

**NUCLEAR REGULATORY COMMISSION**

[Docket Nos. 50-305 and 72-64; NRC-2014-0280]

**Dominion Energy Kewaunee, Inc.; Kewaunee Power Station**

**AGENCY:** Nuclear Regulatory Commission.

**ACTION:** Exemption; issuance.

**SUMMARY:** The U.S. Nuclear Regulatory Commission (NRC) is issuing an exemption in response to a June 10, 2013, request from Dominion Energy Kewaunee, Inc. (DEK or the licensee), from certain power reactor security requirements. The exemption would remove the requirement that continuous communication be maintained between the security alarm stations and the control room at Kewaunee Power Station (KPS). The licensee has committed to modify its Physical Security Plan to require continuous communication between the security alarm stations and the shift manager.

**DATES:** January 7, 2015.

**ADDRESSES:** Please refer to Docket ID NRC-2014-0280 when contacting the NRC about the availability of information regarding this document. You may obtain publicly-available information related to this document using any of the following methods:

- Federal Rulemaking Web site: Go to <http://www.regulations.gov> and search for Docket ID NRC-2014-0280. Address questions about NRC dockets to Carol Gallagher; telephone: 301-287-3422; email: [Carol.Gallagher@nrc.gov](mailto:Carol.Gallagher@nrc.gov). For technical questions, contact the individual listed in the **FOR FURTHER INFORMATION CONTACT** section of this document.

- NRC's Agencywide Documents Access and Management System (ADAMS): You may obtain publicly-available documents online in the ADAMS Public Documents collection at <http://www.nrc.gov/reading-rm/adams.html>. To begin the search, select "ADAMS Public Documents" and then select "Begin Web-based ADAMS Search." For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1-800-397-4209, 301-415-4737, or by email to [pdr.resource@nrc.gov](mailto:pdr.resource@nrc.gov). The ADAMS accession number for each document referenced in this document (if that document is available in ADAMS) is provided the first time that a document is referenced.

- NRC's PDR: You may examine and purchase copies of public documents at the NRC's PDR, Room O1-F21, One

White Flint North, 11555 Rockville Pike, Rockville, Maryland 20852.

**FOR FURTHER INFORMATION CONTACT:**

William Huffman, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington DC 20555-0001; telephone: 301-415-2046; email: [William.Huffman@nrc.gov](mailto:William.Huffman@nrc.gov).

**SUPPLEMENTARY INFORMATION:****I. Background**

The licensee, DEK, is the holder of Renewed Facility License No. DPR-43. The license provides, among other things, that the facility is subject to all rules, regulations, and orders of the NRC now or hereafter in effect.

The facility consists of a permanently shutdown and defueled pressurized water reactor and a general licensed independent spent fuel storage installation (ISFSI) located in Kewaunee County, Wisconsin.

By letter dated February 25, 2013 (ADAMS Accession No. ML13058A065), and in accordance with § 50.82(a)(1)(i) of Title 10 of the *Code of Federal Regulations* (10 CFR), DEK submitted to the NRC a certification indicating it would permanently cease power operations at KPS on May 7, 2013. On May 7, 2013, DEK permanently ceased power operation at KPS. By letter dated May 14, 2013 (ADAMS Accession No. ML13135A209), and in accordance with 10 CFR 50.82(a)(1)(ii), DEK submitted to the NRC a certification that the reactor vessel at KPS was permanently defueled.

**II. Request/Action**

In accordance with 10 CFR 73.5, "Specific exemptions," the licensee has, by letter dated June 10, 2013 (ADAMS Accession No. ML13165A343), requested an exemption from 10 CFR 73.55(j)(4)(ii), which otherwise requires continuous communications between security alarm stations and the control room. Portions of the letter dated June 10, 2013, contain safeguards information and, accordingly, have been withheld from public disclosure. The licensee is requesting exemption from the continuous communications requirements between the control room and the security alarm stations.

The exemption request relates solely to removing the control room from the requirements specified in the regulations that direct the licensee to establish a system for continuous communications between the control room and the security alarm stations. The licensee will have a system for continuous communications between the shift manager and the alarm stations.

As specified in its June 10, 2013, application, DEK will implement

changes to its Physical Security Plan that would require a system of continuous communications between the alarm stations and the shift manager/Certified Fuel Handler (CFH) instead of the control room.

**III. Discussion**

The intent of 10 CFR 73.55(j)(4)(ii) is to maintain continuous effective communication capability between security alarm stations and operations staff with shift command function responsibility to ensure any necessary coordination during security events or other emergencies can be accomplished at all times. The regulation requires maintaining a system for continuous communications between the security alarm stations and the control room for an operating reactor based on the presumption that the shift command function resides in the control room. The control room at an operating reactor contains the controls and instrumentation necessary for complete supervision and response needed to ensure safe operation of the reactor and support systems during normal, off-normal, and accident conditions and, therefore, is the location of the shift command function. Following certification of permanent shutdown and removal of fuel from the reactor, operation of the reactor is no longer permitted. The control room at a permanently shutdown and defueled reactor does not perform the same function as required for an operating reactor. There are no longer any safety related systems or processes that are controlled from the control room. The primary functions of the control room at a permanently shutdown plant is to provide a central location from where the shift command function can be conveniently performed due to existing communication equipment, office computer equipment, and ready access to reference material. The control room also provides a central location from which emergency response activities are coordinated. However, the control room does not always need to be the location of the shift command function since most remaining system processes at a permanently shutdown and defueled reactor are controlled locally. At KPS, the shift manager/CFH has responsibility for the shift command function. The shift manager/CFH is the senior on-shift licensee representative and decision-maker and is responsible for the overall safety of the permanently shutdown and defueled facility and for directing the response to abnormal situations and emergencies. The requested exemption would provide the KPS shift manager/CFH the flexibility to

leave the control room to perform managerial and supervisory activities throughout the plant while retaining the command function responsibility. While the shift command function is normally accomplished from the control room in accordance with applicable KPS procedures, it can also be accomplished anywhere in the facility provided an effective means of continuous communication with the shift manager/CFH is maintained. Because KPS is permanently shutdown and defueled, the ability to leave the control room may benefit the shift manager/CFH's understanding of facility conditions as well as enhance his assessment and response to any abnormal situation or emergency conditions. Although the control room will remain the physical command center, the exemption will allow the location of the KPS command function to be wherever the shift manager/CFH is located. Being absent from the control room will not relieve the shift manager/CFH of the responsibility for the shift command function. The exemption will allow DEK to establish and maintain continuous communication capability with the shift manager/CFH, regardless of his location.

The NRC staff assessed the method proposed by the licensee to maintain continuous communications with the shift manager/CFH in a safety evaluation report dated April 14, 2014 (the NRC staff's safety evaluation report contains safeguards information and is, therefore, not publicly available). The NRC staff determined that the proposed method of maintaining continuous communication with the shift manager/CFH is consistent with the functional requirement of the regulation for maintaining communication with the control room. The NRC staff has concluded that upon implementing a system for continuous communications between the alarm stations and the shift manager/CFH, as documented in the licensee's Physical Security Plan, the requested exemption to 10 CFR 73.55(j)(4)(ii) will meet the intent of the regulation, regardless of the location of the shift manager/CFH.

Pursuant to 10 CFR 73.5, the Commission may, upon application of any interested person or upon its own initiative, grant such exemptions from the requirements of 10 CFR part 73 as it determines are authorized by law and will not endanger life or property or the common defense and security, and are otherwise in the public interest.

#### A. Authorized by Law

In accordance with 10 CFR 73.5, the Commission may grant exemptions from the regulations in 10 CFR part 73 as the

Commission determines are authorized by law. The NRC staff has determined that granting of the licensee's proposed exemption will not result in a violation of the Atomic Energy Act of 1954, as amended, or other laws. Therefore, the exemption is authorized by law.

#### B. Will Not Endanger Life or Property or the Common Defense and Security

Removing the requirement to have a continuous communication system between the security alarm stations and the control room will not endanger life or property or the common defense and security for the reasons discussed below.

The shift manager/CFH is the senior on-shift licensee representative, is responsible for the shift command function, and directs the action of the operations staff during both normal and emergency conditions. Therefore, the shift manager/CFH is the appropriate individual to have continuous communication capability with the alarm stations. The exemption would not reduce the measures in place to protect against radiological sabotage. In addition, the NRC staff has determined that the exemption will not reduce the overall effectiveness of the KPS Physical Security Plan, Training and Qualification Plan, or Safeguards Contingency Plan. Maintaining a system of continuous communication between the alarm stations and the shift manager/CFH rather than the control room will provide the shift manager with the flexibility to leave the control room and respond to other locations onsite, as necessary, to conduct appropriate management oversight. The NRC staff has determined that maintaining continuous communication capability with the shift manager/CFH, whether in the control room or elsewhere, does not significantly change the current process that ensures that any necessary coordination during security events or other emergencies can be accomplished at all times. Continuous communication capability is essentially unchanged (other than the location of the shift manager/CFH when the communications are initiated).

Therefore, the underlying purpose of 10 CFR 73.55(j)(4)(ii) will continue to be met. The exemption does not reduce the overall effectiveness of the Physical Security Plan and has no adverse impact on DEK's ability to physically secure the site or protect special nuclear material at KPS, and therefore would not have an effect on the common defense and security. The NRC staff has concluded that the exemption would not reduce the effectiveness of security measures currently in place to protect against

radiological sabotage. Therefore, removing the requirement to have continuous communication between the security alarm stations and the control room will not endanger life or property or the common defense and security.

#### C. Is Otherwise in the Public Interest

The licensee is implementing changes to its Physical Security Plan to establish a system of continuous communication between the security alarm stations and the shift manager/CFH that is not dependent on the shift manager's location. By granting DEK's proposed exemption to remove the requirement for a continuous communication system between the security alarm stations and the control room, the shift manager/CFH can roam around the facility in an oversight role and obtain first-hand information of facility conditions and status while still maintaining continuous communication with the alarm stations. The NRC staff has concluded that there would be no decrease in the level of safety by granting this exemption and that the capability to observe conditions directly serves the public interest by assuring that the shift manager/CFH has the best possible information needed to make decisions or to communicate to the alarm stations or to offsite entities. Accordingly, the NRC staff concludes that exempting DEK from the requirement for a continuous communication system between the security alarm stations and the control room is in the public interest, provided the licensee maintains continuous communication capability between the alarm stations and the shift manager/CFH.

#### D. Environmental Considerations

The NRC's approval of the exemption to security requirements belongs to a category of actions that the Commission, by rule or regulation, has declared to be a categorical exclusion, after first finding that the category of actions does not individually or cumulatively have a significant effect on the human environment. Specifically the exemption is categorically excluded from further analysis under 10 CFR 51.22(c)(25).

Under 10 CFR 51.22(c)(25), granting of an exemption from the requirements of any regulation of Chapter I to 10 CFR is a categorical exclusion provided that (i) there is no significant hazards consideration; (ii) there is no significant change in the types or significant increase in the amounts of any effluents that may be released offsite; (iii) there is no significant increase in individual or cumulative public or occupational

radiation exposure; (iv) there is no significant construction impact; (v) there is no significant increase in the potential for or consequences from radiological accidents; and (vi) the requirements from which an exemption is sought involve: safeguard plans, and materials control and accounting inventory scheduling requirements; or involve other requirements of an administrative, managerial, or organizational nature.

The Director, Division of Operating Reactor Licensing, Office of Nuclear Reactor Regulation, has determined that approval of the exemption request involves no significant hazards consideration because removing the requirement for a continuous communications system between the security alarm stations and the control room at KPS does not (1) involve a significant increase in the probability or consequences of an accident previously evaluated; or (2) create the possibility of a new or different kind of accident from any accident previously evaluated; or (3) involve a significant reduction in a margin of safety. The exempted security regulation is unrelated to the operation of KPS. Accordingly, there is no significant change in the types or significant increase in the amounts of any effluents that may be released offsite; and no significant increase in individual or cumulative public or occupational radiation exposure. The exempted regulation is not associated with construction, so there is no significant construction impact. The exempted regulation does not concern the source term (*i.e.*, potential amount of radiation in an accident), nor mitigation. Therefore, there is no significant increase in the potential for, or consequences of, a radiological accident. The requirement for a continuous communication system between the security alarm stations and the control room may be viewed as involving either safeguards or managerial matters.

Therefore, pursuant to 10 CFR 51.22(b) and 51.22(c)(25), no environmental impact statement or environmental assessment need be prepared in connection with the approval of this exemption request.

#### IV. Conclusions

Accordingly, the Commission has determined that, pursuant to 10 CFR 73.5, the exemption is authorized by law and will not endanger life or property or the common defense and security, and is otherwise in the public interest. Therefore, the Commission hereby grants DEK exemption from the requirement of 10 CFR 73.55(j)(4)(ii) for

a system of continuous communication capability with the control room, provided that DEK maintains a system for continuous communication capability with the shift manager/CFH consistent with the method described in its submittal dated June 10, 2013. This exemption is effective when the system for continuous communication between the alarm stations and the shift manager/CFH is documented in DEK's Physical Security Plan and functionally implemented.

Dated at Rockville, Maryland, this 29th day of December 2014.

For the Nuclear Regulatory Commission.

**George A. Wilson Jr.,**

*Acting Director, Division of Operating Reactor Licensing, Office of Nuclear Reactor Regulation.*

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**BILLING CODE 7590-01-P**

#### POSTAL REGULATORY COMMISSION

[Docket No. ACR2014; Order No. 2313]

#### FY 2014 Annual Compliance Report

**AGENCY:** Postal Regulatory Commission.

**ACTION:** Notice.

**SUMMARY:** The Postal Service has filed an Annual Compliance Report on the costs, revenues, rates, and quality of service associated with its products in fiscal year 2014. Within 90 days, the Commission must evaluate that information and issue its determination as to whether rates were in compliance with title 39, chapter 36, and whether service standards in effect were met. To assist in this, the Commission seeks public comments on the Postal Service's Annual Compliance Report.

**DATES:** *Comments are due:* February 2, 2015. *Reply Comments are due:* February 13, 2015.

**ADDRESSES:** Submit comments electronically via the Commission's Filing Online system at <http://www.prc.gov>. Those who cannot submit comments electronically should contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section by telephone for advice on filing alternatives.

#### FOR FURTHER INFORMATION CONTACT:

David A. Trissell, General Counsel, at 202-789-6820.

#### SUPPLEMENTARY INFORMATION:

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#### I. Introduction

On December 29, 2014, the United States Postal Service (Postal Service) filed with the Commission, pursuant to 39 U.S.C. 3652, its Annual Compliance Report (ACR) for fiscal year (FY) 2014.<sup>1</sup> Section 3652 requires submission of data and information on the costs, revenues, rates, and quality of service associated with postal products within 90 days of the closing of each fiscal year. In conformance with other statutory provisions and Commission rules, the ACR includes the Postal Service's FY 2014 Comprehensive Statement, its FY 2014 annual report to the Secretary of the Treasury on the Competitive Products Fund, and certain related Competitive Products Fund material. See respectively, 39 U.S.C. 3652(g), 39 U.S.C. 2011(i), and 39 CFR 3060.20–23. In line with past practice, some of the material in the FY 2014 ACR appears in non-public annexes.

The filing begins a review process that results in an Annual Compliance Determination (ACD) issued by the Commission to determine whether Postal Service products offered during FY 2014 are in compliance with applicable title 39 requirements.

#### II. Overview of the Postal Service's FY 2014 ACR

*Contents of the filing.* The Postal Service's FY 2014 ACR consists of a 51-page narrative; extensive additional material appended as separate folders and identified in Attachment One; and an application for non-public treatment of certain materials, along with supporting rationale, filed as Attachment Two. The filing also includes the Comprehensive Statement,<sup>2</sup> Report to the Secretary of the Treasury, and information on the Competitive Products Fund filed in response to Commission rules. This material has been filed electronically with the Commission, and some also has been filed in hard-copy form.

*Scope of filing.* The material appended to the narrative consists of: (1) Domestic product costing material filed on an annual basis summarized in the Cost and Revenue Analysis (CRA); (2) comparable international costing material summarized in the

<sup>1</sup> United States Postal Service FY 2014 Annual Compliance Report, December 29, 2014 (FY 2014 ACR). Public portions of the Postal Service's filing are available on the Commission's Web site at <http://www.prc.gov>.

<sup>2</sup> In years prior to 2013, the Commission reviewed the Postal Service's reports prepared pursuant to 39 U.S.C. 2803 and 39 U.S.C. 2804 (filed as the Comprehensive Statement by the Postal Service) in its Annual Compliance Determination. However, as it did last year, the Commission intends to review these reports separately.