period.

4 If the life for the component, as far as  
5 replacement is concerned, is greater than 40 years, it's  
6 considered to be long-lived.

7 After identifying the structures and  
8 components, you then go on to identify their intended  
9 functions that support the intended functions by which the  
10 system or structure was determined to be within the scope  
11 of the license renewal review. Again, here it's pointed  
12 out that the intended functions must be performed under  
13 design basis conditions.

14 In some cases, because of similarity in  
15 design, materials, aging management practices, or  
16 environments, it may be beneficial to group similar  
17 structures or components into what are commonly called  
18 commodity groups. That will facilitate review by a  
19 licensee and by the staff. Guidance is provided on how  
20 that should be done, factors to be considered in the  
21 guideline.

22 Appendix B to 95-10 is a list of typical  
23 structures, components and commodity groups, and the  
24 determination as to whether they are passive or not, or  
25 basically subject to an aging management review.

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1 Sam, could you skip to slide 16? Okay. Next  
2 we're getting into the actual aging management review. We  
3 have got the structures and components identified, their  
4 intended functions. Now we need to start looking at aging  
5 effects and what we are going to do to manage them.

6 I had to jump ahead, because the guideline  
7 talks about three approaches to be used for an aging  
8 management review. This is three that we identified.  
9 It's not necessarily all the methods. There could be a  
10 lot of others out there. Anything that meets the intended  
11 rule could be used, the staff will review it.

12 The first approach that I will talk about is  
13 reference previous reviews. The industry owners groups,  
14 the reactor vendor owners groups, Westinghouse, B&W and  
15 BWR, have all been active in developing technical reports  
16 that take on aging for specific components. These are  
17 being submitted or have been submitted, more are due, and  
18 are under review by the staff.

19 The area that we've got reports coming in from  
20 licensees for plant specific. Once these reports are  
21 approved by the NRC, these are referenceable, which the  
22 rule does allow you to incorporate by reference other  
23 material, and can be used by another applicant in their  
24 application.

25 In this case though, you are going to have to

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1 demonstrate the applicability. You know, just because it  
2 was approved for one licensee or for the owners group  
3 doesn't automatically mean without any evaluation, it's  
4 acceptable for your plant. You need to look at the scope,  
5 the assumptions, the characteristics that were assumed in  
6 the original review. Then look at your own plant  
7 structure or component, the programs that are being  
8 credited, to ensure that you really are enveloped by the  
9 previous review.

10           You still need to make the demonstration that  
11 shows that the results and conclusions of the topical  
12 review are applicable for your plant.

13           Now if I can go back to the previous slide,  
14 Sam. This approach is to look at the specific structure  
15 or component that's subject to an aging management review,  
16 and do a component specific aging management review.

17           The first thing you need to do here -- I guess  
18 inherent in all this too is when I talk structure or  
19 component is also commodity group. If you've taken the  
20 commodity group approach, the same thing applies at this  
21 point.

22           The first thing you need to do is first figure  
23 out how that structure or component performs its intended  
24 function. Then you need to look at what aging effects  
25 might be applicable to that structure or component,

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1 identify the programs that will detect and mitigate the  
2 consequences of aging, and then use that information to  
3 make the demonstration that the effects will be managed.

4 In identifying and assessing the aging  
5 effects, the guideline provides some information, some  
6 direction on how to collect and assess the information.  
7 You may have to go back to your analyses, look at them,  
8 look at your design margins. You can use your  
9 performance, maintenance history that may be in effect at  
10 the plant. I'll look at plant and industry operating  
11 experience, and also look at the material properties.

12 In some cases, a concern for a carbon steel  
13 piping system may not be -- an aging effect for carbon  
14 steel may not be an effect for stainless steel. So  
15 looking at material and the selection for the system would  
16 also help in identifying the aging effects.

17 Then after you've got the effects identified,  
18 you are going to identify your programs. The guideline  
19 gives you some elements as to what might be in an aging  
20 management program. The program should prevent or  
21 mitigate the onset of the aging effect. It should monitor  
22 the parameters that will give you a direct indication of  
23 an impact on the intended function.

24 If there is any degradation occurring, there  
25 could be an alert, an action value, that tells you when

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1 corrective action is needed before the intended function  
2 would be lost.

3           The program should ensure that those  
4 corrective actions are taken in a timely manner before the  
5 functions are lost.

6           Then there should be a confirmation process  
7 that ensures that those actions were effective and will  
8 continue to be effective in the future.

9           Finally, the program should be  
10 administratively controlled in accordance with your plant  
11 documentation process.

12           Up until now, you are collecting a lot of  
13 information. Okay? The next step is the one required by  
14 the rule. That you need to demonstrate that the effects  
15 of aging will be managed for the extended period of  
16 operation. This is the presentation and the supporting  
17 information, the objective evidence is stated in the  
18 guideline that makes that demonstration that aging will be  
19 managed.

20           We are looking for reasonable assurance here,  
21 that the intended functions will be maintained in  
22 accordance with the CLB for the extended period of  
23 operation. There's never an absolute. I realize that  
24 failures can occur, but there should be reasonable  
25 assurance. We need to make the finding that there's

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1 reasonable assurance that actions have been or will be  
2 taken to manage those effects of aging.

3           The demonstration is not intended to be a re-  
4 verification of the design basis for that structure or  
5 component. However, in some cases, in order to make that  
6 demonstration that aging will be managed, you may have to  
7 go in and look at some design values. You may have to go  
8 back to your analysis. You may have to go out and take a  
9 measurement in the field to ensure that that design value  
10 is being -- is acceptable and will be acceptable for the  
11 period of extended operation.

12           For a demonstration, the guideline gives you  
13 some elements that should be considered for the  
14 demonstration. The demonstration should describe the  
15 scope of the program. That includes the structure or  
16 component. That the aging effect is detected by the  
17 program before the intended function is lost. That  
18 acceptance criteria are provided.

19           And there's an indication that when you need  
20 to do the evaluation to ensure that the corrective actions  
21 will be taken in a timely manner when the criteria are not  
22 met.

23           They should be monitoring and trending. You  
24 need the predictability. You need to ensure timely  
25 corrective actions before loss of function. Again, you

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1 need to demonstrate that your aging management is under an  
2 administratively controlled program.

3 In some cases, I think it's recognized  
4 existing programs are not going to be enough. We are  
5 looking at some areas, passive components, that may not  
6 really have been routinely evaluated, inspected during the  
7 current operating term. So in some cases, you are going  
8 to need to either enhance your programs or may possibly  
9 have to come up with new programs. These would have to be  
10 described in the application.

11 Next slide, Sam. Should be 16. The third  
12 approach, jumping back to this slide, is the application  
13 of existing performance for condition monitoring programs.  
14 The statement's consideration for the amended rule  
15 discusses these are possible options. It was discussed  
16 quite a bit in the development of the guidance.

17 Generally, performance monitoring programs in  
18 effect today assess active functions. These are based on  
19 testing activities, say, like your in-service testing.

20 Condition monitoring generally assessed  
21 passive functions or passive aspects. These you normally  
22 are doing by inspection, say like your in-service  
23 inspection program where you are going and looking at the  
24 passive functions.

25 It is possible to use performance condition

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1 monitoring. Degradation of passive components in  
2 performance condition monitoring programs is not always as  
3 evident as degradation of an active function. But if you  
4 can make the link between in the demonstration, that the  
5 passive degradation will be detected by that performance  
6 condition monitoring program, it is acceptable. Then the  
7 rest of the criteria still applies. You need to make your  
8 demonstration that the CLB will be maintained for that  
9 structure or component for the period, extended period of  
10 operation.

11           Here is where really the under design basis  
12 conditions came up first. There are a lot of tests and  
13 activities going on in the plant today, surveillance tests  
14 being performed in accordance with the tech specs, that  
15 demonstrate a structure or component is functional today.  
16 But that is usually under normal operating conditions.

17           If that structure or component is required to  
18 withstand a design basis event, seismic, other type of  
19 loadings that are not normally seen during normal  
20 operating, running a surveillance test under normal  
21 operating conditions will not necessarily detect  
22 degradation that could be going on that say should a  
23 seismic event occur, could cause common failure of both  
24 trains of that component.

25           So if you are going to use performance

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1 condition monitoring, you need to show that that program  
2 will adequately detect and mitigate degradation under  
3 design basis conditions. There is more discussion in 95-  
4 10 on application of performance condition monitoring.

5 Section 4 of the guideline also provides some  
6 discussion of inspection programs. It is recognized that  
7 in order to make the demonstration, you may have to do a  
8 one-time multiple, or even a periodic inspection to  
9 demonstrate that the effects of aging are managed.

10 Guidance is provided in there as to the type  
11 of information that should be included in the application  
12 for an inspection program. This should include the  
13 purpose of the program, to demonstrate it provides  
14 reasonable assurance. You need to show the scope, what  
15 structures, components are in it or possibly commodity  
16 groups or portions of a commodity group.

17 There is discussion in there that you may want  
18 to define the population and take a sampling basis for  
19 large groups that may need inspection.

20 You should describe the inspection methods  
21 that will be used to ensure that the inspection will  
22 detect the failure, actually detect it before failure or  
23 else demonstrate -- you may be able to demonstrate by your  
24 inspection method that the function will be maintained  
25 throughout the extended period without an aging management

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1 program.

2 The application should describe the method of  
3 analysis that will be used for the results from the  
4 inspection, and that acceptance criteria are established,  
5 by which you evaluate those results.

6 The program should address corrective and  
7 follow-up actions, and when they would be needed if  
8 necessary.

9 Then there should be a conclusion that  
10 summarizes the complete program. Okay? Next slide.

11 Section 5 covers time-limited aging analysis  
12 and the exemptions. The first part, first step is to  
13 identify your TLAA's. There are the six criteria that are  
14 defined in 54.3. Scott went over it. It is on one of  
15 your previous slides. There's some guidance provided for  
16 consideration of each criterion in there.

17 They key there is you need to meet all six  
18 criteria for it to be defined as a TLAA for license  
19 renewal.

20 54.21(c)(1) requires evaluation, and gives you  
21 the criteria by which you can disposition a TLAA. These  
22 are, you can show that the TLAA will remain valid.  
23 Possibly, when you did the original analysis, it may be  
24 adequate to show that the structure or component will be  
25 acceptable out to 60 years as opposed to like the 40

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1 years. This approach, there would be no re-analysis  
2 required. You would just go back, you confirm. But then  
3 you would have to describe that in the application, as to  
4 how the original analysis does show adequacy out to 60  
5 years.

6 The second approach would be to go back in and  
7 revise your analysis and project it out to the end of the  
8 extended period of operation. You maybe able to go and  
9 look at your analyses, look at operating history,  
10 possibly, and then revise to show it's still good for 60.

11 The third approach would be the same as aging  
12 management for a structure or component. You can manage  
13 that aging effect. You can establish a program. Whatever  
14 that TLAA applies to, whatever structure or component, you  
15 can establish your aging management program. For that,  
16 you would go back to the criteria, the guidance that we  
17 talked about previously.

18 One area that I want to point out that's in  
19 the guideline, is timing for performing the TLAA  
20 evaluation. The guideline and the staff's intent is that  
21 normally, a TLAA evaluation will be performed and  
22 submitted with the application.

23 However, it is recognized under certain  
24 circumstances, it may make more sense to defer that TLAA  
25 evaluation until a later date. That determination would

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1 be made on a case by case basis.

2           The guideline provides some information on  
3 what type of information, if a TLAA evaluation is going to  
4 be deferred, certain information would need to be  
5 submitted to the staff. This would be the methodology by  
6 which the TLAA evaluation will be performed in the future,  
7 what the acceptance criteria would be, what corrective  
8 actions could be performed. This would be the form of  
9 options that would be available. Not necessarily that you  
10 have to pick the option that would be taken, but that  
11 options exist so that if you, when you do the evaluation,  
12 there is a way to resolve it.

13           Then the application should identify what is  
14 going to trigger that evaluation, when the evaluation is  
15 going to be completed, submitted to the NRC, and still  
16 ensure that this whole process would be completed before -  
17 - well, there's still reasonable assurance that the  
18 intended function of that structure or component would not  
19 be lost during that period.

20           Guidance is also provided on exemptions. An  
21 exemption, you are required by the rule to list the  
22 exemptions that were granted in accordance with 50.12 that  
23 will be in effect during the extended period of operation.  
24 They are based on a TLAA, which means they involve a  
25 structure or component, aging effect within the scope of

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1 the rule.

2 In this case, there is discussion in there on  
3 how to do it, but you would also have to provide the  
4 evaluation that justifies the continuation of that  
5 exemption into the extended period of operation. Again,  
6 you have got your documentation and guidance on what  
7 information out of this process that needs to be  
8 documented.

9 The documentation sections in 3, 4, and 5,  
10 indicate what information needs to be documented. It  
11 doesn't indicate what -- that information is a minimum,  
12 should be maintained on site. It doesn't clarify out of  
13 that information, how much of that needs to go in the  
14 application and how much can be retained on site.

15 Not all information that we have talked about  
16 that you are developing needs to be submitted in the  
17 application. A lot of that will be maintained on site.  
18 The staff will be coming out to do inspections when it's  
19 doing a license renewal review.

20 Section 6 gets into actually the format and  
21 content of the application itself. This section, and  
22 during the development of this section, it contains  
23 guidance in general on what should be included in the  
24 application, the FSAR supplement, tech spec changes. As  
25 far as ER, again, it refers you to part 51 in reg guide

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1 4.2 for that application. That is not really taken on in  
2 this effort.

3 But we also realized in developing this  
4 guidance that we would benefit from gaining additional  
5 experience. Out of this collection of information that's  
6 being developed, what needs to go in the application. So  
7 we agreed that three topics actually were deferred to the  
8 development of the final guidance until after we had the  
9 benefit of the demonstration program. You'll learn more  
10 about that a little bit later today.

11 The topics were, the level of detail in the  
12 content for an application and FSAR supplement, how to  
13 integrate the use of these pre-approved topical reports,  
14 and also whether or not we needed to just increase the  
15 level of detail of the guideline itself. So those three  
16 or four topics were actually looked at specifically as  
17 part of the demonstration program.

18 Right now, section 6, which again we'll get  
19 into later today, I think we will be probably improving  
20 the level of guidance. Right now it gives you a good  
21 overview. It gives you the format to be used for an  
22 application. There's a sample table of contents that  
23 starts off with the general information on the applicant  
24 and the plant, then gets into your IPA and TLAA  
25 evaluations. It also has a place holder for changes to

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1 the CLB.

2           Once you submit an application and it's under  
3 review, you are required annually to submit an update of  
4 any CLB changes that affect the renewal review. Also  
5 three months prior to the completion of the staff's  
6 review, you need to update any CLB changes.

7           Next slide, Sam. Section 6 also goes into a  
8 description in general for the FSAR supplement. You have  
9 to have your summary description of the activities and  
10 programs to manage aging, your tech specs and your  
11 justification and the ER supplement.

12           Finishing off the guideline, Appendix A, if  
13 you look in your handout, that's a copy of the rule and  
14 the statements of consideration, a quick reference, an  
15 easy reference to that. Appendix B is that list I told  
16 you of structures and components, commodity groups, and a  
17 determination as to whether or not they are subject to an  
18 aging management review.

19           Then Appendix C is a series of examples to  
20 demonstrate the guideline process, to help you understand  
21 how to work through it section by section. Like I said  
22 before when I was talking about the reg guide, these are  
23 not necessarily complete aging management reviews,  
24 complete demonstrations. They didn't necessarily identify  
25 all intended functions or all programs that would be

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1 necessary. They are illustrative.

2 That concludes my overview of the guideline.

3 We definitely are ahead of schedule. I encourage any  
4 questions or comments on the reg guide or the guideline or  
5 the process by which we go to where we are today.

6 MR. GREGOR: My name is Frank Gregor, with LCM  
7 Engineering. One of the hats that I'm wearing is I'm the  
8 chairman of the ASME section XI committee for license  
9 renewal. This is a working group that addresses technical  
10 issues that come before section XI where standard changes  
11 may be required.

12 In your presentation, I saw a discussion on  
13 the current licensing basis and how the current licensing  
14 basis could be affected by aging. If there are such  
15 issues identified where section XI would not be adequate  
16 as a current licensing basis and for aging management, we  
17 encourage you and the industry to bring these issues  
18 before section XI so that we can address them in an open,  
19 public consensus environment.

20 So I know that the NRC has representatives on  
21 the committees. We have addressed these issues in the  
22 past. We are working on fatigue, annealing, those kind of  
23 things. I really encourage the NRC and the industry to  
24 bring these issues before subcommittee XI. Let the ASME  
25 deal with these issues so we have an acceptable public

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1 standard. You know, section XI is not a 40 year code. It  
2 is a code to manage current operating plants. That should  
3 be the right forum. Thank you.

4 MR. HOFFMAN: We agree. We will try and keep  
5 you informed of anything that comes out of the license  
6 renewal reviews.

7 Any other questions? Everybody must  
8 understand it I guess. Okay.

9 DIRECTOR NEWBERRY: Just looking at the agenda  
10 here, I think what I want to do is to go ahead and break  
11 now. It's almost 10:15. I would like to -- I don't want  
12 to rush today. I mean there's definitely some new people  
13 here. Certainly people I have not seen from different  
14 parts of the world, the industry, the public. I want to  
15 make sure you have an opportunity to ask your questions,  
16 even if it means talking to somebody during a break.

17 So I am going to declare a 20 minute break. I  
18 want to come back at 10:35. Come on back in here at  
19 10:35. Myself and staff are going to be up front here if  
20 you want to wonder up and ask a question or so. After  
21 that, we're going to get right into the demonstration  
22 program.

23 (Whereupon, the foregoing matter went off the  
24 record at 10:15 a.m. and went back on the  
25 record at 10:43 a.m.)

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1                   DIRECTOR NEWBERRY: Let's go ahead and get  
2 started. Grab a seat, if you don't mind.

3                   Two things before we get started on the  
4 demonstration program overview. Looks to me like we've  
5 probably got about 30 minutes of presentation material on  
6 the demonstration, and we plan to start that here in a few  
7 minutes. And then we'll break for lunch and reconvene at  
8 about 1:00.

9                   Again, remind people -- if you do want to jot  
10 a question or comment down on a note card, there's plenty  
11 of them out there on the reception desk. Grab them on  
12 your way to lunch and get all the tough questions for NEI  
13 when Doug Walters comes up at 1:00. I think that would be  
14 a good idea.

15                  Without further ado, I want to introduce Dr.  
16 P.T. Kuo of my staff who's going to give a brief overview  
17 of the license renewal demonstration program proposed and  
18 conducted by the industry from the NRC perspective. P.T.  
19 was charged with the responsibility of putting teams  
20 together of NRC staff to go out and take a look what was  
21 done at each of these plants.

22                  And he'll talk a little bit about that. He  
23 went on the first two -- he led the first two teams, and  
24 also pulled together staff not just from my organization,  
25 but we made sure that we had people that were very

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1 familiar with implementation of the maintenance rule.

2 We had people on these teams who participated  
3 in the aging research program from our Office of Research  
4 in order to give us a little bit better depth and breadth  
5 of oversight. So, P.T., why don't you come on up and  
6 start off.

7 MR. KUO: Thank you, Scott. Good morning.  
8 I'm going to briefly talk about the staff's involvement in  
9 the license renewal demonstration program. Later on, Mr.  
10 Prato of our staff will give you the details of the  
11 staff's observations and lessons learned.

12 As you have already heard this morning, the  
13 NEI 95-10 was developed to provide guidance for  
14 implementing the license renewal rule. To assess the  
15 effectiveness of this guideline, NEI initiated a license  
16 renewal demonstration program with voluntary participation  
17 from utility licensees.

18 There were also a few items during the  
19 development of this guideline which were deferred to the  
20 demonstration program, as Steve indicated earlier. These  
21 items include what is the level of detail needed for  
22 license renewal application; what is the level of detail  
23 needed for a license renewal FSAR supplement; and how to  
24 reference topical reports in the license renewal  
25 application.

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1           The staff's involvement in this demonstration  
2 program included site visits to five volunteering  
3 utilities. The first one took place in March, and the  
4 last one in August of this year. These five plants are:  
5 Calvert Cliffs, Oconee, Hatch, Peach Bottom, and Point  
6 Beach. Each site visit consisted of five to six staff  
7 members for a duration of one week.

8           And the composition of these teams are  
9 different from each visit. We have our own staff; and  
10 like Scott said, we also had staff from Research; and also  
11 from the maintenance rule folks.

12           Each utility, for this demonstration, was to  
13 prepare technical information with the intent to  
14 demonstrate effect of implementation of NEI 95-10 for  
15 eight systems, two components per system, for a total of  
16 16 components. It also included two TLAA's -- that is the  
17 time limit aging analyses -- and two TLAA exemptions; and  
18 one structural.

19           Each participant was to develop a sample  
20 license renewal application, a sample license renewal FSAR  
21 supplement, and on site supporting technical information.  
22 During each of these site visits, the staff had the  
23 opportunity to discuss issues with the participant's  
24 technical staff.

25           After each of these visits, the staff

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1 developed a trip report summarizing the observations from  
2 that visit. All five trip reports have been placed in the  
3 NRC public document room. The staff has also begun to  
4 develop a license learned report, including observations  
5 and lessons learned from all five site visits. This  
6 report is expected to be issued by the end of this year.

7           The detailed objectives of the staff's  
8 involvement in this demonstration are summarized on this  
9 slide. I believe I have already touched upon item one,  
10 three, and four. Item two was to assess whether the  
11 information developed by the participants met the  
12 requirements of the license renewal rule in terms of  
13 demonstration -- I mean -- I'm sorry, documentation,  
14 control, consistency, and completeness.

15           The last objective listed there was to  
16 identify any potential need for modifications to NEI 95-  
17 10. One final point I would like to emphasize here is  
18 that the staff site visits did not include the review of  
19 the adequacy of any plant specific programs for the  
20 purpose of determining its acceptability in fulfilling the  
21 requirements of the rule.

22           We did not go into any details of the aging  
23 management program. And now that -- I'm going to just  
24 simply introduce some of our staff during these visits.  
25 We have Dr. Lee, who is manning the projectors right now.

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1 He went to the first visit. And Paul Shemansky; he  
2 participated in, I believe, four site visits. He is our  
3 electrical and EQ expert here.

4 And also Winston Liu and Hai-Boh Wang --  
5 they're the -- our structural experts -- had reviewed some  
6 of the structures information there. And Chris Regan, who  
7 is helping us to review some of the component listing and  
8 rad monitoring systems. Bob Prato is the major key person  
9 here who took the lead in this demonstration program.

10 Jit Vora, who came from Research, helped us  
11 review some of the aging management program. He has the  
12 perspective of the NRC NPAR program. And also, we have  
13 Kallhtan Jabbour from maintenance rule staff. So, this  
14 is what I have to say.

15 Mr. Prato will come on to give you the details  
16 of the lessons learned and the staff's observation. Any  
17 questions?

18 MR. PRATO: Good morning. Since we're getting  
19 out of the regulatory and guideline phase and we're going  
20 to the implementation phase, I would like to change format  
21 a little bit. And if at any time during my presentation  
22 anybody has any questions, please step up to the  
23 microphone; and as soon as I finish the thought that I'm  
24 in the middle of, I'll recognize you.

25 And if you'd state your name and your

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1 affiliation, we'll do our best to answer your question at  
2 that time.

3           Again, my name is Bob Prato. I'm an engineer  
4 in NRR, License Renewal Branch; and I coordinated the  
5 staff activities relating to the license renewal  
6 demonstration program. I will be covering the highlights  
7 of the lessons learned, or basically the key observations  
8 from the site visits.

9           First slide, Sam.

10           Okay, use of generic reports: the referencing  
11 of topical reports that had been reviewed and approved by  
12 the plant -- by the staff is an acceptable practice for  
13 addressing process and technical issues relating to  
14 license renewal. Each participant demonstrated the use  
15 and integration of topical reports during the  
16 demonstration.

17           And from these demonstrations, the site visit  
18 teams observed one major concern. And that concern had to  
19 do with some of the participants not adequately  
20 demonstrating the applicability of the topical reports to  
21 their specific plant. Some of the participants simply  
22 referred to the applicability statement in the topical  
23 report rather than documenting their own justification as  
24 to why the report applied to this specific plant.

25           Evaluation of generic safety issues: generic

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1 safety issues and unresolved safety issues are to be  
2 considered when determining the scope of the aging  
3 management reviews and the time limiting aging analyses,  
4 and as this is discussed in the statement of consideration  
5 that accompanied the rule, and as is discussed in the  
6 guideline itself.

7           Early on in the license renewal demonstration  
8 program, the site visit teams noted that those GSI's  
9 designated as low priority generic safety issues in the  
10 NRC GSI program were not being considered in determining  
11 the scope of aging effects relating to license renewal.  
12 The site visit teams took exception to this limited  
13 review.

14           And as a result, two of the remaining  
15 participants, along with NEI, coordinated a generic review  
16 of all safety issues for age related concerns. NEI has  
17 informed the staff that a copy of the results of this  
18 effort will be provided for staff review.

19           The scoping process: the license renewal  
20 scoping process includes the identification of systems,  
21 structures, and components within the scope of license  
22 renewal; and the identification of their intended  
23 functions. The participants that participated in the  
24 license renewal demonstration program typically  
25 implemented a two step scoping process.

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1           The first step involved the identification of  
2 systems and structures that met the criteria under 10 CFR  
3 54.4, and this is the criteria for the scope of license  
4 renewal; and then identified the system and structural  
5 level intended functions associated with these systems  
6 instructions -- and structures within the scope of the  
7 rule.

8           The second step involved the screening of  
9 those systems and structures for the components requiring  
10 an aging management review or time limiting aging analysis  
11 and the identification of the component and structural  
12 level intended functions that applied to these structures  
13 and components.

14           This two step approach is consistent with the  
15 guidance in NEI 95-10. With respect to the scoping -- the  
16 system and structure scoping process, the participants  
17 typically provided a proceduralized approach that utilized  
18 the scoping criteria under 10 CFR Part 54.4. And although  
19 the scope of each site visit was supposed to be limited to  
20 eight systems and one structure, some of the participants  
21 implemented the scoping process over the entire -- for all  
22 the systems and structures in the facility to identify the  
23 entire scope intended to be included in license renewal.

24           As a result of these participants' efforts,  
25 the staff reviewed the overall scoping. And we just

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1 simply performed the precursory review. Our intent was  
2 not to give approval to the scope produced for the  
3 demonstration. And as a result of our review, we were  
4 unable to identify any obvious omissions; so the scoping  
5 process that was implemented seemed to be effective.

6           With respect to the system and structural  
7 level intended functions, in general the participants  
8 appeared to have implemented the guidance for identifying  
9 system and structural level intended functions that were  
10 consistent with the guidance in NEI 95-10.

11           However, one participant in particular, the  
12 site visit teams noted that this participant used very  
13 selective plant documentation such as design basis  
14 documents, training hand books, scoping determination hand  
15 books, and other documentation. And that resulted in a  
16 more detailed descriptive list of system and structural  
17 level intended functions than we saw at the other  
18 participants' facilities.

19           The screening process: the license renewal  
20 screening process described in NEI 95-10 includes the  
21 identification of evaluation boundaries, the determination  
22 of the intended functions of the components and structures  
23 within those evaluation boundaries, and the identification  
24 of those components and structures that require an aging  
25 management review.

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1 In general, the screening process presented  
2 during the license renewal demonstration program were  
3 consistent with the guidance in NEI 95-10 with few  
4 exceptions.

5 Let's begin with the evaluation boundaries.  
6 In general, there were no concerns associated with the  
7 evaluation boundaries identified by the participants.  
8 Each of the participants appeared to have implemented  
9 methodology that was consistent with the guideline.

10 Component level intended functions: the site  
11 visit teams observed that in general, the component level  
12 intended functions identified by most of the participants  
13 were consistent with the intent -- with the results  
14 intended by NEI 95-10. However, as I just described  
15 previously, that one participant who identified the more  
16 detailed descriptive list of system and structural level  
17 intended functions also identified a more detailed  
18 descriptive list of component level intended functions.

19 Component passive functions: an aging  
20 management review is required to be performed on all  
21 passive, long-lived structures and components within the  
22 evaluation boundaries. The site visit team observed that  
23 some of the component's passive functions were not  
24 determined based on the component's use of moving parts or  
25 changing configuration of property in performing their

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1 intended functions as is required by the rule.

2           For example, most of the participants  
3 considered the heat transfer function of a heat exchanger  
4 to be active, while the site visit teams considered the  
5 heat transfer function of a heat exchanger to be passive  
6 because in -- because heat exchangers do not have any  
7 moving parts. And in the opinion of the site visit teams,  
8 they did not -- they do not require a change of  
9 configuration or property to perform the heat transfer  
10 function.

11           Long-lived components: in general, there were  
12 no -- in general, there were no concerns identified with  
13 the identification of long-lived components and  
14 structures. Each participant appeared to have implemented  
15 a methodology by identifying long-lived components that  
16 were consistent with the guidance in NEI 95-10.

17           The identification and listing of structures  
18 and components -- upon determining the structures and  
19 components requiring an aging management review, an  
20 applicant is required by the rule to identify and list  
21 those structures and components in the license renewal  
22 application.

23           In general, the site visit teams observed that  
24 the participants interpreted this requirement to mean that  
25 in the application, they needed to provide a list of those

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1 individual components that were not included in the  
2 commodity group; and a list of the commodity groups.

3 And the site visit team did not agree with  
4 this interpretation. And what we looked for throughout  
5 the license renewal demonstration program was for a list  
6 of individual components not included in commodity groups;  
7 a list of commodity groups; and a description of each of  
8 the commodity groups that bound and identified the  
9 components intended to be included in that commodity  
10 group.

11 Next slide, Sam; please.

12 Aging management reviews: the aging  
13 management review process for license renewal includes the  
14 identification of aging effects and the implementation,  
15 and/or the development and implementation of programs  
16 intended to manage these effects. The intent is such that  
17 the aging management programs will manage the effects of  
18 aging of the structures and components such that they will  
19 perform their intended function under current licensing  
20 basis design condition during the period of extended  
21 operation.

22 In general, NEI 95-10 appeared to provide the  
23 necessary guidance to perform an aging management review  
24 consistent with the intent of the rule. But inconsistent  
25 implementation of this guidance was an indication that

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1 some additional guidance was needed in this area.

2 With respect to identifying aging effects, in  
3 general the site visit teams observed that the applicable  
4 aging effects identified by the participant appeared to be  
5 consistent with the guidance in NEI 95-10. However, some  
6 of the aging effects that were determined not to be  
7 applicable were not consistent with the intent of the  
8 rule.

9 The primary concern with respect to the non-  
10 applicable aging effects was the use of existing aging  
11 management programs to determine some of the aging effects  
12 to be not applicable. For example, one participant  
13 determined corrosion in a carbon steel piping system to be  
14 not applicable -- to be a non-applicable aging effect.

15 This determination was based on the fact that  
16 for that system, there had been no corrosion for the  
17 previous 20 years of operation because there was a  
18 chemistry control program in place since the initial start  
19 up. The use of the existing aging -- the existing  
20 chemistry control program, which is essentially an aging  
21 management program to determine corrosion to be a non-  
22 applicable aging effect, is not consistent with the intent  
23 of the rule.

24 Aging management programs: in general, the  
25 participants described a number of aging management

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1 programs that contain the basic elements as described in  
2 NEI 95-10. However, some of the aging management programs  
3 presented were not consistent with the guidance of NEI 95-  
4 10 or the intent of the rule.

5 For example, some of the participants -- some  
6 of the participants demonstrated aging management programs  
7 that required component failure to manage the effects of  
8 aging. Other aging management programs used inspection  
9 programs that were not documented or controlled by a site  
10 quality assurance program or site approved procedures.

11 Now, it's important to note that the guidance  
12 in NEI 95-10 is clear on the fact that applicants need to  
13 avoid using failure detection as an aging management  
14 program. And it also emphasizes the fact that  
15 participants need to ensure that aging management programs  
16 are to be documented and controlled per site approved QA  
17 procedures.

18 Demonstration: for each component subject to  
19 an aging management review, applicants are required to  
20 provide -- and I'll read a quote right out of 10 CFR Part  
21 54 -- "are to provide a demonstration that the effects of  
22 aging will be adequately managed so that the intended  
23 function or functions will be maintained consistent with  
24 the current licensing basis for the period of extended  
25 operation."

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1           Guidance for implementing this requirement is  
2 contained in NEI 95-10, and examples of demonstrations are  
3 provided in Appendix C of NEI 95-10. Early on in the  
4 license renewal process, the site visit teams observed  
5 that the participants interpreted this requirement to say  
6 that scoping, screening, identification of aging effects,  
7 and implementation of aging management programs yield a  
8 demonstration that the effects of aging will be managed  
9 during the period of extended operation.

10           And the site visit teams did not agree with  
11 this interpretation, and stated that it took scoping,  
12 screening, identification of aging effects, and  
13 implementation of aging management programs, and a  
14 demonstration that those programs would be effective to  
15 yield reasonable assurance that aging will be managed  
16 during the period of extended operation.

17           This is supported by the guidance in NEI 95-10  
18 that states that applicants need to -- and I'll quote  
19 right out of NEI 95-10 -- "collect and establish  
20 supporting information and objective evidence for the  
21 aging management demonstration." The site visit teams  
22 agreed with this statement from NEI 95-10.

23           And throughout the license renewal  
24 demonstration program, we looked for license renewal  
25 applications to contain a demonstration that included a

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1 summary of objective evidence observed from the  
2 implementation of the aging management programs.

3 Let me give you an example of what we mean by  
4 summary of objective evidence. In Appendix C, example two  
5 of NEI 95-10, they discuss an aging management program  
6 relating to underground diesel generator fuel oil storage  
7 tanks. And in that example, they provide the following  
8 summary of objective evidence; and I'll read directly from  
9 NEI 95-10.

10 "The results of checks for water and internal  
11 inspections have shown very little, if any, water in the  
12 tank. The internal inspections show the tank is in good  
13 condition and free from any degradation. The UT  
14 examinations have not revealed any loss of wall thickness,  
15 indicating the coating and cathodic protection systems are  
16 and should continue to be effective."

17 Depending on the complexity of the programs  
18 you're utilizing and the relative familiarity, we -- the  
19 industry and the staff has with those programs depends on  
20 the length and the level of detail you need to go to in  
21 the demonstration. But in general, you can see we're not  
22 asking for a tremendous amount of information; just good  
23 summary information.

24 And obviously, the on site information needs  
25 to support your findings.

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1 Time limiting aging analyses: TLAA  
2 evaluations or the calculations and analyses that meet the  
3 criteria under 10 CFR 54.3 are required to be included in  
4 the license renewal application. Guidance for preparing  
5 TLAA evaluations is provided by NEI 95-10. And in  
6 general, the content of the TLAA's presented during the  
7 license renewal demonstration program was consistent with  
8 the guidance in NEI 95-10 and the intent of the rule.

9 However, we did have one major concern; and  
10 that concern involved the timing of TLAA submittals. The  
11 site visit team observed that for the purpose of the  
12 license renewal demonstration program, a number of the  
13 participants indicated their intent to defer evaluating  
14 many of the time limiting aging analyses until sometime  
15 after they have submitted the license renewal application.

16 And in this situation, sometimes after meant  
17 many years. This is not consistent with NEI 95-10 or the  
18 intent of the rule. And in response to this concern, the  
19 staff emphasized their expectation that TLAA evaluations  
20 be submitted at the time of application.

21 FSAR supplements: the rule requires that a  
22 supplement to the FSAR be submitted at the time of  
23 application that contains a summary description of the  
24 license renewal programs and activities used to manage the  
25 effects of aging and to evaluate the time limiting aging

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1 analyses.

2           Although the site visit teams observed that  
3 the supplement -- sample supplements presented during the  
4 license renewal demonstration program improved over the  
5 life of the program itself, the supplements presented did  
6 not fully meet the intent of the rule.

7           The most notable deficiency was the lack of  
8 detail in the description of the license renewal programs  
9 and activities. In addition, the site visit teams also  
10 observed that the guidance in NEI 95-10 allow participants  
11 to submit descriptions that may not be consistent with the  
12 NRC's position on the information required in an FSAR.

13           This basically completes my summary of the  
14 observations from the site visits. In general, NEI 95-10  
15 appears to contain the basic guidance needed to develop a  
16 license renewal application. But, as a result of the  
17 license renewal demonstration program, some improvements  
18 have been identified, and the staff will work towards the  
19 implementation of those improvements.

20           Are there any questions?

21           MR. GURICAN: Greg Gurican from GPU. Just a  
22 couple of questions. Going back into the earlier  
23 discussion of the level of intended functions and the  
24 amount of detail that you witnessed between one versus the  
25 other, I was wondering if that level of detail that you

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1 found which was large amount of detail served in any way  
2 to help you in the question of the commodity grouping  
3 problem which you addressed.

4 In other words, did the level of detail in  
5 both the component and system functions help you to  
6 resolve any of the commodity questions which you had with  
7 commodity groups versus those items that didn't fall into  
8 commodity groups?

9 MR. PRATO: We didn't have a lot of problem  
10 with commodity groups. The commodity groups that were  
11 presented by the participants all appeared consistent with  
12 the guidance, and the guidance in the statement of  
13 consideration that accompanied the rule.

14 Our concern with the commodity groups involved  
15 the listing and identification of structures and  
16 components. A simple -- from the site visit team's  
17 perspective now, a simple listing of commodity groups  
18 without somehow describing the content of that commodity  
19 group doesn't fully address the need to identify and list  
20 structures and components in the license renewal  
21 application.

22 And with respect to the level of detail for  
23 the intended function, I think they're mutually exclusive.  
24 They're not related in any way.

25 MR. GURICAN: Okay.

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1 MR. PRATO: Unless you've got something else  
2 you'd like to add.

3 MR. GURICAN: Nothing, except that I was  
4 wondering if that level of detail that was maybe excessive  
5 versus -- in one case versus the other served in any way  
6 to overextend the review process from your point of view  
7 or help to shorten the review process from your point of  
8 view.

9 MR. PRATO: The level of detail of those  
10 intended functions that were more descriptive was helpful.  
11 We never went into the license renewal demonstration  
12 program with the intent of doing a review to determine the  
13 completeness of the results of the implementation of the  
14 methodologies demonstrated by the participants.

15 But, from what we saw, the more detailed  
16 descriptive lists of systems, structure, and component  
17 level intended functions were more helpful.

18 MR. GURICAN: Okay, thank you. Going on to  
19 the question of demonstrations and the use of operating  
20 experience, would it be fair to say that no one met your  
21 acceptance criteria in this area -- is that what I heard?

22 MR. PRATO: No, that wasn't what we said.  
23 What was said was that we noted that one of the  
24 participants did not include low priority generic safety  
25 issues as designated in the NRC generic safety issue

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1 program. They tried to exclude those, and there was  
2 reasonable justification why they did try to exclude  
3 those.

4 In general, we don't address them during the  
5 normal operating period; and they assumed that it wouldn't  
6 be addressed in the extended period of operation. But,  
7 the site visit teams took exception to that, and we felt  
8 that anywhere any applicant can get any age related  
9 concerns, they should pursue that.

10 Does that answer your question?

11 MR. GURICAN: I think you answered a different  
12 question. Let me go back. When you were discussing  
13 demonstrations, you were talking about use of operating  
14 experience to support the fact that an aging management  
15 program was implemented and could be demonstrated to be  
16 successful.

17 I would take it -- or interpret that  
18 demonstrations, in this case, means basically an  
19 evaluation of the success or failure of that aging  
20 management program out into the license renewal period.

21 MR. PRATO: And that's correct when we talk  
22 about operating experience with respect to the  
23 demonstration aspects of license renewal. Obviously, if  
24 they fail, the aging management program's not working.  
25 There are some situations though where you can trend

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1 degradation. And if you can head off that degradation  
2 before you, for instance, reach min. wall thickness and  
3 correct the problem, that's an acceptable approach.

4 But with respect to demonstrating -- operating  
5 experience and demonstration, they're both very important  
6 from the perspective of meeting the requirements to  
7 demonstrate that the programs would be effective.

8 MR. GURICAN: You're getting there.

9 MR. PRATO: Okay.

10 MR. GURICAN: I think I -- what I'm leaning  
11 towards, though, is the question of demonstration through  
12 the license renewal period. And I don't think it's  
13 possible for a licensee to demonstrate in the here and now  
14 something that needs to be demonstrated in the future.

15 I mean, you can take a program and say this is  
16 how we're going to use the program; apply it in the  
17 future. If the program were used today, and this is the  
18 kind of inspections we would do -- that the tank is not  
19 leaking, that it still looks okay; yes, that's a  
20 demonstration of here and now.

21 But if you're asking for us to give you a  
22 demonstration of the aging management program out into the  
23 future during the license renewal period, then what are  
24 you expecting to see?

25 MR. PRATO: If you've implemented an aging

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1 management program that has controlled the aging of a  
2 component for 20 years, and you don't -- you have no  
3 indication that the component is degrading, then you can  
4 assume that that aging management program, if it's  
5 continued to be implemented properly, will work  
6 effectively throughout the remainder of the operating  
7 cycle and the extended period of operation.

8           If you have an aging management program that's  
9 partially managing an aging effect -- for instance,  
10 erosion/corrosion -- and you're monitoring the trends of  
11 degradation, and you can effectively prevent the failure  
12 of those components, that also is an acceptable aging  
13 management program.

14           Okay, but -- and with respect to your comment,  
15 you can forecast the effectiveness of a program into the  
16 future. We do that all the time.

17           DIRECTOR NEWBERRY: Let me add something to  
18 Greg's comment and question there. This may be one area  
19 where, based on your experience, you want to give us a  
20 comment on the guidance; and that would be appreciated.  
21 There's no question that one of the more challenging  
22 aspects of renewal is how to make this demonstration, as  
23 you point out.

24           And it was one of the more difficult areas in  
25 our five visits. The trip reports, which you've all got

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1 here, reflect that. And there were some instances where  
2 the team thought that the demonstration seemed to be  
3 adequate, and I think they were -- you can find those if  
4 you look hard in the trip reports.

5 And I know there's -- that's why Bob mentioned  
6 the example in the appendix. It's a very brief example  
7 where we felt that the level of understanding of the  
8 program and the experience in some engineering judgement  
9 could be used to, you know, look to the future like you  
10 suggest.

11 I mean, I think -- and then again, I think in  
12 your comment you mentioned, you know, existing programs  
13 versus new programs. I mean, the difference in challenge  
14 between a demonstration of a program where you have years  
15 and years experience versus one where you're going to  
16 implement a new program to go inspect where you don't have  
17 that experience and the challenge of demonstrating or  
18 providing a justification to the staff there.

19 I think that's one area where some work on the  
20 guideline might be helpful. I think that's one that NEI  
21 has thought about.

22 But I don't know. This is one where we don't  
23 have all the answers yet. We've gleaned some experience  
24 from the demonstration project. We're having experience  
25 with some of our reviews. We've asked some questions, and

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1 we're struggling with the issue of demonstration.

2 So, if you have any comments on the guideline  
3 to improve it, what we should do, they'd be welcome.

4 MR. GURICAN: Thank you. That's the exact  
5 concern area that I had: the future.

6 MR. PRATO: With respect to programs that  
7 hadn't been implemented yet -- and we had a number of them  
8 during the site visits -- what we looked for was we looked  
9 for the participants to submit a schedule, the  
10 methodology, the acceptance criteria, and corrective  
11 actions for those programs.

12 Instead of a demonstration itself, which  
13 obviously you didn't have, we were looking for at least  
14 four items instead so that we can project into the future.  
15 After you had some experience, we can go back and look and  
16 determine how your programs are working.

17 I'm sorry I missed the obviousness of that  
18 question. I apologize.

19 Anybody else?

20 DIRECTOR NEWBERRY: Why don't you grab a seat,  
21 Bob, and -- I made a couple of notes here while Bob was  
22 going through here. He mentioned GSI's and the industry  
23 activity that was going to take place on GSI's as a result  
24 of our -- the demonstration and other dialogue. And they  
25 have just submitted a letter to the NRC. I just got it

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1 today. It should be available in the PDR shortly.

2 Talks about their look at the GSI's currently  
3 being evaluated in 0933 and their views on how they would  
4 relate to renewal. And we're going to be looking at that  
5 and seeing if we need to do something else in the  
6 guideline. And it would be a good one for people to look  
7 at. That's an important area.

8 And the meat of what Bob is talking about here  
9 is really in those trip reports. I think in addition to  
10 comments we anticipate receiving on the guidance, the  
11 views of the site teams that were out there and these  
12 issues are going to be important to us in going back to  
13 see what we need to do with the guideline and the Reg.  
14 Guide.

15 But we're still going through those trip  
16 reports. And as they mentioned, we'll talk a little bit  
17 later on. We will eventually issue a lessons learned  
18 report, but we aren't done digesting all of that yet.

19 Any other comments, questions? You can't ask  
20 any questions.

21 MR. MIZUNO: I'm not going to be asking any  
22 questions. This is Gary Mizuno from the Office of General  
23 Counsel. I understand there was an informal question that  
24 was asked of the NRC with respect to the opportunity for  
25 hearing associated with a deferred TLAA demonstration.

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1           And as I understand the question, it was a  
2 licensee or an applicant submits an application for  
3 renewal, and it does not have its actual program for  
4 dealing with the TLAA in its application, but includes a -  
5 - I guess a commitment or some demonstration as to how it  
6 is going to deal with ultimately resolving and  
7 implementing a solution for a TLAA, which I believe is an  
8 acceptable approach under the license renewal rule -- the  
9 revised rule.

10           The question was: in that situation, would  
11 there be an opportunity for a hearing when the actual  
12 resolution and implementation of the TLAA actions took  
13 place? And I would presume at that point the  
14 implementation occurs after the renewal -- a license has  
15 been issued. Perhaps ten, 20 years -- well, 15 years down  
16 the line.

17           The answer is: there would not be an  
18 opportunity for a hearing as part of the license renewal  
19 rule. The only opportunity for hearing would be  
20 associated with the issuance of the renewal license.  
21 However, it is always possible for someone -- an  
22 interested member of the public to submit a petition for  
23 action under 2.206 and request a hearing as to whether the  
24 actual resolution of the TLAA is proper and has been  
25 implemented properly.

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1           And whether a hearing, in the context of the  
2 way we understand hearings -- you know, which is a formal  
3 hearing under Part 2, subpart (g), would be up to the  
4 discretion of the Commission. Typically, it does not  
5 grant formal hearings. What is granted is an informal  
6 hearing which usually means that people submit their  
7 petition in writing, and the licensee and the staff  
8 usually have a chance to respond in writing, and the  
9 Commission makes its findings on the record based upon the  
10 written filings.

11           So, although that is a hearing, it's not what  
12 we normally consider to be a -- the formal hearing and the  
13 way that we understand it associated with an operating  
14 license.

15           So, that's the answer to the question. If I  
16 misunderstood the circumstance or the question, you're  
17 welcome to rise up now and correct me.

18           DIRECTOR NEWBERRY: Are you going to be here  
19 later today, Gary?

20           MR. MIZUNO: Yes.

21           DIRECTOR NEWBERRY: Okay. No show of hands.  
22 I think what I'd like to do is adjourn right now. It's  
23 11:30. A few of us will stay around here for five or ten  
24 minutes to handle any informal comments, questions, or  
25 clarification -- those sorts of things. We'll reconvene

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1 at 1:00.

2 MR. KUO: Before you do that, can I add --

3 DIRECTOR NEWBERRY: Hang on a second, please.

4 MR. KUO: During my remark, I failed to  
5 recognize some of our staff's contribution to this  
6 program.

7 DIRECTOR NEWBERRY: I knew you'd get in  
8 trouble doing that.

9 MR. KUO: Right. Steve Hoffman, Scott  
10 Flanders, and John Walton all contributed heavily to this  
11 program too. I just wanted to make that known.

12 Thank you.

13 DIRECTOR NEWBERRY: Okay; so again, we're  
14 going to reconvene at 1:00. Bring your questions and  
15 comments, please. And Doug Walters will start off on his  
16 comments on the demonstration program from NEI's point of  
17 view.

18 Thank you.

19 (Whereupon, the proceedings recessed for lunch  
20 at 11:31 a.m.)

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A-F-T-E-R-N-O-O-N S-E-S-S-I-O-N

(1:08 p.m.)

DIRECTOR NEWBERRY: If you could please take your seat, we'll go ahead and get started this afternoon. We're at the point on the agenda that was scheduled for 1:30; it's now 1:00. We still have the remaining items to cover, and I really do want to emphasize the importance of making ourselves available here to receive any comments and questions you might have this afternoon.

But, we'll just take a look to see where we are after Doug Walters and then Steve Hoffman are -- and we'll look and see whether we need a break or not. But, I think it's time to get going here with the afternoon session, and I'd like to introduce Doug Walters from NEI to talk about what they learned from the demonstration program.

Doug?

MR. JOHNSON: Scott, before you do that, --

DIRECTOR NEWBERRY: Yes, sir?

MR. JOHNSON: -- may I interrupt?

DIRECTOR NEWBERRY: Yeah; go ahead, Dick.

MR. JOHNSON: I'm Richard Johnson from the Office of Research of the NRC. And we've had a very good discussion about the rule and the NEI document, but I have in my hands an Electric Power Research Institute document,

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1 EPRI-TR-10590, "Guidelines to Implement the License  
2 Renewal Technical Requirements of 10 CFR 54," etc., etc.

3 And could I ask you, what is your official  
4 position relative to this EPRI document?

5 DIRECTOR NEWBERRY: I don't think I've seen  
6 it. I think -- I believe -- I don't know if that document  
7 has been submitted to the NRC. Doug could comment on  
8 that. I have not seen it. I believe it was used to help  
9 you out with respect to the guideline activity.

10 MR. WALTERS: Yes, let me -- John Carrey from  
11 EPRI, who was obviously intimately involved in the  
12 development, can answer that question for you.

13 MR. CARREY: Yes, John Carrey from EPRI. That  
14 document represents the results of the initial effort by  
15 the NEI license renewal implementation task force to come  
16 up with guidelines. It was used as an initial scarting  
17 point for NEI 95-10.

18 MR. WALTERS: Thank you, Scott. For those of  
19 you who may not know me, Doug Walters from the Nuclear  
20 Energy Institute. Before I get into my formal remarks,  
21 just a few background items.

22 For those of you in the audience that may not  
23 be familiar with NEI or the Nuclear Energy Institute, let  
24 me just give you the standard language; and that is, that  
25 we are the Washington based organization that represents

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1 the nuclear power industry in a number of regulatory and  
2 technical generic issues, obviously license renewal being  
3 one of them.

4           We have approximately 250 members of NEI, but  
5 all utilities in the country that have nuclear power  
6 plants are members. And that's basically who we  
7 represent. Also, wanted to let you know that the  
8 guideline and the development of the guideline was  
9 actually done by a task force that I chaired, but it was  
10 made up of a number of utilities.

11           Let me just acknowledge them, and some of them  
12 are obvious by the trip reports. But we have Baltimore  
13 Gas & Electric, Duke Power, Wisconsin Electric, Southern  
14 Nuclear, Com Edison, Entergy, PECO Entergy; and we also  
15 have John Carrey on the task force from EPRI; and we have  
16 a representative from Westinghouse -- actually a  
17 representative to the owners group.

18           I also want to take this opportunity to  
19 publicly thank the five utilities who hosted --  
20 participated in and hosted a visit from the NRC in the  
21 demonstration effort that we had; and also a thanks to  
22 Virginia Power for participating. And we did conduct a  
23 peer review there and are using the results of that peer  
24 visit in our lessons learned document as well.

25           Also want to thank the NRC publicly for

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1 dedicating the man hours. They spent a week at each site,  
2 plus numerous time writing up the trip reports. And we  
3 appreciate the effort that they put into this  
4 demonstration program because, at least from the  
5 industry's perspective, we think that it's -- produced  
6 very valuable results that will let us move forward in a  
7 real productive manner; and ultimately, we hope end up  
8 with a stable and predictable regulatory process for  
9 license renewal.

10           With that, let me go into our observations and  
11 caveat this slide by saying that I think Steve will follow  
12 me and present some information on what we're calling  
13 continuing guidance development topics. And just to be  
14 clear, we also agree with some of those topics, and we'll  
15 begin some dialogue with the staff in the near future to  
16 resolve those and make any necessary changes to the  
17 guideline.

18           In the interest of not duplicating discussion  
19 items, I'm not going to talk about all the -- Steve will  
20 talk about some of the items that I am not covering.

21           Generally, as a result of the demonstration  
22 program, we found that the guidance in the area of  
23 scoping, which is taking the whole plant and determining  
24 which systems, if you want to do it at a system level, are  
25 considered to be within the scope of the rule.

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1           We also found the guidance acceptable or  
2 adequate in determining then, as you go through the  
3 funnelling process, which of those systems, structures,  
4 and components are subject to an aging management review.  
5 And likewise, the guidance, we think, is pretty good in  
6 describing how you identify the function associated with  
7 the structures and components that are designated as  
8 having the need for an aging management review.

9           When we get into the aging management  
10 discussion -- and in the previous remarks, you heard that  
11 the guideline provides three methods. We think that we  
12 need possibly to bolster those discussions to make it  
13 clear what is in fact included in the application.

14           The way the guidance is set up -- and Scott  
15 went through, I believe, the rule; and in subsequent  
16 presentations, you heard a little bit about the format of  
17 the guideline -- there's an awful lot of information in  
18 the guideline relative to the technical information that  
19 you produce that subsequently is summarized in the  
20 application.

21           And we're looking very hard at making sure  
22 that it's clear what information is generated and  
23 maintained or retained on site or in your corporate  
24 office, wherever; and what information is then  
25 transferred, if you will, or summarized in the

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1 application.

2 And we saw -- we saw a need to do that as a  
3 result of these demonstration efforts. The guidance  
4 obviously is a little weak in that area, so that will be a  
5 primary focus for us, I would think, in the near term.

6 There was a stated objective of the  
7 demonstration program from day one, and that was how do we  
8 use the topical reports that the various owners groups are  
9 developing and submitting to the NRC for review and  
10 acceptance. And in a number of the demonstration plant  
11 visits, we in fact tried to show how you would use an  
12 owners group report or a topical report, because I guess  
13 they're not really limited to the owners groups.

14 Some utilities could in fact develop topical  
15 reports. But we made a special effort to try to  
16 demonstrate how you would in fact pick that document up  
17 and use it in an application.

18 Generally we felt that you could use the  
19 topical reports. When I talk about the lessons learned --  
20 and it was touched on earlier -- there are some  
21 considerations we need to give to the use of those  
22 documents. But generally, you can use them.

23 The other areas that we're considering -- and  
24 again, this list will expand when you hear Steve's  
25 remarks. We, I think, already touched on how you consider

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1 operating experience. Gaskets and seals are sort of a  
2 unique set of plant equipment, I guess for a lack of a  
3 better description, in that they are consumables.

4 And that's really not addressed in the rule.  
5 We address long-lived and passive, but what do you do with  
6 gaskets? When you do a repair or replacement, you replace  
7 the gasket; you throw the old one away. So we think we  
8 need to look at that and probably provide some guidance in  
9 that area.

10 The USI/GSI review -- really only wanted to  
11 mention the fact that we submitted a letter to the NRC. I  
12 think it's dated October 24th or 25th. Obviously it is  
13 publicly available. The conclusion in the letter is that  
14 there are really only two GSI's that need to be considered  
15 for renewal.

16 One is GSI-166 on fatigue; and the other is  
17 GSI-168 on EQ. And just as an aside, those two topics are  
18 really taking sort of their own path. The staff has some  
19 task action plans in place to deal with those, and I think  
20 we're hopeful that those will be resolved through these  
21 other processes.

22 If I could have the next slide, please.

23 Some specific lessons learned -- and this gets  
24 down into a certain level of detail. And I tried to give  
25 you some lessons learned based on the observations.

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1 First, when we first developed -- or considered developing  
2 the guidance document, we were very aware of the fact that  
3 utilities would be required to comply with the maintenance  
4 rule on July 10th of 1996.

5 If you look at those two rules, specifically  
6 the scoping language, there are similarities. And we've  
7 written our guideline, 95-10, to try to take advantage of  
8 the scoping that you will have already done for the  
9 maintenance rule. And I think in fact, we saw in the  
10 demonstration program that the maintenance rule is a good  
11 starting point for you to begin your scoping.

12 It doesn't cover everything, and we tried to  
13 make that clear in the guidance what's not covered. But I  
14 think there are better than 50% probably of what you do in  
15 scoping, you've probably already touched on in the  
16 maintenance rule. And so, it is a very good starting  
17 point.

18 Another interesting lesson learned, I think,  
19 is how you present the information specifically when you  
20 talk about the aging management review. And the aging  
21 management review really is a description or a discussion  
22 of the structure or component that you're evaluating, the  
23 aging effects that you're concerned about, or the aging  
24 effects that you feel you need to manage; and then the  
25 program that you want to credit, and that could include an

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1 inspection, for example -- but the program you want to  
2 credit as the aging management program.

3           We found, I believe generally, that the way to  
4 present that information is in a table format. It's much  
5 easier to follow. It presents the results, if you will,  
6 in a logical sequence. And I think we found that if we do  
7 that, it's much easier for, in this case, the NRC staff to  
8 follow those three elements basically of an aging  
9 management review.

10           Again, that's a bit down in the details; but I  
11 think it's important, especially for those utilities that  
12 might be in the room today who haven't really started on  
13 the license renewal effort but are thinking about it. I  
14 think this is a good lesson learned coming out of the --  
15 out of demonstration work.

16           Similarly -- and I think this is probably the  
17 most important lesson learned, in my view, and one that if  
18 you haven't started on renewal, or if you have -- but you  
19 have a fairly long window before your license expires,  
20 look for opportunities to do inspections if you think  
21 that's what you need to do, or otherwise evaluate long-  
22 life passive equipment.

23           If you have a particular component that you  
24 have not looked at in the sense that it's exactly what the  
25 word implies, passive, you don't necessarily have a

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1 program in place -- let me use an example of a buried  
2 commodity, a piece of pipe.

3           If you think that's in the scope of renewal  
4 because of the requirements of the rule, which I think you  
5 can figure out pretty easily; and you have an opportunity,  
6 let's say, to do an inspection on that pipe because you  
7 happen to have dug a hole in the ground near that pipe for  
8 some other reason; take the opportunity to inspect the  
9 pipe, in that case, and record the data.

10           It will come in, I think, very valuable when  
11 you go to do a license renewal. Again, if you're thinking  
12 of renewal, look for opportunities in your normal  
13 maintenance planning, for example, to look at equipment  
14 that you typically don't look at, but you will have to  
15 look at for renewal.

16           I don't intend to suggest to you that you need  
17 to do inspections per se; but I think the more  
18 documentation you have, the better off you'll be. And if  
19 you look for opportunities to gather the necessary data  
20 that shows how the aging is being managed or that the  
21 aging is in fact not progressing at a rate, for example,  
22 that you thought it was, that will be very valuable for  
23 you when you ultimately go to do license renewal.

24           If you wait until three years, let's say,  
25 before your license expires, you may find it to be more

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1 burdensome. But I think that was a valuable lesson that  
2 we learned coming out of the demonstration program.

3 Lastly is the topical reports -- indicated  
4 that they are viable. But the licensees have to take  
5 ownership. And what that means is that there are certain  
6 statements or assumptions made in the topical reports, and  
7 clearly you cannot -- at least one of the lessons learned  
8 is that to merely reference the report probably is not  
9 going to be adequate.

10 You probably will have to go back and assure  
11 yourself that you satisfied the assumptions that were the  
12 foundation of certain findings or results that are  
13 identified in the report.

14 As I said, we will be working with the staff  
15 on a number of other issues that Steve will touch on.  
16 This is sort of a high level overview for you. I would  
17 encourage you that if you're thinking about renewal,  
18 certainly talk to those individuals who went through the  
19 pilot work or the demonstration work.

20 Their information is available in the NRC's  
21 handout as far as the trip reports. But get started now  
22 if you're thinking about renewal. I think that's the  
23 biggest lesson learned coming out of this whole effort.

24 With that, that concludes my remarks; and I  
25 guess we'll wait for questions.

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1 MR. HOFFMAN: Okay, based on the experience to  
2 date for the demonstration program, the reviews that the  
3 staff is performing with the owners groups and plant  
4 specific submittals -- the staff and NEI have identified  
5 some topics for which we think there would be a benefit  
6 for additional guidance in either the 95-10 or the staff's  
7 regulatory guide.

8 This subject of continuing guidance  
9 development was discussed in the Federal Register notice  
10 for the workshop, in case you didn't take note, because we  
11 wanted to get the word out. We've had a kick off meeting  
12 on this in October. The list is out there. It's in the  
13 public document room. It's in your handouts.

14 During the public comment period, we're going  
15 to start looking at some of these topics. We know they're  
16 there. We know they need to be taken on in order to come  
17 up with the final guidance. The process is going to be  
18 similar to how we developed the guideline to begin with.  
19 It's going to be -- everything's going to be open to the  
20 public.

21 The meetings will be public. They'll be  
22 announced. The public is -- as in the past, is allowed to  
23 participate in the meetings if they so desire -- express  
24 their opinions. All documents as a result of this will be  
25 put in the public document room.

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1           We aren't going to come up with any final  
2 changes as a result of this effort until after the public  
3 comment period ends. We have a -- the staff has a chance  
4 to assess the public comments. We'll then factor in the  
5 draft revisions to the guidance. It may be developed  
6 during this period.

7           Factor in the public comments, and then  
8 determine whether or not -- what the final guidance will  
9 be. Any significant changes coming out of this topic  
10 development will be summarized along with the comments in  
11 the Federal Register notice when we issue the final Reg.  
12 Guide.

13           Okay, this is a list you -- probably some of  
14 these topics now you're seeing two, three times. They  
15 keep popping up occasionally. The first topic is the big  
16 one: what is necessary to demonstrate the effectiveness  
17 of a program? After we got into this a little bit  
18 further, we also started seeing that, although the  
19 guideline has guidance for demonstration, there's  
20 different levels of experience and objective evidence for  
21 existing programs versus new programs or enhanced programs  
22 where you don't have any experience with that program.

23           So, we feel we need to take on this area and  
24 determine whether or not different guidance is needed for  
25 that demonstration, as well as improving the guidance on

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1 what is necessary for a demonstration.

2           The next two are the big ones. We've talked  
3 about them quite a bit. I don't think I'll go into much  
4 detail. These were topics deferred to the demonstration  
5 program. We got some good experience from the  
6 demonstration program. I think Section 6 of the  
7 guideline, the staff's going to have comments on it.

8           I think we need to increase the level of  
9 detail in that section as to what information that was  
10 developed, you know, as part of this license renewal  
11 review actually should be put into the application or the  
12 FSAR supplement.

13           The fourth item, listing of structures and  
14 components, that was touched on by Bob Prato as far as the  
15 demonstration program. What is sufficient to meet the  
16 requirement of the rule to list structures and components  
17 subject to an aging management review?

18           If it's a major component, that's easy. You  
19 know, you're going to list that component in the  
20 application. This comes up more where you're looking,  
21 like, at groupings, like your commodity groups, if you've  
22 taken that approach. Can you list just the commodity  
23 group in the application? Do you need a detailed list of  
24 each and every component on site to back up that commodity  
25 group name?

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1 Does it have to be a list? Can it be  
2 identified in another means like marked up drawings that  
3 are in the control program? There's been some discussion  
4 -- can a process that would quickly produce that list be  
5 sufficient in lieu of actually making that list?

6 Other approaches are like all components  
7 within a system or within specified boundaries or in  
8 scope, is an all approach acceptable. So, this is a topic  
9 that will be taken on in the interim.

10 Scope of generic safety issue reviews -- that  
11 one, time has overtaken us on that one. We have got the  
12 submittal from NEI. They've done that review. We now  
13 have to look at it. I just got it today. We'll be  
14 looking at it and assessing that. Timing for performing  
15 TLAA evaluations; that's been discussed before.

16 We're going to be taking that on. What needs  
17 to come in with an application? If you're going to defer  
18 it, do we need to provide additional guidance under what  
19 basis, you know, the staff would consider deferral of a  
20 TLAA evaluation.

21 A subject that's come up -- the last bullet  
22 is: do you need a plant specific methodology? Can you  
23 say that NEI 95-10 is my methodology without developing  
24 any further methodology for controlling your program on  
25 site? So, that one will be taken on.

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1 Next slide, please.

2 The rule requires you to consider plant  
3 industry operating experience. Something coming out of  
4 our reviews is, you know, operating plants have programs  
5 in place to look at this information as it's being issued  
6 from the industry or NRC generic letters in bulletins.  
7 And so, there's a number of programs right now where they  
8 review, assess, and take action on that.

9 Okay, for license renewal, you have to look at  
10 this operating experience for -- to help identify aging  
11 effects programs; actions that needed to, you know,  
12 maintain safety during the extended period of operation;  
13 how much credit can be given for existing programs; and  
14 what would an applicant have to demonstrate in order to  
15 take that credit for that existing program to show that,  
16 although it wasn't originally a factor in establishing the  
17 program, the actions taken under that program would be  
18 adequate to ensure that anything that had occurred in the  
19 past would have been picked up and would carry forward  
20 into the extended period.

21 The last one is some fall outs during our  
22 review during the guideline. Appendix B, like we said  
23 before, identifies structures, components, and commodity  
24 groups and whether or not they're subject to an aging  
25 management review.

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1           The five items, with the exception of -- well,  
2 I'm sorry. Fuses is not in there right now, but it was a  
3 topic that was discussed during the guideline review.  
4 These are ones in which the determination for whether or  
5 not they're subject to review was deferred. It was not  
6 something that the staff and industry could come to  
7 agreement with at that time.

8           Now is the time to go back in and look at them  
9 and make that determination.

10           Like I said, this process is a public process.  
11 We would encourage public industry, anyone they want, to  
12 get involved in these meetings; review the documents. If  
13 you want more information, talk with me afterwards; maybe  
14 at a break or after the demonstration. Because this is  
15 going on in parallel now with the completion of the public  
16 period and will carry forward on into the period after  
17 that.

18           I guess -- any questions on these continuing  
19 guidance topics? I guess at this time, what our intent  
20 was, was to bring the speakers up from today and open the  
21 floor to comments and questions. So, if the previous  
22 speakers could come up. Please feel free to raise any  
23 question that you may have.

24           DIRECTOR NEWBERRY: While they're coming up  
25 here, I'll just share with you I received a phone call

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1 yesterday from somebody -- it's not important. But my  
2 secretary answered the phone, you know, NRC License  
3 Renewal, as usual, and directed the call into me. And I  
4 completed the call, and the individual asked me, can I ask  
5 you a question.

6           And I said what's that. And she said do you  
7 work at the Motor Vehicles Administration? And I said no,  
8 why do you ask? She said well, they answered -- your  
9 secretary answered the phone License Renewal. And this  
10 happens every three or four months, but it -- you know, it  
11 reminds me; every time we work on this regulatory guide  
12 and we talk about guidance and everything, I always have  
13 this model in my mind of when I go to get my eyes checked  
14 or get my plates renewed for my car and what the  
15 experience is like going to do that at the Department of  
16 Motor Vehicles.

17           And without exception, I always end up in the  
18 wrong line; or when I finish going through the line and  
19 get to the window, I don't have the right information.  
20 And I think about that when we're working here on renewal  
21 and this project here.

22           Some of these issues are difficult issues. I  
23 know in some cases, we disagree. But my goal is, when the  
24 process is done, it -- with the rule, the regulatory  
25 guide, and then eventually the standard review plan, at

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1 least the requirements are going to be clear. They're  
2 going to be less ambiguous.

3 So that when you come in, you know, you've  
4 tackled the right issues, you've taken an approach; and in  
5 some cases, you know the approach is going to be  
6 acceptable to the NRC. So, I just thought I'd share that  
7 little one with you while people walked up here.

8 So, I hope we get at least a couple of  
9 comments or more questions today. Make your plane or car  
10 rides worthwhile.

11 Nothing?

12 MR. MIZUNO: I have a question. Just looking  
13 at this, back on page 27 of the slides, the second topic  
14 where you indicated that there's still not industry/NRC  
15 agreement, is the agreement not with respect -- well, what  
16 is the disagreement -- with respect to whether these are  
17 long-lived passive components, or whether there are  
18 existing programs that adequately manage the aging in the  
19 extended period of operation?

20 MR. HOFFMAN: The agreement hasn't been  
21 reached yet on the passive aspect of these components.  
22 Now in gaskets, packing, and seals, the concerns there is,  
23 although a lot of people consider them consumables, in a  
24 lot of cases, they're like -- yeah, they're thrown away  
25 when you go in there, but there's no schedule on some of

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1 these things to go in.

2 In other words, unless there's a problem or,  
3 say, like a pressurizer manway gasket, you don't have any  
4 set frequency for going in there and when those will be  
5 replaced. So based on the rule, those are considered  
6 long-lived components.

7 DIRECTOR NEWBERRY: Yes, I would like to see  
8 us get that table finalized. I think we've done the easy  
9 ones, and now we need to get down to the difficult ones so  
10 that we -- if we can resolve these things generically, it  
11 would save a lot of plant specific effort from the  
12 standpoint of the applicant and the NRC in determining  
13 what's -- what needs an aging management review and what  
14 doesn't.

15 I think the electrical components are the more  
16 difficult.

17 We've got a card.

18 MR. HOFFMAN: While we're reading this, is  
19 there any other questions? Please step to a mike.

20 DIRECTOR NEWBERRY: Well, let me read this  
21 question. "Since the active short lived" -- a question  
22 regarding the sequence in which IPA steps are performed.  
23 You guys listen up here.

24 "Since the active short lived components,  
25 which are within scope, ultimately get thrown out as part

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1 of the screening process, is it acceptable to defer the  
2 identification of intended functions until after the list  
3 of structures and components requiring an aging management  
4 review is compiled?

5 "Does the rule explicitly require that  
6 intended functions be listed as part of the scoping  
7 process?"

8 And this come from Dave Roth, Virginia Power.  
9 It's a good question.

10 Do you want to tackle it?

11 (Laughter.)

12 I think I know the answer. It's a two part  
13 question.

14 MR. HOFFMAN: Okay, the -- let me double check  
15 something here.

16 DIRECTOR NEWBERRY: The rule itself was meant  
17 to provide flexibility to a licensee to arrive at the set  
18 of structures and components that require an aging  
19 management review. I mean, that's the basic objective. I  
20 mean, the previous rule was much more prescriptive. So,  
21 is it acceptable to defer the identification of intended  
22 functions until after the list of SC's requiring an aging  
23 management review is compiled?

24 Does the rule explicitly require that intended  
25 functions be listed as part of the scoping process? The

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1 second part -- the rule does not explicitly require that  
2 intended functions be listed as part of the scoping  
3 process. I mean, that is not an explicit requirement of  
4 the rule.

5 I think -- my own view here, and I think maybe  
6 we'll just throw it open to the staff here; and maybe  
7 even, Doug, you might want to comment because I think you  
8 guys looked at this. I think there are a number of ways  
9 to arrive at the set in terms of what you do first in  
10 terms of deferring identification of functions and  
11 equipment as you step through from the whole plant on  
12 down.

13 I'm not sure if that answers the question.

14 MR. ROTH: I guess I was the author of the  
15 question. The concern I had was, if you spend a lot of  
16 time documenting intended functions at the scoping step,  
17 that's a lot of documentation and work that you do that  
18 basically doesn't prove that -- or it doesn't get carried  
19 on to the ultimate result.

20 MR. MOULTON: Yes, I had some opportunity to  
21 think about this a little bit before I brought the  
22 question up here. While Scott's right, it doesn't  
23 explicitly state that you have to list them, the rule does  
24 say that those that are and subject to review shall  
25 encompass those that have intended functions without

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1 moving parts and so on, and long-lived, etc.

2 So it may be kind of difficult to justify to  
3 the staff that you looked at all intended functions before  
4 you jump to the conclusion that it was in fact active or  
5 passive. The exception being, I guess, in the rule and in  
6 the guideline where we do list those that are active.

7 You can probably come to that conclusion real  
8 quickly. But there should be some accounting that you  
9 looked at all intended functions in determining that it  
10 was active.

11 MR. ROTH: In our situation, we have an  
12 equipment data base where the classification of the  
13 equipment inherently looks at what the functions are  
14 performed so that you don't necessarily have to identify  
15 the functions. You rely on the categories that are in  
16 that data base.

17 DIRECTOR NEWBERRY: In other words, if you  
18 clearly know that a component is active -- it has moving  
19 parts, say -- you're suggesting that regardless of the 24  
20 intended functions that it has, it's outside the scope of  
21 renewal and there's no -- it would be an inefficient use  
22 of resources to go through all that documentation.

23 MR. ROTH: Right.

24 DIRECTOR NEWBERRY: I think that's a fair  
25 comment that we ought to consider.

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1 Anybody else want to talk about that?

2 MR. PRATO: No, I agree with John's  
3 characterization.

4 MR. PULASKI: Scott, Fred Pulaski from PECO.  
5 During the demo -- I mean, Bob Prato and I spent a couple  
6 of hours, I guess, talking about process and the order  
7 that you look at it. And our process was one where we  
8 went through and scoped at the system level to find system  
9 intended functions, and then to find all the components in  
10 the system which was easy to do from our data base; and  
11 then went through and eliminated those that were not in  
12 the scope because they were not long-lived passive.

13 And we never pursued those any further on. We  
14 did the long-lived passive versus short-lived or active  
15 based on Appendix B in 95-10. And it fell out real easy,  
16 so we didn't go through that whole process because there  
17 was no reason to define intended functions for things like  
18 pressure switches and motors, which clearly were not in  
19 the scope.

20 And Bob and I went through that and discussed  
21 it both ways and drew diagrams about how 95-10 exactly  
22 laid it out, what the rule said our procedures that we  
23 developed internally, and concluded -- I think, Bob, if  
24 you agree with me -- that you come out to the same point  
25 at the end with the right scope of components and

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1 structures in the scope of license renewal with the right  
2 intended functions that you need to review.

3 MR. PRATO: A lot of the components are  
4 relatively obvious. And in my mind, what's listed in the  
5 rule, first of all, is easily excluded. Also, long-lived  
6 to me is a lot easier to identify than passive. Depending  
7 on the component, you really do have to identify all the  
8 intended functions to determine whether or not that  
9 component is passive.

10 The exercise that we spoke to, we spoke on a  
11 relatively high level. And the components that we did  
12 address -- you're right -- we came to the conclusion that  
13 you're okay. But in general, when you're doing a very  
14 detailed review -- and you've got to understand, the staff  
15 has to come in and take a look at your results -- there  
16 are going to be a lot of questions with individual  
17 components, why was this passive.

18 And maybe there are some situations where you  
19 don't have to identify all the intended functions. But  
20 for us to generically say that it's easier just to go  
21 through and determine whether they're passive and long-  
22 lived before you determine their intended functions is  
23 wrong because the rule is -- and my understanding of the  
24 rule personally is that you can't determine the passive  
25 function of the component without identifying all of its

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1 intended functions.

2           DIRECTOR NEWBERRY: I can't help but take this  
3 opportunity to make a comment on a frustration I've had.  
4 I went out for every one of these demonstration visits and  
5 spent time in the last day and then went to the exit and  
6 all in looking at different reviews. And I think near the  
7 top of my frustration list is this issue of scoping and  
8 screening and the resources it takes to parcel the plant  
9 up, which really does nothing.

10           There's no, you know, benefit in terms of  
11 looking at aging management for the plant. It's a paper  
12 exercise, in my personal opinion. And anything that can  
13 be done in the minds of the people here to sharpen the  
14 guidance in that guideline to make this process more  
15 efficient in terms of identifying boundaries, screening,  
16 scoping, etc., I would appreciate clear input there.

17           Because the heart of renewal is to get down to  
18 the issues, the technical review, in terms of taking care  
19 of the aging that's occurring on this equipment. So, it's  
20 just a personal observation; and I think this was a good  
21 question that touches on that.

22           MR. KRAUSE: Chuck Krause, Wisconsin Electric.  
23 Your comments or the staff comments regarding evaluation  
24 of TLAA's indicated that, as was your expectation, that  
25 with limited exception, most TLAA's should be evaluated at

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1 the time of the license renewal application.

2 By their very nature, environmentally  
3 qualified equipments involved probably, in most cases,  
4 some type of TLAA. And of course, environmentally  
5 qualified equipment is generally also subject to the  
6 requirements of NRC regulations under 50.49.

7 Is it your expectation that all these EQ  
8 TLAA's would be evaluated at the time of the application,  
9 or are you considering a categorical exemption for those  
10 TLAA's involved with EQ?

11 MR. HOFFMAN: The issue of environmental  
12 qualification as controlled by 50.49 is one that's  
13 somewhat unique under TLAA's. That is a topic that we're  
14 looking at separate from this whole issue of deferral of  
15 TLAA's. That hopefully will come out in the final Reg.  
16 Guide.

17 DIRECTOR NEWBERRY: I don't believe we're  
18 looking at any categorical exclusion or exemption. I  
19 think that was part of Chuck's question. I think we need  
20 to have more dialogue on that issue. It's a good  
21 question. And I think that's another area that's one of  
22 the top few in terms of this timing of TLAA issue in terms  
23 of what does deferral mean; what do we mean when you say  
24 defer.

25 I mean, 50.49 is in place. It's a program

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1 that you're required to meet today, so you don't really  
2 defer, you know, compliance to 50.49. And so, I think we  
3 need to sharpen our discussion on that and see if -- see  
4 where we are in terms of expectations.

5 So, that would be a good area to comment on.

6 MR. HOFFMAN: You know, on these areas where  
7 we have -- well, we're looking at developing guidance or,  
8 say, EQ; that's part of the reason we're having this  
9 public comment period and also this workshop is to get  
10 these things out there. You know, we're looking for  
11 comments from the public.

12 Submit your comments, provide your  
13 justification for the position, you know, that you're  
14 taking. We welcome that. That's how we hoped to develop  
15 better implementation guidance. So, you know, really all  
16 of you and the rest of the public are part of this  
17 process.

18 DIRECTOR NEWBERRY: Okay, another one on  
19 Chuck's question -- that was a good question. There's a  
20 TLAA where you also have a very important generic safety  
21 issue where the methodologies themselves being used today  
22 to qualify equipment are being reconsidered. So, I mean,  
23 would it be appropriate to go ahead and use methodologies  
24 that are being looked at to see if they should be improved  
25 to requalify equipment?

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1           That's another related question there. So, I  
2 think the issue of 50.49, as well as fatigue, are two  
3 important issues we could do some work on.

4           All comments welcome. I knew Roger would have  
5 to ask a question. Yes, sir?

6           MR. NEWTON: Roger Newton from Wisconsin  
7 Electric Power also. Based upon the experience you have  
8 from the demonstration process, and it was -- you know,  
9 partly to demonstrate how well the license renewal process  
10 worked from the five plants that you visited, what are  
11 some of the difficult areas or stumbling blocks or hurdles  
12 a utility has to get over that you've seen that may help  
13 us?

14           Is it knowing your CLB? Is it data base? Is  
15 it technical issues? You know, what do you think you've  
16 observed so far that could benefit us?

17           MR. PRATO: During the demonstration program,  
18 we specifically looked at the implication of the  
19 guideline. The peripheral issues, I'm not sure we can  
20 address. But from our perspective, keeping in mind the  
21 trip reports and the lessons learned report, there seems  
22 to be difficulty in determining what a demonstration  
23 consists of.

24           One of the participants in the demonstration  
25 program wrote that example in example two of Appendix C.

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1 But that participant also has some troubles in the  
2 demonstration area as well. It seems like, depending on  
3 the specific application, it may be difficult to come up  
4 with a standard format and standard content that's needed  
5 for demonstration.

6 That was one area where we consistently saw  
7 throughout the demonstration program that there were  
8 problems. And I think the other area from a license  
9 renewal perspective is the FSAR supplement. I think the  
10 content of the FSAR supplement consistently had trouble  
11 from beginning to the end, and we really never got a  
12 consistent example of an FSAR supplement from a  
13 participant that met all the aspects of an FSAR  
14 supplement.

15 Did that answer your question, sir?

16 MR. HOFFMAN: One thing to add to that, kind  
17 of inherent in the demonstration, when you say something  
18 utilities have to look at is, is the understanding that --  
19 you know, right now, everybody's got an operating license  
20 under Part 50. And when you enter into renewal, you know,  
21 you've got the Part 50 requirements.

22 All that has got to carry forward into the  
23 renewal period. But Part 54 is in addition to Part 50.  
24 And so, although you're operating safely today, you've got  
25 these programs in effect, you're looking at aging, you're

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1 looking -- you're doing your maintenance; there has to be  
2 a realization that there's some demonstration that's  
3 required in order to get that new -- that renewed license.

4           Okay, so although you feel that hey, as long  
5 as I keep on doing what I'm doing today, it should be  
6 okay; there still has to be that proof that if there's an  
7 aging effect in the extended period of operation, you're  
8 going to have to demonstrate that yes, that program will  
9 still be effective in the renewal period.

10           It's a little different, you know, from the  
11 day to day operation standpoint -- you know, outlook.

12           MR. KUO: I agree with what both Bob and Steve  
13 said. But to answer Roger's question a little more  
14 pointedly, I think my observation has been the difficulty  
15 is indeed -- was the demonstration part. How the  
16 applicant can demonstrate that the aging management  
17 program is effective for the extended period of operation.  
18 What constitutes the "demonstration".

19           During the five plant visits, we find that  
20 some participants had existing management program --  
21 existing program. Not aging management program, existing  
22 programs. But because of that existing program, it was  
23 said that hey, we don't have any aging effect. In other  
24 words, you know, I don't have any corrosion because I have  
25 this water chemistry controlling program; therefore, I

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1 don't have to consider it.

2           And that kept on popping up to us in two or  
3 three plants. Another difficulty that we encountered was  
4 that -- well, I have this existing program for the last  
5 15, 20 years. I really don't have to give you any  
6 experience. I mean, this is working. It's been working  
7 for the last 20 years. Is there any reason that it's not  
8 going to be working in the next 20 years or 40 years?

9           The demonstration part is lacking. Now, how  
10 can you demonstrate that this is going to be working? I  
11 think we have quite a bit of difficulty. I don't know if  
12 this answers your question.

13           DIRECTOR NEWBERRY: Yes. Roger mentioned one  
14 other thing, PT, and I thought that's what you were going  
15 to hit on, and that was current licensing basis  
16 information. I mean, all licensees just received a letter  
17 from the NRC with respect to design basis and licensing  
18 basis information and it's an issue of concern to us.

19           We are relooking at what we're doing here to  
20 see if we should be doing anything differently from the  
21 standpoint of NRC's renewal program. But, I mean, recent  
22 experience at plants over the past, you know, months or so  
23 highlights the importance of you being familiar with your  
24 design information and licensing basis information. I  
25 mean, it's just paramount. Certainly, what we do in that

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1 area is not going to decrease, I can assure you.

2           So I'm not sure whether you fellows want to  
3 offer any comments on what you saw out there in the  
4 demonstration program in that area. But I know Bob made  
5 one comment in his remarks about how although the  
6 demonstration was meant to be a sampling, I mean, we  
7 didn't look at the completeness in terms of identifying  
8 different design characteristics or functions. Some  
9 plants were better than others, and there has got to be a  
10 good job done there. But that's an important thing that  
11 we're looking at now.

12           MR. PRATO: One of the participants has asked,  
13 since we do have a program in place, that program is part  
14 of our FSAR, and I believe the program would be part of  
15 that individual's tech. specs. He said, "Why can't we  
16 consider that aging effect to be not applicable as a  
17 requirement of the plant?" I think our opposition was  
18 that if we do not acknowledge the aging effect as an  
19 applicable aging effect of license renewal, we never link  
20 that program to the license renewal program.

21           And the other thing that's missing if you do  
22 that is you don't provide a demonstration that that  
23 program is going to be effective beyond year 40, and  
24 that's an important aspect of license renewal. So it  
25 isn't that we're trying to add more administrative

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1 requirements to programs that are already in place; we are  
2 just trying to make sure that the intended rule is met.

3 MR. POLASKI: This is Fred Polaski from PECO.

4 I have a question about something, Bob, I  
5 think you said earlier, if we could try to get some  
6 clarification on what was meant by this. You said in a  
7 license renewal application in the submittal you said that  
8 the level of staff familiarity determined the level of  
9 detail needed in the demonstration. I wonder if you or  
10 maybe -- I mean, Steve or Scott may want to address that,  
11 too, about --

12 MR. PRATO: There was no --

13 MR. POLASKI: -- what that means when you  
14 really --

15 MR. PRATO: What I was talking about when I  
16 said that was the level of detail in the content of the  
17 demonstration itself. I read that summary which took  
18 approximately five lines, and we felt that that was a  
19 pretty good summary for a program that has been well  
20 established using techniques that we're familiar with.

21 As we get into license renewal, some of the  
22 programs that a licensee may decide to implement, they may  
23 have to get a little bit more creative, implement new  
24 technology that we're not familiar with. They may have to  
25 have a more complex series of aging management programs to

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1 manage the effect of aging.

2           And my comment was simply to say that the more  
3 familiar we are with the programs, and the industry is  
4 with the programs, the less amount of information we're  
5 going to need. But if we're not familiar, we may need  
6 some additional description to satisfy the requirement  
7 that you've demonstrated to us that that program is going  
8 to be affected during the period of operation.

9           But at the end of my comment, I also said that  
10 we are not looking for volumes of information. We're not  
11 asking you to send all of your maintenance results in to  
12 us. We're just looking for a good characterization, good  
13 summary of the objective evidence.

14           MR. POLASKI: Yes, I can understand that. But  
15 I guess one of the things that concerns me a little bit is  
16 that -- well, let me ask: I guess what I hear you saying  
17 is if there's a program that has been in place for a  
18 while, especially one that has been regulated and maybe  
19 well inspected, that that would equate to the NRC is very  
20 familiar with it and you won't have to say as much.

21           There may be other programs that are just as  
22 viable that have been in place just as long that possibly  
23 weren't regulated or inspected. So now I've got to in my  
24 application put in more detail, and it ends up going on  
25 the docket as opposed to being able to provide the same

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1 level of information but just have the detail in-house,  
2 and you're just as welcome to look at that as anything  
3 else.

4           So I think that needs to be considered  
5 somewhat as to in the range of level of detail that needs  
6 to go in the application is how much you really need to  
7 write down that goes on the docket versus what's in-house.  
8 And in some areas it may be not so much level of detail  
9 based on how familiar you are, but maybe, you know, we  
10 need to do some education, or just a different view from  
11 the NRC of whether you get it in the application or  
12 whether you look at it in-house and learn that information  
13 for the first time.

14           MR. PRATO: We can speculate on this quite a  
15 bit, and I really don't have a good example for you, Fred.  
16 I apologize. But all I'm trying to get across to you is  
17 that you have to communicate to us that that program will  
18 be effective after the 40 years. If you do that in a  
19 summary of objective evidence, I think we will accept it  
20 regardless of the length or the absence of length.

21           We're not looking for volume. This is not a  
22 weight test that we're going to be applying to it. What  
23 we're looking for is a crisp, clear, concise summary of  
24 objective evidence that not only us, the technical staff,  
25 would review, but so will the Commission who ends up

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1 signing the license has to review it as well.

2 DIRECTOR NEWBERRY: I think Fred is suggesting  
3 that there are criteria other than NRC familiarity for  
4 concluding the level of detail that needs to be put in an  
5 application. And maybe that could be thought through and  
6 fleshed out in the guideline. I think that's a good  
7 comment.

8 MR. HOFFMAN: See, the rule lists, you know,  
9 certain minimum requirements, you know, as to what needs  
10 to be included in the application. All right? And what  
11 we are trying to deal with here is is, you know, exactly,  
12 you know, how we implement those rule requirements.

13 The staff recognizes that, you know, there is  
14 going to be significant on-site inspection effort.  
15 However, the staff also has to establish a public record  
16 on which we base the issuance of a renewed license. So in  
17 some cases activities programs that may not be on the CLB  
18 right now, we have to make new findings for Part 54.  
19 That's what I tried to stress.

20 You know, Part 54 is above and beyond Part 50,  
21 and so in some cases you may have to bring stuff onto the  
22 CLB that hasn't been in the past in order to support the  
23 finding that the effects of aging will be managed. So  
24 that's what we're trying to work through now -- determine  
25 exactly what is required.

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1 DIRECTOR NEWBERRY: Yes?

2 MS. RAMSEY: Debbie Ramsey, Duke Power  
3 Company.

4 There are a couple of instances in the SOC  
5 where you said in the future you may limit the scope of  
6 the rule. Now that the 1992 addition to the agenda of IWE  
7 and IWL have been adopted, what are you doing to evaluate  
8 that issue? Are there any plans to limit the scope in the  
9 future?

10 MR. KUO: Debbie, I assume that you are  
11 talking about containment, IWE/IWL. We have issued just  
12 recently the final rule on IWE/IWL, but the Commission  
13 paper took certain exceptions to the IWE/IWL -- for  
14 instance, inaccessible areas. How do you deal with  
15 inaccessible areas?

16 Currently, Section XI exempts the areas for  
17 inspection, so the rule requires that the licensees should  
18 take actions on those areas. There are a few exceptions  
19 and modifications.

20 Winston Liu here is very familiar with that,  
21 and that's likely what we are going to look at in the  
22 license renewal space for containments. But we don't have  
23 a final position.

24 DIRECTOR NEWBERRY: Yes, I'll fill up the  
25 silence there on that one. We are still looking at that

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1 one, Debbie. Winston Lieu has looked at that and made  
2 some recommendations to PT and I in terms of what we need  
3 to do for renewal there. And I think -- I mean, we've got  
4 a couple of reports in-house with respect to containments,  
5 and I think we need to have a little dialogue there.  
6 Maybe you should consider talking to us about that with  
7 respect to what you are doing.

8 But it looks to us like it's not as clean as  
9 -- now that the rule is out, that's going to satisfy aging  
10 management for the containment in general. It looks like  
11 certainly that rule would cover certain types of aging and  
12 corrosion, etcetera. But I know there are some statements  
13 in the Commission paper and the SOC for those rules, that  
14 if you read them -- certainly, when I read them I said,  
15 "Hey, it looks like we've got this one behind us." But I  
16 think we need to look at that a little bit more closely  
17 and make it clear as to what our expectations are.

18 And I know the SOC for the license renewal  
19 rule, and my personal view here is that maybe we should  
20 have done a better job in IWE/IWL. From a license renewal  
21 perspective, the intent is if there's a rulemaking or a  
22 review that is done on a current day issue that one can  
23 put the renewal Part 54 aspect of that to bed along with  
24 the operating, you know, current license review. That  
25 would be the intent, and we've got to do some more looking

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1 on IWE/IWL. That's a good question.

2 MR. EGGETT: Don Eggett, Commonwealth Edison.

3 Question regarding objective evidence. That  
4 seems to be emphasized as part of the demonstration that  
5 is required for aging management programs. Does that mean  
6 to the industry that, as an example, engineering judgment  
7 cannot be used, insofar as license renewal applications?  
8 Insofar as a methodology?

9 MR. PRATO: I don't think so. I think that  
10 engineering judgment sometimes can be very effective, but  
11 you're going to have to give us an example. You know, my  
12 perspective, I would have to see if I could pass a  
13 judgment on anything like that myself. If you could give  
14 us some examples, that may be helpful, and it certainly  
15 may be helpful in the revision of the guidelines. So if  
16 you do have any examples, please provide them.

17 MR. KUO: Engineering judgment is really a  
18 very general term. It's hard for us to say -- right now  
19 say it's acceptable or not. It all depends on where you  
20 apply your engineering judgment and how you apply your  
21 engineering judgment. And like Bob said, certainly we  
22 don't rule that out for all cases, but it would have to be  
23 on good basis.

24 MR. NEWTON: Roger Newton from Wisconsin  
25 Electric.

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1 I think one of the areas where engineering  
2 judgment may come into play is in the containment in  
3 inaccessible areas. Getting back to that subject, you  
4 know, a lot of that is based on judgment. And I think we  
5 are --

6 MR. KUO: Well, good comment, Roger, but right  
7 here probably we will get into some argument here. But  
8 I'm not sure that you can apply your engineering judgment  
9 all the time for inaccessible areas in containment. We  
10 had cases where we never looked before and it had  
11 happened, the degradation had happened. Can I now, based  
12 on that finding, can say I apply my engineering judgment  
13 that inaccessible areas really doesn't have to be looked  
14 at?

15 MR. NEWTON: The answer probably is no.

16 MR. HOFFMAN: You know, the rule was written  
17 to provide flexibility in how you approach aging  
18 management. The guideline also tries to provide -- and  
19 the reg. guide tried to provide -- flexibility. Sometimes  
20 we find we get down into details. There are no absolutes,  
21 you know, in license renewal.

22 A lot of times you're going to have to get  
23 down to the specifics and look at the total argument for  
24 that particular component or structure. Engineering  
25 judgment may be acceptable in some cases; it may be flatly

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1 unacceptable in other cases. You're going to have to --  
2 and a lot of times we're going to have to get down to the  
3 specifics, you know, and not up at the implementation  
4 guidance, the general guidance level.

5 Any other questions? Okay. I guess we'll  
6 wrap up then.

7 This shouldn't take me too much longer.  
8 Overall, I think so far the staff has found that this  
9 whole process has been beneficial. It is identified --  
10 we've got some good input, a little more understanding of  
11 how the industry approaches some of these subjects. It  
12 has definitely identified some implementation issues, some  
13 areas where we may not have really looked at before, areas  
14 that we need guidance. It is even bringing up some policy  
15 issues that the staff is having to deal with.

16 So, you know, the guidance has been applied in  
17 the demonstration program. It's a factor in our ongoing  
18 reviews of reports. And, in general, you know, so far the  
19 draft guidance that we've got out there has appeared to  
20 have been validated, subject to some of the improvements  
21 we've identified.

22 Like we've been stressing before, we want  
23 public involvement in this process. We welcome comments.  
24 Please provide them, you know? If you've got a position  
25 you think we need to be taking, provide it. Give us your

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1 justification as to why you think that's acceptable. Give  
2 us -- you know, give us your arguments as to why you think  
3 it should be what it should.

4 We do have the continuing guidance  
5 development. We may have a meeting in November. I have  
6 started working on some of the -- looking at some of the  
7 first topics. So if you're concerned or interested in any  
8 of those, like I said before, talk to me. The meetings  
9 are going to be public. The documents will be in the PDR  
10 after the -- after we have received them and placed them  
11 in there. So, you know, kind of keep your eyes on that,  
12 if you're concerned there.

13 Your comments -- if you go to the Federal  
14 Register notice that announced the availability of the  
15 regulatory guide and NEI guideline, it gives you  
16 instructions on how to provide your comments. You can  
17 take them written. There is an electronic way of  
18 submitting them. But go back there and look for the means  
19 for submitting them.

20 Next slide?

21 Okay. As far as the workshop goes, there will  
22 be a summary of the workshop published. It will be put in  
23 the PDR. However, that is going to take a little time.  
24 That may not be out for another two to three weeks.

25 The transcript from the workshop, we hope to

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1 have that placed in the public document room by the end of  
2 this week. So, and although the summary won't be  
3 available, the transcript should be obtainable from the  
4 public document room.

5 Both the staff and NEI are going to be issuing  
6 lessons learned reports from the demonstration program.  
7 The staff has got theirs in draft, and it is undergoing  
8 final review. NEI is targeting the end of November to  
9 issue their lessons learned report.

10 As far as the staff observations, our report  
11 is just a compilation of the five trip reports. Those you  
12 have in the handout materials, so really you should be  
13 able to sift through that and find out the same  
14 information that will come out in a more condensed version  
15 in the staff's report.

16 Where we go from here -- quickly, we'll --  
17 once we get the comments from the public comment period,  
18 we will look at them, we'll assess them, the staff will  
19 determine where we need to go, where guidance needs to be  
20 changed, and, you know, or added. We will summarize the  
21 resolution of those comments when we issue the final  
22 regulatory guide and identify what the natures are and  
23 what the resolution was. We'll also include any of the  
24 ongoing guidance development topics that result in any  
25 significant change.

1           This update of the guidance is going to take  
2 credit for, like we said, the demonstration program, the  
3 ongoing reviews that are still in process, and any of the  
4 continuing guidance developments.

5           What will happen is is we will -- the staff  
6 will determine what changes will be needed. We anticipate  
7 starting the process again by which we provide comments or  
8 input to NEI to update their guidance, where we feel it  
9 would benefit, or incorporate that guidance into the  
10 regulatory guide as we feel, you know, it would be the  
11 most appropriate.

12           Again, all of that will be public -- the  
13 meetings, the documents. All of that will be available  
14 from the PDR.

15           Realize that, you know, no one has gone down  
16 the license renewal road before. So even though we issue  
17 a final reg. guide, this is a dynamic process and things  
18 are going to be changing. So I think we're going to be  
19 constantly looking at how to improve this guidance as we  
20 go on through this process and the early applications, as  
21 we learn more and more from getting into implementing the  
22 rule.

23           Last slide?

24           This will give you real quick the targets.  
25 The public comment period ends November 29th. We then

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1 start this public comment resolution period and revision  
2 of the -- get the guideline revised to the point where it  
3 can be endorsed again in the final reg. guide. As we did  
4 with the draft, we've got a lot of interest within the  
5 agency itself.

6 We will be taking the reg. guide to the  
7 Advisory Committee for their endorsement for finalizing  
8 it, and we will also be taking it back to the Commission  
9 again. You have shown quite a bit of interest in license  
10 renewal. And our target right now is to issue the final  
11 reg. guide in August '97.

12 Are there any other questions? Comments? I  
13 guess, then, we thank you for coming.

14 (Whereupon, at 2:18 p.m., the proceedings in  
15 the foregoing matter went off the record.)

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**NEAL R. GROSS**

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C E R T I F I C A T E

This is to certify that the attached  
proceedings before the United States Nuclear  
Regulatory Commission in the matter of:

Name of Proceeding: License Renewal Regulatory  
Guide Workshop

Docket Number: not applicable

Place of Proceeding: Rockville, Maryland

were held as herein appears, and that this is the original  
transcript thereof for the file of the United States Nuclear  
Regulatory Commission taken by me and, thereafter reduced to  
typewriting by me or under the direction of the court  
reporting company, and that the transcript is a true and  
accurate record of the foregoing proceedings.

*Corbett Riner*

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Corbett Riner  
Official Reporter  
Neal R. Gross and Co., Inc.