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**10 CFR Part 50**

**Final Policy Statement on the  
Restructuring and Economic  
Deregulation of the Electric Utility  
Industry**

**AGENCY:** Nuclear Regulatory  
Commission.

**ACTION:** Final Policy Statement.

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**SUMMARY:** The U.S. Nuclear Regulatory Commission (NRC) is issuing this final statement of policy regarding its expectations for, and intended approach to, its power reactor licensees as the electric utility industry moves from an environment of rate regulation toward greater competition. The NRC has concerns about the possible effects that rate deregulation and disaggregation resulting from various restructuring actions involving power reactor licensees could have on the protection of public health and safety.

**EFFECTIVE DATE:** This policy statement becomes effective on October 20, 1997.

**FOR FURTHER INFORMATION CONTACT:**  
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**SUPPLEMENTARY INFORMATION:**

**I. Background**

On September 23, 1996, the NRC issued a draft policy statement for public comment (61 FR 49711). The purpose of the draft policy statement was to provide a discussion of the NRC's concerns regarding the potential safety impacts on NRC power reactor licensees which could result from the economic deregulation and

assessment and response to innovative and advanced designs that might be presented for NRC review. Prior experience has shown that new reactor designs—even variations of established designs—may involve technical problems that must be solved in order to ensure adequate protection of the public health and safety. The earlier such design problems are identified, the earlier satisfactory resolution can be achieved. Prospective applicants are reminded that, while the NRC will undertake to review and comment on new design concepts, the applicants are responsible for documentation and research necessary to support a specific license application. (NRC research is conducted to provide the technical bases for rulemaking and regulatory decisions, to support licensing and inspection activities, and to increase NRC's understanding of phenomena for which analytical methods are needed in regulatory activities.)

During the initial phase of advanced reactor development, the Commission particularly encourages design innovations that enhance safety and reliability (such as those described above) and that generally depend on technology that is either proven or can be demonstrated by a straightforward technology development program. In the absence of a significant history of operating experience on an advanced concept reactor, plans for innovative use of proven technology and/or new technology development programs should be presented to the NRC for review as early as possible, so that the NRC can assess how the proposed program might influence regulatory requirements. To achieve these broad objectives, the Advanced Reactor Projects Directorate (PDAR) was established in the Office of Nuclear Reactor Regulation. This group is the focal point for NRC interaction with the Department of Energy, reactor designers, and potential applicants, and coordinates the development of regulatory criteria and guidance for proposed advanced reactors. In addition, the group maintains knowledge of advanced reactor designs, developments, and operating experience in other countries, and provides guidance on an NRC-funded advanced reactor safety research program to ensure that it supports, and is consistent with, the Commission's advanced reactor policy. The PDAR also provides guidance regarding the timing and format of submittals for review. The Advisory Committee on Reactor Safeguards plays a significant role in

reviewing proposed advanced design concepts and supporting activities.

The NRC believes that conversion to the metric system is important to the national interest. The Commission strongly encourages its licensees and license applicants to employ the metric system of measurement wherever and whenever its use is not potentially detrimental to the public health and safety or is not economically infeasible. In order to facilitate use of the metric system by licensees and applicants, the NRC began publishing, as of January 7, 1993, the following documents in dual units: new regulations, major amendments to existing regulations, regulatory guides, NUREG-series documents, policy statements, information notices, generic letters, bulletins, and all written communications directed to the public. Licensees and applicants should follow the guidance outlined in the Commission's position and final policy statement on metrication published on October 7, 1992 (57 FR 46202).

Dated at Rockville, Maryland, this 5th day of July, 1994.

For the Nuclear Regulatory Commission,  
John C. Hoyle,  
*Acting Secretary of the Commission.*