

December 1, 2004

The Honorable James M. Jeffords
United States Senate
Washington, D.C. 20510

Dear Senator Jeffords:

I am writing on behalf of the U.S. Nuclear Regulatory Commission (NRC) regarding two inspections the NRC recently conducted at the Vermont Yankee Nuclear Power Station (Vermont Yankee). A special inspection to look into potentially missing spent fuel segments was conducted from April to August 2004. During the period of August 9 through September 3, 2004, the NRC conducted a pilot engineering team inspection. As I discussed in my letter to you dated November 2, 2004, public exit meetings for the engineering and fuel inspections were originally scheduled for November 9, 2004. However, on November 4, local authorities withdrew the offer to hold the meetings at the school because of the surprisingly large number of people who expressed an interest in attending. As a result, the meetings were postponed.

The NRC, on November 5, 2004, made public the preliminary results of the engineering inspection, including the preliminary findings and a characterization of the significance and a brief basis for each finding. This information was provided to the licensee and posted on the NRC website to enable interested stakeholders to access the information easily. The preliminary results were issued to allow stakeholders time to review them in preparation for a public meeting and to allow the licensee an opportunity to provide input before issuance of the final report in accordance with our normal reactor oversight process.

It is our normal practice to hold a scheduled exit meeting with the licensee following the completion of an inspection. Exit meetings are business meetings between the NRC and licensee that serve to communicate preliminary findings to licensee management so that they are informed, and can take prompt corrective action if necessary. For the engineering inspection recently conducted at Vermont Yankee, however, the objectives of the exit meeting have been accomplished through initial debriefs at the completion of the onsite inspection activities and by the issuance of the preliminary results of the inspection. In addition, a teleconference was held between the NRC and licensee management on November 23, 2004, to provide an opportunity for the licensee to provide additional information before a final inspection report is prepared. Because the objectives of the exit meeting have been accomplished, the NRC staff will not hold an exit meeting with the licensee for this inspection.

The final inspection report will be completed and made publicly available in the near future. The NRC staff is working with the Vermont State Nuclear Advisory Panel to schedule a public meeting to discuss the inspection approximately two weeks after the inspection report is issued. During this meeting, the NRC staff also plans to discuss the results of the special inspection that was conducted in response to the two misplaced spent fuel rod segments at Vermont Yankee. Members of the public will be able to ask questions and make statements to the NRC regarding both inspections. At this meeting, NRC staff will be able to discuss the review process for the Vermont Yankee power uprate application and how the results of the

engineering inspection will be considered in that process. Because the staff will not have completed its review of the Vermont Yankee power uprate application, it would be premature to engage in discussion of the power uprate proposal at this meeting. The staff expects to hold a separate meeting in the future to discuss the proposed power uprate.

I want to assure you that the NRC is making every effort to be open in dealing with our stakeholders regarding our activities at Vermont Yankee. If you have any comments or questions, please feel free to contact me.

Sincerely,

/RA/

Nils J. Diaz

Identical letter sent to:

The Honorable James M. Jeffords
United States Senate
Washington, D.C. 20510

The Honorable Patrick Leahy
United States Senate
Washington, D.C. 20510

The Honorable Bernard Sanders
United States House of Representatives
Washington, D.C. 20515