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Civil Nuclear Reactor Programme

Assessment of NNB Genco Arrangements for compliance with LC3 – Restriction on dealing with the site

Assessment Report: ONR-CNRP-AR-12077
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ASSESSMENT REPORT

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EXECUTIVE SUMMARY

ASSESSMENT OF NNB GENCO (NNB) ARRANGEMENTS FOR COMPLIANCE WITH LC3

BACKGROUND

NNB Generation Company Ltd (NNB GenCo) has applied for a nuclear site licence to install and operate two EPRTM reactor units at Hinkley Point C in Somerset. As part of ONR's assessment of this application, a review of the prospective licensee's arrangements for compliance with the conditions to be attached to the nuclear site licence has been conducted. This report presents the findings of ONR's assessment of NNB GenCo's compliance arrangements for Licence Condition 3 (LC3). This Licence Condition is entitled 'Restriction on dealing with the site'. The assessment informs a judgement on whether a nuclear site licence should be granted to NNB to install, commission and operate a power reactor at Hinkley Point C in Somerset.

ASSESSMENT AND INSPECTION WORK CARRIED OUT BY ONR

A meeting was held with NNB GenCo to review their procedure. Documents were reviewed but inspection work was not appropriate since there are no proposals to part with possession of any part of the proposed site at this time.

MATTERS ARISING FROM ONR'S WORK

All issues raised during the assessment have been satisfactorily closed out.

CONCLUSIONS

I am content that NNB GenCo currently has adequate arrangements in place to ensure compliance with LC3.

RECOMMENDATION

I recommend that NNB GenCo's arrangements for compliance with LC3 should be considered adequate to support a decision by ONR to grant a nuclear site licence for Hinkley Point C.

LIST OF ABBREVIATIONS

ALARP	As low as is reasonably practicable
BMS	(ONR) How2 Business Management System
EPR™	The Pressurised Water Reactor developed and trademarked by AREVA
HPC	Hinkley Point C
HSE	Health and Safety Executive
IAEA	International Atomic Energy Agency
LC	Licence Condition
NIA65	Nuclear Installations Act 1965 (As Amended)
NNB GenCo	Nuclear New Build (NNB) Generation Company Ltd
ONR	Office for Nuclear Regulation (an agency of HSE)
RGP	Relevant Good Practice
SFAIRP	So far as is reasonably practicable
TAG	Technical Assessment Guide(s) (ONR)
TSol	Treasury Solicitors' Department

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1 INTRODUCTION

1 This report records assessment of NNB Generation Company's (NNB GenCo) arrangements relating to LC3 'Restriction on dealing with the site'.

2 BACKGROUND

2 In July 2011, NNB Generation Company Ltd (NNB GenCo) applied for a nuclear site licence to install and operate two EPR™ reactor units at Hinkley Point C in Somerset. The Licence Application also contained a 'compliance matrix'. The compliance matrix for LC3 refers to a company procedure NNB-OSL-PRO-000003¹.

3 The intent of LC3 is to ensure that the licensee does not change the nature and extent of activities carried out on the licensed site which could put nuclear operations at risk. It addresses the requirement that the licensee should have security of tenure and rights of access to its site in order to discharge its duties under the Nuclear Installations Act 1965. NNB GenCo's demonstration of security of tenure of its proposed licensed site is being dealt with under the 'Licensing and Legal' work stream. This AR considers LC3 arrangements only.

3 ASSESSMENT AND INSPECTION WORK CARRIED OUT BY ONR

4 LC3 states that "The licensee shall not convey, assign, transfer, let or part with possession of the site or any part thereof or grant any licence in relation thereto without the consent of the Executive."

5 This licence condition places an absolute requirement on the licensee to consult the Executive and does not formally require the licensee to make and implement adequate arrangements. However, written procedures enable compliance. NNB GenCo's compliance matrix shows that procedure NNB-OSL-PRO-000003 entitled 'Restriction on dealing with the site' is applicable.

6 The procedure covers all phases of the site from construction to operation and beyond. The procedure outlines important compliance principles including the need to obtain consent from ONR.

7 A meeting was held with NNB GenCo attended by ONR's LC3 lead; the Hinkley Point C nominated site inspector and two solicitors from the Treasury Solicitors Department. The purpose of the meeting was to review the procedure and discuss its practical application².

8 A process flow diagram in procedure NNB-OSL-PRO-000003 demonstrates NNB GenCo's approach to identifying potential LC3 issues and gaining consent from ONR.

9 During ONR's assessment of documentation provided to support security of tenure (to be reported on separately under the 'Licensing and Legal' work stream, ONR (including the Treasury Solicitors' Department which is providing legal advice to ONR on property matters), has assessed the terms of any leases to ensure that suitable clauses have been included. Such clauses prevent any parting with possession of part of the licensed site without the consent of the Executive.

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- 10 NNB GenCo has subsequently confirmed to ONR that the Civil Nuclear Constabulary will not be present on site at the point of licensing³.

4 MATTERS ARISING FROM ONR WORK

- 11 All issues raised during the assessment have been satisfactorily closed out.

5 CONCLUSIONS

- 12 The procedure developed by NNB GenCo is adequate to meet the purpose of LC3. Lease documents seen to date have included satisfactory clauses. Based on the documentary evidence provided, I am content that NNB GenCo currently has adequate procedures (arrangements) in place to ensure compliance with LC3. Based on this, an IIS rating of 3 (adequate) has been assigned.

6 RECOMMENDATIONS

- 13 I recommend that NNB GenCo's arrangements for compliance with LC3 should be considered adequate to support a decision by ONR to grant a nuclear site licence for Hinkley Point C.

7 REFERENCES

- 1 NNB procedure NNB-OSL-PRO-000003 TRIM: 2012/317644
- 2 Intervention Report - Level 4 NNB Meeting, Security of Tenure and LC3
2nd March 2012. TRIM: 2012/122889
- 3 Email from NNB to ONR – Response to remaining query. TRIM: 2012/318023