



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

April 8, 1997

MEMORANDUM TO: David B. Matthews, Chief
Generic Issues and Environmental
Projects Branch
Division of Reactor Program Management
Office of Nuclear Reactor Regulation

FROM: Stewart L. Magruder, Project Manager
Generic Issues and Environmental
Projects Branch
Division of Reactor Program Management
Office of Nuclear Reactor Regulation

Stewart L. Magruder

SUBJECT: SUMMARY OF FEBRUARY 21, 1997, MEETING WITH THE NUCLEAR
ENERGY INSTITUTE (NEI) REGARDING NUCLEAR INDUSTRY
RESTRUCTURING

On February 21, 1997, representatives of NEI met with representatives of the Nuclear Regulatory Commission (NRC) at the NRC's offices in Rockville, Maryland. Attachment 1 provides a list of meeting attendees.

NEI requested to meet with the NRC staff concerning recent NRC initiatives in the area of electric utility restructuring as these initiatives relate to NRC safety concerns at nuclear power plants. NEI began the meeting by requesting that the NRC elaborate on its safety concerns so that the nuclear industry could respond most efficiently and cost-effectively to initiatives that the NRC is undertaking. Specifically, NEI requested that the NRC articulate a safety basis underlying its initiatives in this area and its historical reasons for differentiating its rate regulated power reactor licensees from other licensees.

The NRC responded by summarizing its restructuring action plan, and several important components in that plan-- namely, the Advance Notice of Proposed Rulemaking issued on April 8, 1996 (61 FR 15427); the Draft Policy Statement issued on September 23, 1996 (61 FR 49711); and NUREG-1574 and NUREG-1577, the Standard Review Plans on Financial Qualifications, Decommissioning Funding Assurance, and Antitrust issued in January 1997. The staff also pointed to other bases for the NRC's policies and concerns in this area: (1) the 1984 rule that eliminated financial qualifications reviews at the operating license stage for "electric utilities" (49 FR 35747; September 12, 1984); and (2) the Final Policy Statement on Possible Impacts of Economic Performance Incentives (56 FR 33945; July 24, 1991). The NRC staff pointed out that no other formal precedent at looking at restructuring issues exists.

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Further, because of the inherent uncertainty about the way the electric generation industry will evolve, and given the variety of state and federal proposals in this area, the NRC will necessarily be required to evaluate each proposal on a case-by-case basis for its potential impact on protection of public health and safety. Although the broad framework of concerns as described above will evolve as the NRC gains more experience with specific approaches to rate deregulation, no further definitive statement of NRC concerns is currently available.

Project No. 689

Attachments: As stated

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NRC/NEI MEETING ON NUCLEAR INDUSTRY RESTRUCTURING
LIST OF ATTENDEES
February 21, 1997

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Bob Bishop	NEI
Warren Murphy	NEI
Richard Myers	NEI
Susan Uttal	NRC
Robert Wood	NRC
Ralph Architzel	NRC
Nancy Chapman	Bechtel
Lynn Connor	Doc-Search
Jim Fulford	NUS/LIS
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