

2 are being tested to the requirements of a later Code edition that might otherwise not be required to be implemented until the year 2000 for Unit 1 and the year 2003 for Unit 2. The changes to the 1989 edition of ASME Section XI regarding pump and valve testing represent a substantial technical improvement over the 1986 edition not usually found from edition to edition. Since none of the IST test frequencies are directly tied to the 120-month interval, except for safety and relief valve testing, the test frequencies are unchanged and remain compliant with the committed edition of the code or as modified by approved relief requests. The schedule for safety and relief valves must be maintained on a five- or ten-year frequency; however, this can be accomplished even if both units are placed on a concurrent interval.

IV

Therefore, based on these considerations, it is unlikely that the IST program for Unit 1 will not be updated such that there would be an increase in the risk of failure for operational readiness of pumps and valves whose function is required for the safety of Unit 1. Since the Unit 1 IST was updated to the Code edition required to support the commercial operation of Unit 2 on August 3, 1993, Unit 1 was effectively updated per 10 CFR 50.55a(f)(4)(ii) at that time. Thus, using that date as the start of the 120-month interval will achieve the underlying purpose of 10 CFR 50.55a(f)(4)(ii). However, as noted above, the licensee must maintain the safety and relief valve testing on a 5- and 10-year frequency, in accordance with American National Standards Institute (ANSI)/ASME OM-1, which is referenced in the 1989 edition of ASME Section XI as applicable for testing of safety and relief valves.

Consequently, the Commission concludes that the special circumstances of 10 CFR 50.12(a)(2)(ii) exist in that application of the regulation in this particular circumstance is not necessary to achieve the underlying purpose of the rule.

Further, it is advantageous for a facility with two similar units to implement an IST program which is consistent between units by testing each unit to the same Code edition and by scheduling 120-month program updates on each unit to coincide. CPSES Units 1 and 2 are similar units and the licensee has therefore attempted to capture these advantages through the use of one IST program which specifies the same test requirements for both units based on the same Code Edition.

The advantages include a significant reduction in the administrative effort required in preparing periodic program updates, a corresponding reduction in the program review effort by the NRC staff and a reduction in the potential for personnel errors in the performance of testing requirements. Further, a significant unit difference is eliminated by applying the same Code requirements to the testing of both units. In addition, this exemption increases plant safety through simplification and standardization of plant testing procedures, does not present an undue risk to the public health and safety, and is consistent with the common defense and security.

V

Accordingly, the Commission has determined that, pursuant to 10 CFR 50.12, this exemption is authorized by law, will not endanger life or property or the common defense and security, and is otherwise in the public interest and that the special circumstances required by 10 CFR 50.12(a)(ii) are present. Therefore, the Commission hereby grants Texas Utilities Electric Company an exemption from those requirements of 10 CFR 50.55a(f)(4)(ii) such that the CPSES Unit 1, periodic 120-month IST program interval revisions will be based on the Unit 2 commercial operation date (August 3, 1993).

Pursuant to 10 CFR 51.32, the Commission has determined that the granting of this exemption will have no significant effect on the quality of the human environment (60 FR 32356). This exemption is effective upon issuance.

Dated at Rockville, Maryland, this 21st day of June 1995.

For the Nuclear Regulatory Commission.

Elinor G. Adensam,

Acting Director, Division of Reactor Projects III/IV, Office of Nuclear Reactor Regulation.

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OFFICE OF MANAGEMENT AND BUDGET

Management Accountability and Control

AGENCY: Office of Management and Budget.

ACTION: Final Revision of OMB Circular No. A-123.

SUMMARY: This Notice revises Office of Management and Budget (OMB) Circular No. A-123, "Management Accountability and Control." The Circular, which was previously titled

"Internal Control Systems," implements the Federal Managers' Financial Integrity Act of 1982 (FMFIA).

FOR FURTHER INFORMATION CONTACT: Office of Management and Budget, Office of Federal Financial Management, Management Integrity Branch, Room 6025, New Executive Office Building, Washington, DC 20503, telephone (202) 395-6911 and fax (202) 395-3952. For a copy of the revised Circular, contact Office of Administration, Publications Office, room 2200, New Executive Office Building, Washington, DC 20503, or telephone (202) 395-7332.

ELECTRONIC ACCESS: This Circular is also accessible on the U.S. Department of Commerce's FedWorld Network under the OMB Library of Files.

- The Telnet address for FedWorld via Internet is "fedworld.gov".
 - The World Wide Web address is "http://www.fedworld.gov/ftp.htm#omb".
 - For file transfer protocol (FTP) access, the address is "ftp://fwux.fedworld.gov/pub/omb/omb.htm".
- The telephone number for the FedWorld help desk is (703) 487-4608.

SUPPLEMENTARY INFORMATION:

A. Background

Circular No. A-123 was last issued on August 4, 1986. On March 13, 1995 the Office of Management and Budget requested public comments on a revised version of the Circular (60 FR 13484).

The revision announced here alters requirements for executive agencies on evaluating management controls, consistent with recommendations made by the National Performance Review. The Circular now integrates many policy issuances on management control into a single document, and provides a framework for integrating management control assessments with other work now being performed by agency managers, auditors and evaluators.

The Circular emphasizes that management controls should benefit rather than encumber management, and should make sense for each agency's operating structure and environment. By giving agencies the discretion to determine which tools to use in arriving at the annual assurance statement to the President and the Congress, the Circular represents an important step toward a streamlined management control program that incorporates the reinvention principles of this Administration.

B. Analysis of Comments

Thirty-three responses were received from 23 Federal agencies and the