

ORIGINAL

**UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION**

Title: BRIEFING ON MILLSTONE - PUBLIC MEETING

Location: Rockville, Maryland

Date: Wednesday, April 23, 1997

Pages: 1 - 115

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1 UNITED STATES OF AMERICA
2 NUCLEAR REGULATORY COMMISSION

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4 BRIEFING ON MILLSTONE

5 - - -

6 PUBLIC MEETING

7
8 Nuclear Regulatory Commission
9 One White Flint North
10 Rockville, Maryland

11
12 Wednesday, April 23, 1997
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14 The Commission met in open session, pursuant to
15 notice, at 10:00 a.m., Shirley A. Jackson, Chairman,
16 presiding.
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18 COMMISSIONERS PRESENT:

19 SHIRLEY A. JACKSON, Chairman of the Commission
20 KENNETH C. ROGERS, Commissioner
21 GRETA J. DICUS, Commissioner
22 NILS J. DIAZ, Commissioner
23 EDWARD McGAFFIGAN, JR., Commissioner
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1 STAFF AND PRESENTERS SEATED AT THE COMMISSION TABLE:

2 MARTIN BOWLING, Recovery Officer, Millstone Unit 2

3 MIKE BROTHERS, Vice President and Recovery

4 Officer, Millstone Unit 3

5 STEPHEN BURNS

6 JOSEPH CALLAN, EDO

7 BUZZ CARNS, Sr. Vice President and Chief Nuclear

8 Officer

9 SAMUEL COLLINS, Director, NRR

10 DAVE GOEBEL, Vice President, Nuclear Oversight

11 EUGENE IMBRO

12 BRUCE KENYON, President and CEO, Northeast Nuclear

13 Energy Company

14 WAYNE LANNING

15 JACK McELWAIN, Recovery Officer, Millstone Unit 1

16 JAY THAYER, Recovery Officer, Nuclear Engineering

17 and Support

18 WILLIAM TRAVERS, Director, Special Projects

19 Office, NRR

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P R O C E E D I N G S

[10:00 a.m.]

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THE CHAIRMAN: Good morning, ladies and gentlemen.

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The purpose of this meeting is for the Commission to be briefed on the status of activities relating to the three Millstone nuclear power plants. The Commission will hear presentations today from both Northeast Utilities and the NRC staff.

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Millstone unit one has been shut down for approximately 18 months, and units 2 and 3 have been shut down for a little over one year. All three of the Millstone units were placed on the NRC's watch list in January 1996. The units were recategorized as category three plants in June of 1996.

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This action necessitates Commission approval for the restart of each of the units. The NRC in November of last year created a new organization, the special Millstone special projects office, to have responsibility for all licensing and inspection activities at Millstone to support a NRC decision on restart of the Millstone units.

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This Commission meeting is the second quarterly meeting to assess the status of activities at the sites.

The Commission is interested in the licensee's results from its recovery process, how the licensee is determining that the root cause deficiencies are being

1 corrected, a discussion of the role and the effectiveness of
2 the quality assurance organization at the site, and finally,
3 an independent assessment from the NRC staff regarding the
4 threshold and the effectiveness of the licensee's corrective
5 action programs.

6 The Commission also is interested in the status of
7 restart activities and specifically desires comments on the
8 problems with operator training.

9 The Commission has recently approved the selection
10 of the party for the independent oversight of employee
11 concerns, and so as such, the Commission also is interested
12 in obtaining feedback beginning with this meeting at each
13 meeting that we have on gains you're making in making the
14 Millstone station an environment supportive of the raising
15 and resolution of safety concerns.

16 Now, copies of the presentation are available at
17 the entrance to the meeting, but I'd like to make a
18 parenthetical remark so that you can address it as you go
19 along. A member of my staff called your organization
20 yesterday to inquire as to whether you had any backup slides
21 for the presentation because the thought was it seemed to a
22 bit thin, and we were given the understanding that you did
23 not. And so my first impression is that the message on the
24 slides, modular, you're fleshing them out as you talk,
25 appear to be repeating goals as opposed to results. And as

1 you may recall, at the meeting we had on January 30th, I
2 requested that you put more meat on the bones and more
3 detail, and even though it's not evident in the slides, I
4 hope that we have a full presentation not only of your plan,
5 but progress relative to those plans.

6 And so that we can hear some results, because it's
7 important whatever your interaction is with the staff that
8 the Commission hears about where you actually are and
9 results, because it is the Commission in the end that's
10 going to have to take the vote.

11 So with that, Mr. Kenyon, please proceed.

12 MR. KENYON: Chairman Jackson, Commissioners, I'm
13 pleased to have this opportunity to update you regarding the
14 progress being made at Millstone.

15 Chairman Jackson, with regard to your comment on
16 the slides, what we have done is identify what we believe
17 are the most important success objectives and as we talk
18 about them, we will indicate activities, in other words,
19 what we have done, we will indicate results achieved, and we
20 will indicate what concerns or challenges we have going
21 forward.

22 So when we complete the presentation, I'd like to
23 circle back to the comment and get feedback from you as to
24 whether or not you feel the content was good or we need to
25 make further adjustments as we do future meetings.

1 I'm Bruce Kenyon, president and CEO of Northeast
2 Nuclear. Seated with me are Buzz Carns, senior vice
3 president and chief nuclear officer; Jack McElwain, who's
4 the officer responsible for unit one; Marty Bowling, unit 2;
5 Mike Brothers, unit 3; Jay Thayer, who is our vice president
6 of engineering and support; and Dave Goebel, who is the vice
7 president of oversight. Others in the audience that I wish
8 to identify are Pat Loftus. She's our new director of
9 regulatory affairs, formerly with Westinghouse, and George
10 Davis. George chairs NCAT. NCAT is our advisory team for
11 end use nuclear committee of the board of trustees.

12 All of the senior members of the Millstone
13 leadership team were introduced to you at our previous
14 meeting on January 30th, although Buzz Carns was just
15 announced and not available for the meeting, but obviously
16 here today.

17 The major purpose of this meeting from my
18 perspective is to brief you regarding the progress we are
19 making. At the last meeting, a considerable portion of my
20 remarks were devoted to giving you an assessment of what
21 caused the substantial deterioration in performance at
22 Millstone. And as I indicated then, fundamentally it was
23 leadership, and I reviewed for you what I considered to have
24 been the most important leadership failures and what had
25 been done at that point to place a new leadership team at

1 Millstone.

2 I also, at that time, presented what I considered
3 to be our most important success objectives, and thus as I
4 talk about our progress and our significant challenges in
5 this and future meetings, I will do so in terms of the
6 success objectives, whose topics are presented on this
7 slide.

8 Other topics that I'll address during the course
9 of this meeting include our current schedules, the company's
10 financial condition, and very briefly, some comments on
11 public opinion.

12 In support of an efficient presentation, Buzz and
13 I will share the presentation responsibilities but certainly
14 the other officers here at the table are available to assist
15 in answering questions.

16 The first success objective, and again we're going
17 to do this on the basis of what's the objective, what
18 activities have we done in relation to that objective, what
19 results have we achieved, and what do we see as the
20 challenges going forward.

21 The first objective is that we are an organization
22 with high standards and clear accountabilities. The primary
23 activity in this regard has been the establishment of a new
24 leadership team, and the recovery organization. And this
25 includes having established a new officer team; all the

1 officers that you see have been newly hired or loaned from
2 the nuclear industry or in one case promoted. We've
3 replaced or reassigned about 75 percent of the directors.
4 Those are the individuals the next level down. We've
5 obtained recovery teams from PECO and VEPCO who have
6 responsibilities for units one and 2 respectively, and each
7 is committed for a minimum of two years.

8 We also obtained a recovery team from CP&L for
9 unit 3, but we're nearly completeed in phasing out this
10 team, mostly with NU personnel and new hires.

11 This new leadership team has current knowledge of
12 industry high standards and best practices, has considerable
13 experience in changing the performance of organizations and
14 is committed to doing what's necessary to bring these units
15 back into operations.

16 Now, in terms of results achieved, I think we have
17 a leadership team that is functioning very well. We have
18 largely resolved the leadership issue of a lack of clear
19 accountabilities. We did this by going to a unitized
20 organization and by implementing further responsibility
21 changes and clarifications. We've improved LER timeliness
22 and quality. But I also think there clearly remains
23 challenges in the area of high standards.

24 The general challenge is that the high standards
25 we are seeking are only partially in place at this point.

1 We are still finding and fixing problems. One specific
2 example is that end use track record in meeting licensing
3 commitments which historically has not been good at all has
4 improved, but it still needs to be much better. What is in
5 progress is an extensive review and compilation of past
6 commitments, and as we go through that, we are continuing to
7 find commitments made in the past that were not lived up to,
8 and to the extent they're reportable, we are making reports
9 as we go along.

10 So we're going to continue to have issues in that
11 area until we finish reviewing all the documentation that we
12 think is relevant and get in place a good commitment
13 tracking system.

14 Another important example, and this goes to your
15 question, is licensed operator training. This was
16 identified by the unit 1 licensed operator upgrade failures
17 and our subsequent reviews, and I think it's important that
18 I make some comments regarding how I and the rest of the
19 leadership team view this issue.

20 I've had nuclear responsibilities for almost all
21 of my 32-year career, and Buzz's career is somewhat longer.
22 It's our philosophy that you train your operators and the
23 rest of your personnel to meet your own high standards.
24 Satisfying NRC requirements should be a secondary issue, and
25 in my experience, if you approach it that way, you should

1 almost never have an examination failure.

2 The training program that produced such poor
3 results began in June, was inappropriately adjusted along
4 the way, implementation was poor, and that led to licensed
5 operator upgrade applications being submitted in November.
6 Now this was a month after the recovery teams had arrived
7 and at a time when we were heavily involved in assessing a
8 wide variety of issues, and we frankly had just not picked
9 up on the fact that there were significant problems in the
10 -- in operator license training.

11 Now, this is an explanation, but it's not an
12 excuse. We were surprised. We were embarrassed.
13 Particularly considering our philosophy. But we are
14 determined to and are aggressively addressing the situation,
15 in part through a very thorough root cause analysis. We've
16 hired a new director of training and we have docketed a
17 detailed corrective action plan, so we are working our way
18 through the plan, but the licensed operator training that we
19 will achieve is going to be based on the standards that I
20 described.

21 THE CHAIRMAN: Let me stop you for a minute.

22 Given the problems that you found in your initial
23 operator licensing program, what can you say in the way of
24 the confidence that the Commission should have in your
25 requalification, that your requalification program doesn't

1 have the same problems?

2 MR. KENYON: We took a good look at the
3 requalification program, and we're satisfied that the
4 requalification and training program is in good shape.
5 We're satisfied --

6 THE CHAIRMAN: What satisfies you?

7 MR. KENYON: Jay, I'm going to ask you to get into
8 details of what we have done, but obviously when you see
9 problems, recordkeeping problems, standards problems,
10 attention line management problems and the whole litany of
11 things that we saw in the initial licensing or upgrade
12 training program, then you look for the same problems in the
13 ongoing retraining programs, and other than some pretty
14 relatively minor stuff, we did not find these major problems
15 in the licensed operator requalification program.

16 Now, Jay, would you --

17 THE CHAIRMAN: Before he starts, you know, this is
18 a significant issue, not just for the Northeast Utilities
19 organization, but the Commission has under consideration the
20 whole issue of initial operator licensing and having that in
21 the hands of -- more in the hands of the industry itself,
22 the individual plants, and so this kind of a problem to show
23 up at this stage of the game is not particularly helpful.

24 This is in the broader-based sense, as well as
25 not, of course, being particularly helpful to you, but let

1 me hear from Mr. Thayer.

2 MR. THAYER: Just to go back to the
3 requalification training issue, we used the same approach on
4 the requalification training program review that we did that
5 was taken by the independent review team in their review of
6 the unit 1 failures. That resulted, as Mr. Kenyon said, in
7 several discrepancies to our own accredited training
8 program.

9 For two of the four Connecticut units, we shut
10 down the requalification program for one week each, fixed
11 those that were mostly administrative issues, procedural
12 issues, some process discrepancies, fixed those and then
13 restarted each of the requalification training programs, one
14 week later on schedule. Those programs are functioning now
15 and we've had -- our review of those tells us those are
16 sound training programs.

17 THE CHAIRMAN: Let me ask you another question.
18 You talked about your first success objective being that
19 you're an organization with high standards and
20 accountabilities. If I go to your restart items, are each
21 of those accountable to a particular individual or schedule
22 setup and tracked for each one? Can you give us a few
23 examples?

24 MR. KENYON: As a general statement, we know who's
25 responsible for all of the items. Are there detailed

1 schedules on all items? I mean, I would say probably not
2 but most items are scheduled.

3 Let me ask -- go ahead, Jack.

4 MR. McELWAIN: The operational readiness plan for
5 unit 1, for example, every line item, including the
6 significant items list, has a person responsible for it, a
7 due date, and we track those deliverables on a weekly basis,
8 and I believe it's the same for --

9 THE CHAIRMAN: Do you have an individual who is
10 responsible for that?

11 MR. McELWAIN: Yes. For example, in the operating
12 licensed training area, the unit director of unit 1 is
13 responsible for the overall picture and the line items
14 underneath that that came out of the IRT are responsible for
15 the next tier down, which is the ops manager, and the
16 assistant ops manager, and we also are continuing looking at
17 that.

18 And if I might clarify a little bit, the license
19 -- initial license training class that failed was designed,
20 I would say, inadequately in that it was a six-month program
21 for initial licensing, which is not something that any of us
22 were used to seeing anywhere, or were aware that that
23 specific activity was only taking six months. It was unit
24 1, and I'm the unit 1 person, so I'm accountable for that
25 but --

1 THE CHAIRMAN: You're saying there was a change in
2 the length of the training program?

3 MR. McELWAIN: Yes.

4 CHAIRMAN JACKSON: And you were not aware of it?

5 MR. McELWAIN: It started before we got here. It
6 accelerated. When I got here, I naively thought that that
7 was the end of a one-year or longer program. In reality, it
8 was the end of a six-month program, and we put these people
9 up for tests. That's the clarification. It was
10 accelerated. It was not our normal licensing program and it
11 was not done properly, and documentation aside, that program
12 was not set up to be a success.

13 THE CHAIRMAN: Let me hear from the unit 2
14 manager.

15 MR. BOWLING: On the issue of operator training,
16 as you know, unit 2 did conduct an initial operating license
17 class in 1996. There were 12 candidates that took the exam,
18 of which all 12 successfully passed.

19 Nonetheless, based on the unit 1 review, we looked
20 into the adequacy of the program for initial operator
21 licensing on unit 2. What we found was that a large
22 percentage of the candidates did not successfully meet all
23 of the program -- the internal program requirements.
24 Several have been restricted administratively from
25 performing licensing duties as a result.

1 The -- on the matter of operator requalification
2 and the adequacy of that program, which Jay Thayer has had
3 reviewed, from my standpoint, it has to pass my standard as
4 well, and as a result, I am observing operator requal on a
5 weekly basis as well as the unit 2 director, and so senior
6 management has to have the assurance that it's meeting our
7 standards, which it is at this time.

8 On the scheduling of the restart items, that's in
9 -- I'd like to talk about that in two parts.

10 First, the NRC has recently issued on unit 2 the
11 significant issues list. We have that scheduled and there
12 are accountable individuals, not just for each of the items
13 on the schedule, but for the overall accomplishment, and
14 that's tracked on a weekly basis and made available to the
15 resident inspectors.

16 THE CHAIRMAN: Let me hear from Mr. -- are you
17 done? Want more?

18 MR. BOWLING: Well, I just wanted to make one
19 other point on the restart items. What we consider as
20 restart items is more extensive than the NRC list, and
21 that's also tracked similarly.

22 THE CHAIRMAN: All right. Let me here hear from
23 Mr. Brothers, and then I think Mr. Rogers has a question.

24 MR. BROTHERS: With regard to the items if they're
25 assigned individual responsibility and they're scheduled,

1 the answer is yes, for both significant items and all
2 restart activities.

3 THE CHAIRMAN: And on the requalification.

4 MR. BROTHERS: Requalification was looked at by
5 the same format on independent review, and it continues. We
6 did find on the last licensed operator initial class, two
7 individuals with minor discrepancies based upon the IRT from
8 unit 1, they were removed and one person was removed from
9 watch, and the deficiency was corrected and he was placed
10 back on watch.

11 THE CHAIRMAN: What has changed about it? What
12 level and who makes the judgment as to what the training
13 program is as well as its duration, such that we would have
14 assurance that what you're talking about would not occur --

15 MR. CARNS: Chairman Jackson, if I may participate
16 in the discussion.

17 CHAIRMAN JACKSON: Please. You can participate as
18 much as you want. I want to just understand, you know, the
19 answer to the question.

20 MR. CARNS: There are some very straightforward
21 simple things that we have to do, and one is to get line
22 management, ownership of training there. There has been a
23 disconnect. We have training advisory committees now that
24 are headed by the unit director and I'm going to chair an
25 executive training advisory committee to make sure that the

1 emphasis is there.

2 We have done some very simple things, like telling
3 the training department they do not hold a graded evaluation
4 of a simulator session without at least the operations
5 manager there to witness it. In the past, training was done
6 in a vacuum.

7 What we have decided is that we're not going to
8 train the way we operate. We're going to operate the way we
9 train. It's going to start at the training center and
10 emanate from there.

11 CHAIRMAN JACKSON: Okay. Commissioner Rogers?

12 COMMISSIONER ROGERS: Yes. On the unit 2 initial
13 exam, you mentioned that everybody passed. Now what was the
14 duration of the training program that those people
15 underwent?

16 MR. BOWLING: That was the -- the issue in
17 question was the amount of on-shift time, and -- in terms of
18 actually practicing the requirements of holding a license
19 and that was the area that was cut short. All other program
20 requirements, to my knowledge, were met.

21 COMMISSIONER ROGERS: What I'm trying to get at,
22 though, was Mr. McElwain's observation that he thought that
23 these operators that did pass the initial test in unit 1,
24 had gone through a one-year program, and now you -- what
25 about the ones that you -- that did pass it?

1 MR. BOWLING: My understanding was it was a
2 one-year program.

3 COMMISSIONER ROGERS: No, but the ones that passed
4 for unit 2 were in a one-year program, not a six-month
5 program?

6 MR. BOWLING: Yes. Right.

7 THE CHAIRMAN: So the problem was within the
8 duration and being able to cover certain material, whatever,
9 and activities and needing a certain amount of time to get
10 that done, is that correct?

11 MR. McELWAIN: I believe in the pursuit of the
12 timeliness to fill the pipeline that we went on the wrong
13 path. You couldn't have the breadth and the width of what
14 you needed in a real operator license program and have
15 expected these people to be successful, had we looked at it
16 from the big picture perspective.

17 COMMISSIONER ROGERS: I take it then that this
18 six-month training was an accelerated one just for this
19 group of people?

20 MR. McELWAIN: Yes.

21 COMMISSIONER ROGERS: But prior to that, the
22 custom had been to have a one-year training program?

23 MR. McELWAIN: Yes. This was the first aberration
24 of this type.

25 MR. THAYER: If I could, that is correct. In

1 accordance with our accredited program, the requirements are
2 specified. Any deviations from those requirements need a
3 thorough documentation. The problem with the unit 1 program
4 is that there were decisions, as Jack mentioned, to shorten
5 pieces of that program that were made very low in the
6 management chain. Those decisions weren't coordinated or
7 verified by unit management or upper level training
8 management and this program proceeded with some significant
9 decisions about shortening being made without the cognizance
10 of upper management.

11 THE CHAIRMAN: And so you're saying that what has
12 changed is in fact both upper management's involvement as
13 well as having the actual line management engaged in this
14 process?

15 MR. CARNS: That's correct, Chairman.

16 MR. KENYON: And as maybe a final recap, where we
17 believe we are on this issue is that we have an ongoing
18 requalification program that's functioning well. We don't
19 see any serious issues with that. We do have one licensed
20 operator training class in progress on unit 3 and we are
21 scrutinizing that very carefully, and based on what we've
22 seen so far, we think the program is functioning well, but
23 it obviously has our attention.

24 THE CHAIRMAN: Okay.

25 MR. KENYON: Moving on to success objective number

1 two, and that is that we demonstrate a strong nuclear safety
2 philosophy as evidenced by careful adherence to high nuclear
3 safety standards and conservative decision-making. The
4 activities here have been that we have published a nuclear
5 safety document modeled after Virginia Power's. It's based
6 on four principles, which are the need to maintain a
7 profound respect for the safety of the reactor core and the
8 spent fuel, the need to focus attention and resources on
9 proactively preventing events that compromise nuclear
10 safety, the need for conservative decision-making, and the
11 requirement to enforce high standards by doing the right
12 thing, meaning that the quality and safety are paramount
13 over schedule and production.

14 Now those are four principles, but behind that
15 there's a very detailed document.

16 The overall result is that I believe on an ongoing
17 basis, we're demonstrating improved nuclear safety standards
18 through day-to-day decision-making. Our challenge is that
19 while this document has been put out fairly recently and is
20 understood by senior management, we've got a lot of work to
21 do to educate the work force, drive it down in the
22 organization so it really becomes a part of their day-to-day
23 activities, so we have the standard out. We are endeavoring
24 to live up to that standard, but we're nowhere near where we
25 need to be in terms of driving and understanding of that

1 down into the organization.

2 Success objective number three --

3 THE CHAIRMAN: Before you go to the next success
4 objective, do you track adherence to procedures? And if so,
5 how is it trending?

6 MR. KENYON: When we don't comply -- you know,
7 when we have a problem with procedure compliance, it is
8 picked up as a CR and the CR is a condition report, and
9 those are tracked.

10 Now, I have to ask the unit officers on an
11 individual basis to tell you how it's trending on their
12 particular unit.

13 THE CHAIRMAN: Okay, can each of you briefly tell
14 me, 1, 2, 3.

15 MR. McELWAIN: Sure. The procedure compliance
16 issues of which there were many in '96, unit 1, have
17 decreased dramatically. We have people with the mind-set
18 now that if you can't do the procedure as written, you stop.
19 And we have a lot of information. It doesn't get to be a
20 corrective action request, or it's self-identified by the
21 person that's actually doing the job.

22 We have several I&C people, for example, that have
23 created their own condition report based on the -- not being
24 able to proceed with the procedure without stopping and
25 changing it. We've had shift managers stop operational

1 activities because they need a clarification, and that kind
2 of thing didn't happen in the past, and that kind of led to
3 some of the procedure adherence issues. We would go down a
4 path and outthink the procedure in some respects and not
5 stop and not stop when there was a question, and then fix
6 the problem and go on. And that's where we're at pretty
7 much on the OR.

8 MR. BOWLING: The expectation is that procedure
9 non-adherence will be documented in a condition report so
10 that corrective action can be taken. The number of those is
11 relatively low. I do not draw as much comfort from that as
12 the number would indicate, based on the need to raise the
13 standard, and the expectation, and a general weakness in the
14 procedures set in terms of level of detail which we are
15 working on.

16 THE CHAIRMAN: Okay, Mr. Brothers.

17 MR. BROTHERS: In the case of unit 3, we do track
18 it. There is condition reports, procedure compliance, that
19 indicator is low. I think that's primarily due to the
20 number of procedures we're performing on unit 3 being
21 relatively low at this time.

22 One issue that we have that's related that I would
23 consider related to procedure compliance is a component
24 manipulation and plant configuration control. That trend is
25 identified, internally identified as going in the wrong

1 direction at Millstone unit 3. While not directly a
2 procedural compliance issue, there's a personal error
3 component associated with that. That combined, the
4 procedure component -- error component is of interest to us
5 and we're addressing it now.

6 THE CHAIRMAN: What about the quality of the
7 procedures themselves?

8 MR. BROTHERS: The quality of the procedures is
9 tracked. There is a, within the procedure group under Mr.
10 Tray Kilpatrick, there is a quality of procedure indicator
11 he has developed and that is going up.

12 THE CHAIRMAN: Okay. Thanks.

13 MR. KENYON: Number three has to do with effective
14 self-assessment. This is very important in driving to the
15 goal of improving performance. Self-assessment must be
16 effectively accomplished by both line management and the
17 various oversight mechanisms. I think the important test
18 here is that significant issues are identified by NU rather
19 than others. So I'm going to talk about each component of
20 this, beginning with line management self-assessment.

21 We believe that line management self-assessment
22 process has been established and results have been achieved.
23 The activities have been the implementation of a
24 self-assessment and work observation processes on all units.
25 We've substantially lowered the threshold for writing

1 condition reports.

2 Now, the challenge is that there's not yet enough
3 implementation history to demonstrate that our
4 self-assessment activities are effective. So we just need
5 to take more time and see how it goes, but the process is in
6 place and we're using it.

7 THE CHAIRMAN: What's your metric for
8 effectiveness?

9 MR. KENYON: That we are self-identifying problems
10 as opposed to somebody else identifying them.

11 THE CHAIRMAN: Do you roughly track a ratio of
12 self-identified versus externally identified?

13 MR. KENYON: Yes, we do.

14 THE CHAIRMAN: And how is that trend going?

15 MR. KENYON: Again, we've got to do it on the --

16 MR. CARNS: One of the results is that we're
17 identifying 25 percent more internally than externally now.

18 THE CHAIRMAN: So that's one of your metrics?

19 MR. CARNS: Yes.

20 CHAIRMAN JACKSON: And how do you measure whether
21 what's been identified as what's the most safety significant
22 and/or correctly identify it?

23 MR. CARNS: Each of the units, when they have a
24 condition report written, they screen those for significance
25 level and for discussion at the morning meetings, and the

1 significant ones are on a morning report on our Audix phone
2 system and virtually each of us listen to that in the
3 morning, and then when I hear something that raises a flag,
4 I'll go right to the unit officer and discuss it with him.

5 THE CHAIRMAN: Let me hear from each of you
6 quickly in turn.

7 MR. McELWAIN: Yes. We have the morning 8:30
8 management meeting where all the condition reports generated
9 in the last 24 hours are gone over, and significance levels
10 and personnel responsibility is assigned at that meeting.

11 MR. BOWLING: Okay, Unit 2 is similar. I would
12 just make one comment about self-assessment in general, and
13 the effectiveness of the program, what we're looking for.

14 As you know, to have effective self-assessment,
15 the organization and the personnel conducting
16 self-assessment must be at a sufficiently high standard that
17 they know what they're looking for and whether it's right.
18 So two indicators of effectiveness would be the raising of
19 the standard, which would primarily be done for benchmarking
20 as to what is the correct way to be doing business, and the
21 second is the number of programmatic issues that are
22 identified by line management versus the oversight
23 organization or external agencies such as the NRC.

24 MR. BROTHERS: From a ratio standpoint of self
25 identification, in Millstone number 3, the trend is going in

1 the right direction. For instance, in March, 248 items were
2 identified. 26 identified by internal oversight, none by
3 external oversight, and no events, for a ratio of
4 approximately 98 percent per unit and two percent for
5 internal oversight. That is going in the right direction.

6 The other aspect of this similar to unit 1 and
7 unit 2 is that we also have conducted review of the
8 condition reports. A management review team reviews the
9 proposed corrective action and comes up with a quality
10 indicator for that corrective action which is trending in
11 the correct direction, going up.

12 THE CHAIRMAN: Okay.

13 MR. KENYON: Shifting to oversight's
14 effectiveness, we believe that's improved as well. The
15 activities have been development of an oversight recovery
16 plan, the implementation of that is about 50 percent
17 completed. I have communicated my expectations regarding
18 the role of oversight, the importance of oversight to the
19 entire organization. We have implemented in a new oversight
20 organization with expanded resources to better handle the
21 current challenges and this includes having put line
22 experienced individuals in both permanent and rotational
23 positions within oversight, and we've revised and
24 implemented all oversight procedures.

25 Now, what have been the results? The results have

1 been that I think we have a much better acceptance of the
2 role of oversight within the broad organization.
3 Historically that was not there. There's an improved
4 working relationship with line management. I think what
5 occurs now is a very healthy and constructive debate on
6 issues, and I'm also pleased that the quality and usefulness
7 of audit reports have improved substantially.

8 The challenges with regard to oversight is to do a
9 combination of continuing the improvement process, because
10 it's ramping up, but it's not totally where it needs to be,
11 but provide very needed review and oversight of our
12 preparations for ICAVP as a near term milestone.

13 I also think line management responsiveness to
14 oversight-identified deficiencies, while improved, needs to
15 improve further.

16 I also want to mention the NSAB, our -- its
17 effectiveness has improved with established separate -- I'm
18 talking activities now. We've established separate NASB's
19 for Millstone and CY for increased focus. That's a change.

20 We've intentionally put senior management on NASB.
21 That was not how it was done previously, so Buzz is on it,
22 the unit officers are on it. We've doubled the number of
23 external numbers from 2 to 4 so that we have some very
24 independent review, discussion and dialogue taking place.

25 The result is that its performance has improved.

1 I don't -- I'm not here today to tell you I think it's where
2 it needs to be, but it is improving.

3 I also want to mention NCAT. NCAT, as you know,
4 directly advises the nuclear committee of the board. At
5 least monthly it comes to one of our nuclear sites. I think
6 they do a very effective job at providing another measure of
7 independent assessment which is useful both to me and the
8 nuclear committee. While at least partially on the subject
9 of ou r board's nuclear committee, I'm pleased to advise the
10 Commission that Bill Conway, and many of you know Bill, and
11 he's highly regarded for his nuclear operations expertise,
12 is joining the board and he participated in his first
13 meeting yesterday.

14 Overall challenges with regard to the issue of
15 self-assessment. I think oversight is clearly adding value
16 but it needs to continue to improve in order to become a
17 fully effective organization.

18 I think the NSAB, although starting to improve,
19 needs to reach a higher level of performance.

20 And I think line management needs more time to
21 demonstrate the effectiveness of its own self-assessment
22 activities, but the trends are good.

23 THE CHAIRMAN: Now, at the last Commission
24 meeting, the Commission requested a more robust presentation
25 on your site QA organization. Are you prepared to talk

1 about that today?

2 MR. KENYON: We can certainly go into as much
3 detail as you want. So let me turn to Dave Goebel and ask
4 him to discuss with you in more detail the functioning of
5 the oversight organization.

6 MR. GOEBEL: The oversight organization today is
7 still in the building process. Not so much numerically, but
8 in skills. Although we have made, I think, what Bruce has
9 properly classified as good improvements in the audit area,
10 the audit reports are having substantive findings, if there
11 are such things to be found, and there is a good response to
12 those finds from the line organizations, or whoever owns the
13 individual item which has been audited.

14 The oversight organization also has played a very
15 active role in monitoring the efforts to restore the
16 configuration control to the units, to the 54(f) effort. We
17 are actively involved --

18 THE CHAIRMAN: When you say actively involved, has
19 the QA organization actually reviewed the scope and the
20 implementation of the configuration?

21 MR. GOEBEL: We have reviewed the scope which each
22 of the individual units are pursuing, have commented back to
23 the units on the extent of their scope. In some cases that
24 scope has then been modified. We have commented on each
25 individual process that the units have prepared in order to

1 help them to reestablish the configuration control, and when
2 it is -- as we go through that process and we come out the
3 other end, they will have a product to deliver and we will
4 do vertical slices on that product.

5 THE CHAIRMAN: On the actual implementation?

6 MR. GOEBEL: On the actual implementation of the
7 whole thing, we will do a vertical slice and we will then
8 comment on what we find or don't find.

9 THE CHAIRMAN: And what skills building did you --
10 have you found that you've needed to do in the QA
11 organization? You said you were still building.

12 MR. GOEBEL: There's an overall knowledge level
13 that needs to be improved. There also -- which we are
14 actively pursuing, some of that by bringing in knowledgeable
15 people, people who have traditional backgrounds in the area
16 from other utilities, people who --

17 THE CHAIRMAN: Permanently?

18 MR. GOEBEL: Permanent new people.

19 We have, in some cases, as Bruce has mentioned,
20 where we've brought some line folks in, the line folks
21 really don't have a QA background but they have a knowledge
22 of impact, certain evolutions and things that are done on
23 the line. The reason for that, why to me that's so vital,
24 it puts us in a position where then we can anticipate
25 problems and not go inspect them after they're done.

1 I would like to know which evolutions performed at
2 the plant are high risk evolutions. I want to make sure we
3 have anticipated those and looked at them far enough in
4 advance so there's not a -- and in that case serve as a
5 backup to the line, so there is not a problem which is found
6 by event which could have been precluded, had a
7 knowledgeable person looked at it.

8 THE CHAIRMAN: So in reviewing the scope of the
9 configuration management plan, then you are in fact
10 reviewing it from the point of view of risk?

11 MR. GOEBEL: Yes. We are.

12 THE CHAIRMAN: Okay.

13 MR. KENYON: I would like to have Buzz Carns
14 review the next two success objectives.

15 MR. CARNS: Success objective number 4 is that we
16 have an effective corrective action process. The program is
17 in place. Now we have to prove that we can effectively
18 implement it. Units are sharing problems, Lessons Learned
19 and progress made. The director level individual
20 experienced in implementing a successful corrective action
21 program at another utility has been hired and will be on
22 board in the next several weeks. We believe that this
23 addition to our management team will provide strong and
24 necessary leadership for the whole process and help develop
25 some consistency in our corrective action efforts across all

1 three units. We believe that corrective action is based on
2 a simple concept, find and fix your own problems, and follow
3 up to ensure that they remain fixed. Inherent in this
4 concept is a responsiveness to others, including the
5 employees, the industry and the regulators. The
6 characteristics of the healthy program we probably all could
7 agree on are self-identification, a questioning attitude and
8 an effective program that addresses problems and precursors
9 in an aggressive manner. In the past we've been noted for
10 precreating problems to solve our problems without effective
11 follow-up implementation. The real message is that people
12 solve problems when they work to high standards and are
13 committed to do what is right. The value of an effective
14 program is that it provides the lasting institutional
15 framework for success.

16 We've improved the mechanics of the corrective
17 action process to formalize documentation requirements and
18 establish a dedicated staff to oversee the program. In
19 addition, we have installed within each of the departments
20 of the units corrective action coordinators to emphasize
21 line ownership of the program and the problems. Performance
22 monitoring and benchmarking are also being utilized to
23 promote effectiveness.

24 The results we are seeing include -- and some of
25 these have been mentioned -- in the last six months,

1 approximately 25 percent more identification internally than
2 externally. A decreasing number of open evaluations and
3 improvement of evaluations completed within 30 days, which
4 is the framework. We do have quite a few that fall outside
5 that guideline right now, but if it needs a further
6 extension, it has to go to higher levels of management. And
7 the backlog is being managed and reduced. There is --

8 THE CHAIRMAN: How is it declining?

9 MR. CARNS: Let me give you to each of the units.
10 They can tell you where they are on the declining. It's not
11 as significant, but it's in the right direction.

12 MR. McELWAIN: On unit one, the backlog has been
13 reduced over 200 in the past month and we expect the next
14 month --

15 THE CHAIRMAN: You have to reference that to
16 something.

17 MR. McELWAIN: From 900 and change to 700 and
18 change, the backlog, that's the lower significance and the
19 former program level C and D, created prior to '96, sometime
20 prior to '96. That's where the big backlog came from;
21 pretty much in place then.

22 MR. BOWLING: It's not easy to talk very quickly
23 about corrective action, but let me try.

24 THE CHAIRMAN: Well, let me give you a background
25 question that I'm interested in. What I'm interested in is

1 in terms of resolving corrective action issues. Is the time
2 for resolution appropriate to the safety significance?

3 MR. BOWLING: That's been our approach on unit 2.
4 What we have done is taking all of the types of corrective
5 action -- Jack spoke to the condition reports, but there are
6 corrective actions in terms of procedures, design
7 modifications, and the maintenance physical condition of the
8 plant, through the work order program.

9 Our approach has been to organize all of the
10 identified issues, of which there are thousands, into safety
11 significant, and then we're systematically correcting by
12 safety significance, and in the areas we're working in, we
13 have made substantial progress in corrective action.

14 But for those items that are to be done later in
15 the schedule, obviously they're still in the backlog.

16 THE CHAIRMAN: Right. But for those items that
17 you by your own methodologies have attached the greatest
18 safety significance to, do you have any significant backlogs
19 that aren't -- backlogs in the sense of not having a
20 specified place in the schedule, but just part of a backlog
21 that you haven't addressed in some way?

22 MR. BOWLING: No, it's scheduled. And as we move
23 through the schedule, our goal is to take those backlogs to
24 industry standards.

25 MR. CARNS: Some of those obviously have to --

1 depending on the significance, have to be solved when found
2 or within a very short time period. There's others that
3 we're discovering -- unit 3, maybe Mike can address that,
4 that's a hardware fix that we have to fix before we go
5 further.

6 MR. BROTHERS: Yes. In terms of backlog on unit 3
7 for the non-significant items, from January, we've gone from
8 882 to, as of April 12th, 402, so a reduction of 441 on -- a
9 number greater than 30 days old. In terms of significant
10 items that have not yet been evaluated, we do have 51 items
11 that are significance level one that have not yet been
12 evaluated. Our goal is to have that to zero by July 5th.

13 THE CHAIRMAN: Okay. So when I talk to you next,
14 you'll have that resolved?

15 MR. BROTHERS: That's correct. If it's after July
16 5th.

17 THE CHAIRMAN: Well, when I talk to you next is
18 going to be three months from now, and by definition, that's
19 after July 5th.

20 MR. CARNS: I think in the interest of time, let
21 me just say the challenge for us --

22 THE CHAIRMAN: The point is, we'll ask -- you
23 know, you don't just -- we allotted a lot of time to you
24 today, so --

25 MR. CARNS: Then let me back up and pick up some

1 other items then.

2 [Laughter.]

3 MR. CARNS: We talked a little bit about grading
4 our condition reports and we have these management review
5 teams that do that, and I think that's significant because
6 it really looks at the corrective action and assigns a
7 numerical grade, and that trend is in the right direction,
8 and trending obviously is very important. With the program
9 just being established, we don't have a lot of information
10 on trends, but we've seen some results already. We've seen
11 the identification of issues in the area of operations
12 configuration control, and adherence to fire protection
13 requirements for materials storage. So while the program is
14 yielding results in the prevention of recurring problems and
15 the earlier identification of potential problems, we are not
16 satisfied that any of the results that we have talked about
17 today are where we want them to be in the long run.

18 The challenge obviously is to effectively
19 implement a program to meet very high standards. That
20 challenge still remains in front of us.

21 COMMISSIONER ROGERS: You mentioned your grading
22 of your corrective action reports. What is the average
23 grade?

24 MR. CARNS: 2.87 to --

25 COMMISSIONER ROGERS: Out of what?

1 MR. BROTHERS: 2.90 out of 4 on Millstone unit 3.

2 MR. CARNS: There's a floor of 2 and a ceiling of
3 4 but it's gone in the right direction.

4 MR. BROTHERS: There is no floor. It goes from
5 zero to 4.

6 MR. CARNS: Well, I was -- 2 has been our minimum,
7 I think, of what we've had.

8 MR. McELWAIN: 2.4 on unit 1, and it's increasing.

9 THE CHAIRMAN: 4 is a good grade?

10 MR. McELWAIN: 4 is perfect.

11 CHAIRMAN JACKSON: There is never perfection.

12 MR. CARNS: I don't think we'll be able to tell
13 you we are at 4 in three months. but we should be really
14 closing in on the 3 and slightly over 3.

15 The next success objective is the restoration of
16 the design and licensing basis or the 50.54(f) effort if you
17 will. This is an integral aspect of the corrective action
18 process at Millstone. We must be able to identify the
19 discrepancies, capture and track them and effectively
20 implement the fixes. The 50.54(f) project will accomplish
21 this for each unit and the work will be validated by an
22 oversight organization and then confirmed by the independent
23 corrective action verification program.

24 The project is significant with nearly 700 people
25 involved in the effort. We retained 3 different nuclear

1 steam supply system firms and each has put an experienced
2 team in place to assist the units in their licensing and
3 design basis restoration efforts. The team at unit 1 is
4 General Electric, partnering with Raytheon and Stone &
5 Webster. The team at unit unit 2 is Combustion Engineering
6 partnering with Stone & Webster. And the team at unit 3 is
7 Westinghouse partnering with the Southern Company.

8 There is still a great deal of work to be done
9 before meaningful results are achieved. Our approach is to
10 identify issues, initiate condition reports as appropriate
11 and determine which of those condition reports should be
12 licensee event reports and assess the safety significance
13 and finally make any necessary physical modifications. To
14 date, we've identified approximately 6,000 items that
15 require further review. And out of this total we have
16 identified about 40 physical modifications that are slated
17 for units 2 and 3.

18 Clearly the challenges are to establish the
19 licensing and design basis.

20 Another significant challenge is to transfer the
21 knowledge base that's being created to the Millstone staff.

22 And finally, we need to develop a program to
23 ensure that the configuration management is kept current in
24 the future.

25 THE CHAIRMAN: Let me ask you this question. Of

1 these 40 physical changes on units 2 and 3, have any of them
2 been implemented?

3 MR. CARNS: I don't know that we have any complete
4 right now.

5 MR. BROTHERS: Yes, we do have a few. There's 30
6 on Millstone unit 3. Some of them, like, for instance,
7 installing the target rock controller card, is done. I have
8 a list and we can go through specifics of which ones are
9 done. Out of all of them, out of the 30, probably about six
10 have been done at this time.

11 THE CHAIRMAN: And have any design basis issues
12 arisen after a system has been completed?

13 MR. BROTHERS: No.

14 MR. CARNS: From a 50.54(f) review completion?

15 THE CHAIRMAN: I'm talking about after you've
16 actually done the physical modifications, you don't identify
17 any further issues and there are no repeat violations with
18 respect to anything?

19 MR. BROTHERS: No. Let me amplify on that,
20 however. When we -- for instance, on one of our more
21 significant modifications is the RHR flow control valve mod,
22 associated with the failure mode of the air-operated valves
23 and the subsequent heat load on the reactor plant component
24 cooling water system. As we investigated that, we found
25 other systems like CCE, which is charging pump cooling that

1 had the same problem, but nothing additional on RHS.

2 THE CHAIRMAN: What are some of the oldest issues
3 that you are wrestling with?

4 MR. BROTHERS: The oldest -- any of the issues we
5 found are original design issues. In fact, the majority are
6 original design issues that date back to original
7 construction.

8 THE CHAIRMAN: And can you give me some examples
9 of those that you would put in the safety significance
10 category.

11 MR. BROTHERS: Yes, I could. At this time, the
12 recirculation spray system, RSS system, has several problems
13 that have been identified. They're all original
14 construction and they are vortexing and containment with the
15 flood-up level being potentially below the vortex preventer.
16 The water hammer event on external containment that was a
17 follow on from Generic Letter 9605, and finally the suction
18 voiding that we have just recently identified as a potential
19 and issued a prompt report last week with potential for
20 suction voiding at saturated conditions and atmospheric
21 pressure inside of containment.

22 COMMISSIONER DIAZ: For which component?

23 MR. BROTHERS: The recirculation spray system
24 pump. Those are the most significant.

25 COMMISSIONER DIAZ: So you have three major issues

1 that definitely have safety significance? On Unit 3?

2 MR. BROTHERS: Well, in the case of vortexing, the
3 analysis is not yet complete. There was an analysis done at
4 one time that showed the flood-up level was correct. In the
5 case of suction voiding, we did make the prompt report.
6 Based upon indications we had, the calculations are not yet
7 complete but it could require a mod. In the case of water
8 hammer, that's a real event.

9 There are a couple of other ones that have fallen
10 into safety significance. The electrical separation issues
11 that have been found, which were primarily associated with a
12 main control board supplied by Reliance Electric in the
13 original construction. We need to go back and quantify what
14 our actual design basis is for electrical separation. And
15 finally on the failure modes for air-operated valves that
16 are the interface, if you will, between architect-engineer
17 supplied systems and NSSS-supplied systems, in which RHS and
18 CCE, which is is residual heat removal and the charger pump
19 cooling, the two I just discussed earlier, will be
20 indicative of that type.

21 MR. McELWAIN: You want to know -- you're looking
22 at me --

23 CHAIRMAN JACKSON: Expectantly.

24 MR. McELWAIN: The safety significant issues on
25 unit 1 have been historical. For example, the intake

1 structure ventilation, there are certain design parameters,
2 the ventilation is inappropriate and we would lose that
3 system. Obviously we need them for cooling, no matter what
4 mode you're in. And the 7914 seismic letter, as well as the
5 USIA 46 and 90.22, all relating to seismic issues,
6 particularly the significant ones for us are relay
7 chattering possibility on the diesel generator and gas
8 turbine, and the 4 kV busses. Those designs are complete,
9 and we are implementing them in the field so they are
10 historical in nature but we are, based on their
11 significance, attacking them very aggressively. We have 23
12 mods in progress, 6 complete and almost 40 left to go, but
13 they're in various stages of being designed and planned and
14 implemented.

15 MR. BOWLING: On unit 2, our discovery process of
16 design licensing basis and its comparison with the actual
17 plant configuration has resulted in the identification of
18 around 8 modifications. However, through other areas of
19 investigation, a larger number of modifications have been
20 identified in order to restore the plant to safety standards
21 and to regulatory compliance.

22 A couple that I'll mention, and one of which is a
23 -- not only a recent discovery, but also had generic
24 industry implications, aux feedwater under a single failure
25 was determined to have the potential, when added to the

1 containment analysis, to exceed the design limits of the
2 containment during main steamline break which was a design
3 basis postulated condition, and that's resulting in a
4 modification to prevent that.

5 Also, main steam line under a single failure
6 assumptions has resulted in overpressurization. That was
7 determined by Combustion Engineering as a potential generic
8 industry issue and they did issue a Part 21 on this
9 particular problem. That also is resulting for unit 2
10 modification of the steam line.

11 THE CHAIRMAN: Of the 6,000 items that you said
12 needed further review, what do you mean when you say further
13 review? Is it parsing as to what they are, as to whether
14 they're safety significant or --

15 MR. CARNS: Exactly. Whether they go into a
16 condition report or turn into a LER. It turns out that they
17 result in about 800 condition reports, and it looks like we
18 have some left of about 5 dozen LER's that are coming out of
19 that.

20 COMMISSIONER DIAZ: How much?

21 MR. CARNS: Somewhere between 4 and 5 dozen.

22 CHAIRMAN JACKSON: About 60.

23 MR. CARNS: 50 to 60 is the ballpark.

24 THE CHAIRMAN: But you haven't finished that
25 review at this stage of the game?

1 MR. CARNS: No.

2 MR. BOWLING: If I could add, this is the standard
3 type of questioning that comes out of this type of process.
4 As the engineers review the design licensing basis in the
5 plant, they may well have any number of questions as they go
6 along, or potential concerns, and this large number is that
7 listing, and then after further investigation, it goes to
8 whatever actual corrective action may be necessary, and in
9 all cases it may not be.

10 THE CHAIRMAN: Okay. I think Commissioner
11 McGaffigan has a question.

12 COMMISSIONER MCGAFFIGAN: You're going to discuss
13 later the schedule, but how does all of this -- in listening
14 to this, it sounds like there's a fair amount of uncertainty
15 in which you're trying to manage. You know, how does this
16 affect the scheduling of ICAVPs and the -- you know, how do
17 you make a schedule given the amount of uncertainty that
18 you're dealing with here?

19 MR. KENYON: We have -- let me give you a short
20 answer and then maybe a longer answer when we talk about
21 scheduling, but we continue to believe that we can achieve
22 the May 27th start of the ICAVP. We're watching it closely.
23 We think the items that are relevant to that are all being
24 tracked and worked. Clearly as we go through and -- you
25 know, the challenge of the ICAVP is that you found the

1 issues, not that you have necessarily solved all the issues.

2 So we continue to think that we're on track for
3 that, but I'll say more about scheduling when I discuss it
4 more completely.

5 THE CHAIRMAN: Commissioner Diaz, I think, has a
6 question.

7 COMMISSIONER DIAZ: Yes, going back to the 6,000
8 issues, how far along are you in the review and
9 prioritization of these issues as regards being important
10 issues or safety issues or what attempts at, you know,
11 prioritization of the issues and separation so you can
12 actually address them? How far along are you?

13 MR. BROTHERS: Well, let's talk unit-specific. On
14 unit 3, basically the systems have been looked at.

15 The systems that are required to be complete prior
16 to the start-up of ICAVP, that has been done. The schedule
17 completion date for the unresolved item and open item report
18 resolution or parsing is scheduled to be complete on May 3rd
19 for Wave 2 and Wave 3 which accomplishes the prioritization
20 that you're talking about for the remaining maintenance rule
21 group one and two systems.

22 COMMISSIONER DIAZ: All right. That's precisely
23 the kind of information that we really need.

24 MR. BOWLING: On unit 2, our ready for the ICAVP
25 is June 23rd. At that time, we would have completed the

1 review of 24 of the 63 maintenance rule systems that we feel
2 are necessary to validate, and when we're completed, we're
3 also through corrective action, except for any modifications
4 that would actually have to be constructed into the plant.

5 In answer to your question, we -- it would appear
6 that the discoveries over the past year have been effective
7 because on a week-to-week basis we're not identifying that
8 many more items that reach that significance level that they
9 have to be a condition report or go into a licensee event
10 report.

11 MR. CARNS: Not all the corrective action requires
12 training and procedures, but the discovery will be done by
13 the 23rd.

14 MR. BOWLING: Right, and corrective action to the
15 extent if a procedure change is required, it will be --
16 well, it will actually be written for implementation.

17 COMMISSIONER DIAZ: Have they been characterized?
18 Have they been prioritized into which bin they belong?

19 MR. BOWLING: They're binned broadly by the
20 necessity to correct before restart or after, based on their
21 safety and regulatory significance.

22 COMMISSIONER DIAZ: That is an important issue,
23 whether they have to be done before restart occurred. This
24 is an item the staff needs to be working on.

25 MR. McELWAIN: Unit 1 is using the same

1 identification and prioritization process, and laying it out
2 either post-restart, pre-restart, when we need the systems
3 to be operable.

4 CHAIRMAN JACKSON: Okay.

5 MR. KENYON: The success objective number 6 is
6 that we have an environment that supports the identification
7 and effective resolution of employee concerns. In terms of
8 activities, we developed and submitted a new employee
9 concerns program, the basis of which was work by an employee
10 concerns task force. We have increased the ECP staff to 12
11 from 3 which is where it was one year ago. We selected
12 Little Harbor Consultants as the employee concerns
13 contractor. That contractor was recently conditionally
14 approved by the NRC and it has begun its site work. We've
15 retained Paul Blanche, who is a former Millstone
16 whistleblower, as a consultant primarily on employee
17 concerns matters.

18 The results. We perceive that employees are more
19 comfortable reporting concerns to NU, and this is as
20 indicated by a significant increase in the number of
21 concerns reported. We have achieved much greater
22 involvement by line management in successfully handling
23 employee concerns with a clear willingness to tackle
24 difficult issues. We've reduced the average time to resolve
25 a concern by almost an order of magnitude. It used to be a

1 very long time, and we're now down to 29 days.

2 The challenges are that we still have a lot of
3 work to do to fully implement the new program.

4 Another challenge is that we do not at this point
5 have good statistical information regarding employee
6 attitudes. We recognize that this is needed. We will
7 obtain it. We've been waiting for Little Harbor to come on
8 board so we can agree on an approach that they're
9 comfortable with.

10 So I think the climate has improved but we
11 certainly know that there are individuals and pockets of
12 distrust out there and we're working to resolve it.

13 CHAIRMAN JACKSON: What about the significance of
14 the concerns that are raised?

15 MR. KENYON: Dave, why don't you address that.

16 MR. GOEBEL: Madam Chairman, the significance now,
17 if we break all the issues that come to us and what we would
18 have to say is that the majority of them are personnel
19 issues. They're not safety significant. We bin anything
20 that has even the remotest connection to a plant as a safety
21 item.

22 We have no what I would consider significant
23 technical issues that have come to us out of the work force
24 into the employee concerns program. The most significant
25 technical issue that we're working now is being worked with

1 in a line organization and that's being worked within
2 engineering. An individual brought a concern forward and
3 there's been a task force set up to try and resolve his
4 concern and work with him to get the issues done, but it's
5 strictly been done within the line.

6 CHAIRMAN JACKSON: So your numbers are going up
7 but you view that as a positive sign?

8 MR. KENYON: Absolutely. Absolutely.

9 Success objective number 7, that we're committed
10 to achieve excellence in nuclear operations.

11 The principal activities are that prior to
12 startup, we will have defined excellence -- in other words,
13 a definition of excellence that we believe in, we will have
14 developed a plan to achieve it, we will have resolved those
15 issues which we conclude are important to startup, and we'll
16 have resource commitments which meet or exceed those of
17 similar well-run units.

18 Now I'd like to turn to the subject of schedule.
19 We had a --

20 CHAIRMAN JACKSON: Let me ask you a question.
21 What indicators do you use to measure excellence?

22 MR. KENYON: The indicators are going to be -- and
23 we haven't done this yet -- but the indicators are going to
24 be, we have defined what our standards are for excellence.
25 In other words, we're not going to be chasing, however we

1 perceive a SALP score, we're not going to be chasing however
2 we perceive an IMPO 1. We're going to define those
3 standards that we believe in and then clearly we will
4 measure ourselves against those standards.

5 CHAIRMAN JACKSON: But you have not identified
6 those?

7 MR. KENYON: We have not laid out those standards
8 as of today. We will do it prior to startup so that we
9 think we have an obligation -- you know, our management
10 philosophy, this leadership team believes that our challenge
11 is not simply to get the restart. It's not simply to get
12 off the watch list. Our longer-range objective is to be a
13 top-quartile plant, or series of plants, and thus we will,
14 prior to startup, define those standards, and we'll let you
15 know what they are. We will have measures against those.
16 We'll have a plan to achieve. So we're not simply focused
17 on what are the thousand things we've got to do simply to
18 support restart.

19 MR. CARNS: Some of it can be anecdotal too. Just
20 a simple example they told me people are getting, that is,
21 when a shift manager at unit 3 declared both diesels were
22 inoperable, he could have taken a less conservative route
23 and said I have 24 hours to catch up on surveillance that
24 was missed back in 1992. But to take the conservative
25 route, that's an excellent decision. We need to advertise

1 that as being a method of -- acceptable method of behavior.

2 CHAIRMAN JACKSON: Commissioner Diaz.

3 COMMISSIONER DIAZ: Yes. I'm getting a feeling in
4 here that -- it's a little uneasy. When you say that you're
5 committed to achieve it but you're not ready yet to put the
6 indicators out there, but, you know, there's a big ground to
7 cover in between those. Do you have a program that is
8 trying to establish these indicators, and are you pursuing
9 it in a manner that they will be able to be known before you
10 restart?

11 MR. KENYON: We have lots and lots of indicators
12 right now that are relevant to what we're doing at this
13 time. So I didn't want to leave you with the impression we
14 don't have indicators. We have book of indicators. We will
15 identify other indicators or the same indicators with
16 different goals to go toward excellence.

17 MR. McELWAIN: As part of each of the operational
18 readiness plans, we have milestones, responsibility for
19 people to develop individual unit long-term improvement
20 plans, including indicators to measure that, and they will
21 all be done before startup as scheduled.

22 MR. KENYON: On schedule, we had a productive
23 meeting with the NRC staff on the 17th. I think it was a
24 good exchange of information.

25 CHAIRMAN JACKSON: Do you and the NRC staff agree

1 on all the restart issues?

2 MR. KENYON: That's a very encompassing statement.
3 I'm not aware of any significant disagreement.

4 CHAIRMAN JACKSON: Okay. I'm going to ask them
5 the same question. Don't worry.

6 MR. KENYON: I think the meeting that we had was
7 helpful in reaching a better understanding of the regulatory
8 inspection and evaluation requirements and resulting
9 schedule implications. I will offer the observation that
10 the NRC staff had its schedule as to how they see the
11 restarted unit 3 playing out, and frankly that was very
12 compatible, a high degree of congruence with our current
13 schedule, but it's obviously very dependent on our
14 performance.

15 We agreed to provide the NRC with bi-weekly
16 updates so that they're fully informed as to how we're doing
17 against our indicators. They get our indicators more often
18 than even bi-weekly.

19 My current overall judgment regarding our
20 schedules is that it's the same as what I've said
21 previously. In other words, I continue to expect that we
22 will have one ready to restart in the third quarter, one
23 unit ready to restart in the fourth quarter, and one unit
24 ready to restart in the first quarter. I need to emphasize
25 that ready to restart means that the -- that we, the

1 licensee, have physically completed the important activities
2 in support of a restart decision.

3 It does not mean that I think the NRC will have
4 completed all that it needs to do in evaluating what we have
5 done. So this is more a definition relevant to our
6 activities.

7 Thus I continue to believe that we can restart one
8 unit near the end of this year, and that's consistent with
9 the schedule that the staff laid out.

10 Now, there are schedule issues which are a matter
11 of ongoing evaluation, and I want to just indicate to you
12 what some of these are.

13 We are in the process of developing a site
14 schedule which will integrate unit site and major regulatory
15 activities. We need this. We have unit activities that are
16 very close together and perhaps too close together. This
17 will become the official schedule, and thus what we have
18 referred to as unit schedules will continue, but they will
19 be internal schedules trying to meet or beat the site
20 schedule.

21 Work -- so that's one issue.

22 CHAIRMAN JACKSON: When do you expect to have that
23 done?

24 MR. KENYON: Middle of May.

25 The second issue is that work accomplishment

1 rates, although improved, are not yet at levels which will
2 sustain the current internal schedules. The productivity is
3 coming up but it's not yet at a level that will support the
4 scheduling assumptions that we've got, so we clearly have to
5 improve productivity in order to hold the schedule that we
6 have.

7 CHAIRMAN JACKSON: So isn't it somewhat of an
8 oxymoron then if you say that the work accomplishment rate
9 won't sustain the schedule on the one hand but the units
10 will be ready for restart by a certain quarter of the year?
11 That's somewhat of an oxymoron?

12 MR. KENYON: No, because there's some contingency
13 between the internal schedules and the quarter, quarter,
14 quarter, but because productivity has been lower, coming up,
15 but lower, the contingency -- the difference between what
16 the internal schedule will produce and what I've said is a
17 high-level quarter, quarter, quarter, that difference has
18 decreased.

19 CHAIRMAN JACKSON: Have you been meeting your
20 schedule?

21 MR. KENYON: Some but not all. The other point
22 I'd make, and we talked about backlog, and the backlog is
23 starting to move in the right direction, but it is -- I
24 think it's also very true that the net backlog of work items
25 for startup is continuing at levels higher than what had

1 been assumed in the schedule, and this is in part a
2 productivity matter, but it's also in part that we're
3 continuing to discover a lot of stuff. So as we work off
4 stuff, we're adding to what needs to be done at the same
5 time.

6 I think my overall point is that we are working to
7 an aggressive game plan. That's what I think we need to do.
8 We are constantly pushing to improve our performance, but
9 fundamentally the most important to us is that we meet our
10 standards first and schedule second.

11 CHAIRMAN JACKSON: Well, the things I see in the
12 press seem to suggest that you're really focused on the
13 schedule and the need to -- in your mind, to have one of the
14 units started by the end of the year.

15 MR. KENYON: Well, I'm pleased that you're making
16 that comment, because it gives me an opportunity to address
17 it.

18 We have -- there is a tendency on the part of the
19 media to focus on schedule, and I am not saying that
20 schedule isn't important to us. It is. But we have
21 repeatedly in employee meetings, you know, told -- I mean,
22 the last thing I want is for employees to feel that the
23 right thing to do is not raise a concern, the right thing to
24 do is to take a shortcut. I mean, that is the last thing we
25 want, because (a) it's wrong, and (b) it will just cause us

1 problems down the road.

2 So we have repeatedly internally in our meetings
3 with employees emphasized high standards, doing what's
4 right, but work hard on the schedule, and I can tie this in
5 with my next point, which is on the financial situation of
6 the company.

7 What I want to emphasize to you, to the public,
8 and I've already emphasized this to employees in a series of
9 meetings, and this follows the company's decision to suspend
10 its dividend, that within a reasonable range of assumptions
11 -- and this is based on the actions that the company has
12 taken and is taking -- we have the financial support to
13 bring those units back without compromising our standards,
14 without taking shortcuts, without ignoring problems, none of
15 which we would do.

16 So however the media characterize it, I'm here to
17 assure you we're going to do what's right.

18 CHAIRMAN JACKSON: Have you had to supplement your
19 teams in place to try to adhere to the schedule?

20 MR. KENYON: Ask that again, Chairman Jackson.

21 CHAIRMAN JACKSON: Have you found that you've had
22 to supplement the teams that you have in place?

23 MR. KENYON: We have done -- any of the -- we
24 bring in people as needed, and frankly as we continue to
25 assess our situation, we may make adjustments between the

1 units in order to make sure that the lead unit gets to its
2 startup point. So we're continuing to assess it is what I'm
3 saying.

4 CHAIRMAN JACKSON: Let me ask you one last
5 question which actually goes back around to the operator
6 issue. You know, a region 3 plant uncovered some problems
7 with let's call it operator competency, and you have these
8 units shut down. So how are you keeping your operators
9 trained for operational conditions and problems?

10 MR. KENYON: I'm going to give a high-level
11 answer, and then I'm going to ask the unit to talk. We have
12 simulators. They are going through the requalification
13 program. We need to do some intensive things prior to
14 startup because they will have not actually been at the
15 controls of an operating plant for a considerable period of
16 time, but a lot of that we deal with through the simulator.

17 Jack?

18 MR. McELWAIN: Yes, we're putting together an
19 operator refresher course outside the normal requal program
20 to address not just the modifications that are happening
21 now, because it is going to change the plant significantly,
22 but to make sure they're up to speed on the skills that they
23 need to run a plant on a daily basis, and we're developing
24 that now, and it will be implemented prior to restart.

25 MR. BOWLING: I consider this a most significant

1 issue in that we are going to have to put together and we're
2 in the process, as Jack indicated, of working on such a plan
3 to insure that the qualifications are where we need to be
4 when we do restart.

5 MR. BROTHERS: Millstone 3 is consistent with
6 units 1 and 2.

7 CHAIRMAN JACKSON: Is there fidelity of the
8 simulator? I mean, you're making some major changes in the
9 plant. How are you -- since you have tied a lot of this to
10 simulator training -- how are you addressing the issue of
11 the fidelity of the simulator?

12 MR. BROTHERS: The design control process is very
13 strong in terms of the link to simulator fidelity. There
14 was, however, a recent audit that perhaps Dave wants to talk
15 about concerning simulator facility. It did uncover some
16 programmatic issues with simulator fidelity.

17 MR. GOEBEL: The recent audit that was done
18 possibly a month and a half or so ago uncovered the fact
19 that although the fidelity of the simulator was being
20 generally maintained very good, there was no programmatic
21 system in place to insure this would be maintained good. It
22 was maintained well by people who knew what had to be done
23 and the engineers would get hold of the simulator people and
24 tell them they needed to make changes, and do this, that,
25 and the next thing. As a result the simulator was kept

1 fairly well up to snuff, but had you taken an individual out
2 of the system someplace who played a key role in it, that
3 back-door process would fall on its face.

4 CHAIRMAN JACKSON: So what are you doing about it?

5 MR. GOEBEL: The folks that own the simulator and
6 the engineering folks are in the process of formalizing that
7 arrangement because it also has to include training. So as
8 the mods are adjusted into the simulator it cycles through
9 training so the courses in training can be changed so that
10 not only does the simulator behave like the plant behaves,
11 but the instructors instruct to the right quality of
12 operation of the plant.

13 MR. KENYON: Quickly on public confidence, we also
14 realize that part of our challenge is to rebuild the
15 confidence of the public. The best way I know to do that is
16 to be totally open and candid regarding our activities, what
17 goes well and what doesn't. Part of rebuilding public
18 confidence is rebuilding employee confidence, and thus we're
19 committed to being very honest and forthcoming with our
20 employees as well.

21 In the interest of improving public
22 communications, and I just want to indicate some activities,
23 we've begun a series of NU-hosted community discussions.
24 We've conducted two thus far. The topics were employee
25 concerns and leadership development. The next meeting will

1 be held in May. They have been well received. The last one
2 even ended with applause. We've preceded each of these with
3 an employee meeting so that we are keeping our employees
4 well informed. Shortly we'll be announcing the membership
5 of a Millstone advisory committee. This will be a
6 cross-section of individuals from the public with varying
7 backgrounds and expertise, volunteers. It will include some
8 of our sharp critics, and the intent is that we will
9 interact with this group and engage in extensive dialogue on
10 matters of mutual interest.

11 I've invited Members of the public to witness my
12 weekly staff meetings. I don't expect everyone to
13 understand everything that is said but I do expect there to
14 be a recognition of the sincerity, the candidness and the
15 commitment to high standards. We're obviously regularly
16 involved in media activities to discuss the status of our
17 recovery efforts, and we have greatly increased the number
18 and quality of management-employee meetings in the units and
19 across the site. You know, face-to-face communication is
20 just very important.

21 Results. We have been taking professionally
22 conducted surveys for quite a number of months, long before
23 I got here. The recent survey shows a marked improvement in
24 the believability and credibility of NU Nuclear. That is
25 good. We all recognize that opinion polls are just that,

1 they're opinions, and what really counts is our performance.

2 Let me just make some closing comments.

3 In summary, we have a new and experienced
4 leadership team in place. They are aggressively addressing
5 the issues. We are acknowledging the problems as we find
6 them. We're applying high standards and a commitment to do
7 what's right. We have promulgated new safety standards, and
8 education regarding these standards is in progress. The
9 effectiveness of our oversight has improved, but we have
10 more to go. I think we have made clear progress in the area
11 of employee concerns, but we have a lot more to do in terms
12 of fully implementing the new program. We have put in place
13 what I think is a good corrective-action program. The issue
14 now is to execute it, make it work well. We are
15 aggressively preparing for the start of the first ICAVP on
16 May 27. We recognize that's a key step toward a restart
17 decision.

18 We have the financial resources to do what is
19 right within I think a reasonable range of scheduling
20 assumptions, and our belief is that public confidence in
21 Millstone is improving. So we would be pleased to address
22 any additional questions.

23 CHAIRMAN JACKSON: Commissioner Rogers.

24 COMMISSIONER ROGERS: I have nothing.

25 CHAIRMAN JACKSON: Commissioner Dicus.

1 COMMISSIONER DICUS: I have one question, please.

2 In the previous briefing I think, Mr. Kenyon, you
3 indicated making great progress with leadership and upper
4 management and so forth, but I think that you indicated that
5 you thought you had problems in leadership in middle
6 management, and I notice -- I don't think today that you
7 addressed that particularly. If you did, perhaps I missed
8 it, or maybe I need a clarification. But do you still
9 perceive you have problems in middle management -- I think
10 that's a critical area -- and if so, what is the status of
11 addressing?

12 MR. KENYON: Thank you for the question. I did
13 mention that we had problems in middle management. I think
14 we have made progress on that. I indicated in my -- early
15 on in this presentation that the next level down from
16 officers, only about 25 percent are in their original
17 positions based on when I came.

18 But beyond that, we did a leadership assessment,
19 and I think I mentioned that last time around, but the
20 purpose of that was for employees -- I mean, it is fine for
21 us as senior officers to look down and reach some judgment
22 as to whether an individual is or is not doing a good job
23 from a leadership perspective, but I think an excellent
24 measure of whether or not an individual is a leader is what
25 the employees being led think, and thus we implemented a

1 survey technique. We call it a leadership assessment.
2 There are 26, 28 questions, leadership attributes where the
3 employee can rate their supervisor on these attributes
4 ranging from strongly agree to strongly disagree.

5 Out of that, we got leadership assessment scores.
6 From those scores, we looked really hard at the bottom 10
7 percent, and quite a number of the bottom 10 percent are
8 either no longer at NU or not in a leadership position.

9 We will be doing another leadership assessment in
10 the June-July time frame. My expectation is that we ought
11 to see a very measurable improvement in leadership scores.
12 We will look at those who scored low and then scored low
13 again and, you know, was the rate of progress adequate or
14 not, and thus we'll continue to make changes.

15 So that's our -- that's a key aspect of what we're
16 doing on an ongoing basis, have not only our assessment of
17 how the individual performs, but have the employees'
18 assessment of how the individual is performing.

19 COMMISSIONER DICUS: Thank you.

20 CHAIRMAN JACKSON: Commissioner Diaz.

21 COMMISSIONER DIAZ: Yes, I'd like to go back to
22 the beginning, and I think I want to express my strong
23 support for the initial comments of the Chairman regarding
24 the specificity and quality of your presentation.

25 I definitely am not pleased with the amount of

1 specific information that was provided. I don't see myself
2 having been better informed now than I was when you began,
3 and I think there is a serious issue in here, and that is
4 that the Commission needs to know specifically where you
5 stand from your viewpoint.

6 I think the philosophy is fine. I think you have
7 stated that clearly, but I think we're beyond that
8 philosophy at this point, and I really believe that we need
9 to see from you some specifics. Some of them have been
10 coming in the discussions, but I like to see charts, I like
11 to see tables, I like to see bar graphs, I like to see a
12 real engineering in-progress assessment of where you are.
13 And we don't have that.

14 The staff has done a much better job than you have
15 as far as I know in addressing where you are, and I am
16 disappointed. I thought that the Chairman of the Commission
17 was very clear to you in our last meeting that we want
18 specific details. We want how -- the number the issues has
19 been characterized. Where have they gone? How many belong
20 in the good management rules? How many are issues that
21 implies equipment? I need to see where they belong in a
22 progress path, and I haven't.

23 You know, we're going to wait now three more
24 months to see something. Madam Chairman, I don't know
25 whether there is a possibility to request in writing a

1 specific response from the licensee that addresses these
2 issues.

3 CHAIRMAN JACKSON: Well, I think that's a fair
4 comment. In fact, what I was going to say in my closing
5 remarks, but I'll say it to you now, and that is that I
6 would have expected at least a presentation that -- with
7 respect to each of those objectives that I went through and
8 asked you questions very specifically, that you would have
9 told us that without my having to draw it out. That's why
10 in fact we've used up actually the allotted time for the
11 meeting and we haven't heard from the staff yet.

12 But it would have been the kind of information
13 that would have allowed us to get into the degree of
14 specificity that Commissioner Diaz is talking about, because
15 this is very similar to what we heard the last time.

16 You're talking about having a unit in your minds
17 ready, quote unquote, for restart, unit 3, and as
18 Commissioner Diaz says, we're not scheduled to have another
19 meeting until July, and you said after July 5 or whatever,
20 and that would be when the meeting would be scheduled.
21 Three months after that is October, and yet the Commission
22 is supposed to be in a position to make a decision.

23 You had also indicated to me at the last meeting
24 that you didn't want to be judged on what any of your
25 predecessors had done, but on what you had done. But we

1 have to see what that is, and we haven't seen what that is.
2 So there is a problem there, and so unless we can see, for
3 whatever it is, positive or negative, in terms of the real
4 degree of progress, it's very difficult to see ourselves
5 coming to a decision point, and then to say that you're
6 tracking to having a unit ready by the third quarter but yet
7 you yourself say, and this is a quote, "That the work
8 accomplishment rate won't sustain the schedule," then I
9 don't know what that means. You tell me it's not an
10 oxymoron, but I don't know what that means when I don't see
11 specific things.

12 I'm not trying to, you know, drag you over the
13 coals. I'm trying to talk about our responsibly being able
14 to carry out our role in this, and high-order kind of
15 statements about goals are not what we're going to need in
16 the end to reach a decision point, and so you're going to
17 have to come back with something that has a much, much
18 greater degree of specificity if there's going to be any
19 movement at all, and the kinds of categorizations in terms
20 of the significance of the issues and really how they are
21 being worked and whether they are real fixes, et cetera, et
22 cetera, and what are the restart issues that both you and
23 the staff have agreed on versus a larger universe of restart
24 issues that you have for yourselves, what kind of scheduling
25 there is for those that are left over, et cetera, et cetera,

1 et cetera.

2 I mean, we haven't seen anything like that, and
3 that's why a member of my staff had called to Northeast
4 Utilities, because when we saw the viewgraphs, then we knew
5 it was not going to give the Commission that kind of
6 information that it really needed, but no further viewgraphs
7 were forthcoming.

8 But before you speak, let me make sure that
9 Commissioner McGaffigan -- do you have any --

10 COMMISSIONER MCGAFFIGAN: I have questions, but
11 why don't you let him --

12 COMMISSIONER DIAZ: I was just going to say that
13 we need a coherent, comprehensive, well-identified series of
14 issues, one by one, their correlation to a startup schedule,
15 or restart schedule, you know, that we can actually see, not
16 that you've completed, but where were you, where are you,
17 and where are you going in a time scale. This will allow us
18 to do our job, and then we can consult with the staff and
19 say where are we, where do we need to go? Because this is
20 an important issue, and we want to give it the proper
21 attention. I personally don't have the information to
22 proceed with it, and I would like to see it in black and
23 white.

24 CHAIRMAN JACKSON: And there's an issue for me of
25 allocation of staff resources. We have this special project

1 office, but, you know, we have many things to do. Having
2 this process and have us discharge our responsibilities
3 relative to it properly requires our having the kinds of
4 information that Commissioner Diaz is talking about and I've
5 been talking about.

6 MR. KENYON: If I might respond, first of all,
7 I'll accept responsibility for that. Earlier drafts of our
8 presentation had quite a number of charts in them and we
9 concluded that -- and again, I'll take responsibility for
10 it -- but we concluded that given all the issues that we
11 thought were relevant and the fact that any particular chart
12 can and typically does require a fair amount of explanation,
13 that we could not adequately cover the spectrum of issues
14 that we thought needed to be covered in the kind of detail
15 that gets down to a lot of charts.

16 Now, we have the charts, and I want us to be
17 supportive of what you need, so --

18 CHAIRMAN JACKSON: Well, you can't get a decision
19 out of us if you're not.

20 MR. KENYON: I don't debate that. The question
21 that I have is, would the appropriate -- and I'm just --
22 this is off the top of my head -- but would the appropriate
23 response be that we have one meeting that narrows down to
24 just one of the Millstone units and that we talk about in
25 detail to satisfy --

1 CHAIRMAN JACKSON: We may need to discuss that
2 relative to the next meeting we have.

3 MR. KENYON: My only concern is that -- we made
4 the judgment, right or wrong, that in 45 minutes, employee
5 concerns, oversight, you know, all the things --

6 CHAIRMAN JACKSON: No, that's true. But the point
7 is, you could have shown us a ratio of self-identified
8 issues to externally identified issues, how the trending was
9 going. You could have identified to us for us out the 6,000
10 issues how have they been parsed down in terms of the number
11 that have resulted in condition reports and where do they
12 stand in terms of LER's, how does it affect each unit, and
13 where are they in working on those units.

14 MR. KENYON: And those are isolated --

15 CHAIRMAN JACKSON: You could have had the
16 information relative to the maintenance rule classification
17 of systems and how that tracks into the issues and the work
18 that has to be done on the systems, and how much of them
19 require physical work or not.

20 I mean, those kinds of things with some judgment
21 applied, without inundating us with sheets of paper, are
22 helpful.

23 I mean, the Commission -- yes, the staff is going
24 to work these things in great detail, but the Commission's
25 going to have to reach a decision that's predicated on what

1 you present to us and how the staff says it sees what you're
2 doing, and for that, it needs more robustness, and if that
3 requires your working with our SECY or with my office
4 directly the next time so that we can get the degree of
5 specificity that each of the Commissioners feel they need to
6 have, then we'll do that, and whether we'll do it on a
7 per-unit basis or on an overarching basis, we'll decide, but
8 clearly, you know, going forward, we have to do it a little
9 bit different.

10 COMMISSIONER DIAZ: Could we just get a written
11 report prior to a meeting, like in the next 30 days? Could
12 we have a report sent up to us that then we can have time to
13 look through it and maybe provide some questions that will
14 be channeled through the Chairman's office to you that would
15 allow us to get into this issue in depth? Is that possible?

16 CHAIRMAN JACKSON: Yes, that's possible.

17 We may submit you some questions that we want you
18 to address for us.

19 MR. KENYON: Well, clearly we want to be
20 responsive to what you need, and our challenge is to present
21 you the information in a format that allows you to look at
22 it to the degree that you want, covering a fairly wide range
23 of issues. I'm happy to do that. We just -- again, I'm
24 repeating myself.

25 CHAIRMAN JACKSON: Okay. That's fine.

1 MR. KENYON: We made the judgment that for a
2 45-minute meeting, we backed away from the degree of detail
3 that we started with.

4 CHAIRMAN JACKSON: Right. But we don't want to
5 end up with bones and no meat in the interest of
6 streamlining, because we've actually already spent an hour
7 and a half because we didn't have any meat, and we had to
8 kind of dig through it and pull it out.

9 Commissioner McGaffigan.

10 COMMISSIONER MCGAFFIGAN: I'd like to associate
11 myself with both the Chairman and Commissioner Diaz, and one
12 thought I have from the Congressional process, we will have
13 hearings on the Hill that are an hour and a half long and
14 vast amounts of information are provided to us through our
15 staff -- you know, through the staff, which I once was, a
16 week or so ahead. We get more and more information, and
17 then that allows the individual Members of Congress to focus
18 on issues with well-informed questions, rather than trying
19 to draw the information out.

20 So I think there has to be some mechanism --

21 CHAIRMAN JACKSON: I think that what we need is
22 more than just the slides. We need some backup
23 documentation that needs to come to us in an earlier time
24 frame, and err on the side of more rather than less.

25 COMMISSIONER MCGAFFIGAN: If I could also ask a

1 question.

2 You went through the schedule impacters, as you
3 saw them. You didn't mention the ICAVP itself. I mean,
4 once it gets started on May 27, the unit 3, and I guess it's
5 June 23 you said for unit 2, there's another element of
6 uncertainty that gets added at that point, namely what are
7 they going to find and how many issues are you going to --
8 does your schedule presume that they'll find little, find a
9 lot, find somewhere in between? How do their findings
10 affect your post-ICAVP schedule?

11 MR. KENYON: Our assumption is not that the ICAVP
12 contractor won't find anything, but our assumption is that
13 the ICAVP contractor will not find major significant generic
14 issues. Otherwise we haven't done our job.

15 COMMISSIONER McGAFFIGAN: And that's at the heart
16 of predicting what you did with regard to when units will be
17 ready?

18 MR. KENYON: Yes.

19 COMMISSIONER McGAFFIGAN: Is the overlap between
20 the four-week delay -- the last time we talked, I think you
21 were still in a horse race between the units and -- its
22 turned into a little bit of a procession, but with one, you
23 know, still -- the Kentucky Derby coming up -- one's still
24 got a shot at coming out ahead of the other. Is that
25 overlap with only a four-week delay workable? You implied

1 that that was an issue. Or how do you -- or is it possible
2 that unit 2 will end up ahead of unit 3, and that's why
3 you're keeping them that close? What is in your mind?

4 MR. KENYON: What's in my mind is that it is
5 important that we get one unit running as expeditiously as
6 we can. There's only a modest difference in schedules
7 between unit 3 and unit 2. We are assessing the
8 manageability of that. Our understanding from the staff is
9 that they can, in fact, support two ICAVPs in parallel and
10 consequently our desire is, since we don't know what --
11 totally what's going to be found or whether we're going to
12 find a show stopper, our desire is to keep this unit 2 as
13 close to unit 3 as we can such that if there is any
14 stumbling, unit 2 can be moved forward. So that is the
15 thinking.

16 COMMISSIONER McGAFFIGAN: So that's the heart of
17 the philosophy?

18 MR. KENYON: Yes.

19 COMMISSIONER McGAFFIGAN: Thank you.

20 CHAIRMAN JACKSON: Thank you.

21 I think we'll go on and hear from the NRC staff.
22 Thank you. Because we do have another Commission meeting.

23 Mr. Callan.

24 MR. CALLAN: Good morning chairman, commissioners.
25 With me at the table are Sam Collins, the director of the

1 Office of Nuclear Reactor Regulation, Bill Travers, the
2 director of Special Projects Office, Wayne Lanning, the
3 deputy director for inspections for the Special Projects
4 Office, and Gene Imbro, the deputy director of Independent
5 Corrective Action Verification Program.

6 This is the second of our planned quarterly update
7 briefings. As you recall, the Special Projects Office was
8 established -- established within NRR in November 1996 to
9 focus on the inspection and licensing activities required to
10 support an NRC decision on the readiness for restart on each
11 of the three Millstone units. Dr. Travers will lead us
12 through the staff's briefing.

13 MR. TRAVERS: Good morning. Our principal focus
14 today to is to provide the Commission with an update
15 principally focused on our activities and planning for
16 assessing improvements which the licensee will need to
17 accomplish before there's any consideration of a restart
18 authorization.

19 In particular, and in this overview slide, I point
20 out that I'd like to touch on our restart assessment plan,
21 the independent corrective action verification program, a
22 status report on employee safety concerns program issues,
23 licensing issues which have been identified as requiring or
24 needing to be addressed prior to restart, and also a sense
25 of the staff's own project planning and the steps that we

1 see as fundamental and the kinds of NRC activities that need
2 to be scheduled before we can get to the point where we can
3 come to the Commission with a recommendation.

4 Before proceeding to go discuss the topics listed
5 here, however, I would like to make a brief comment on our
6 current view of the status of licensee activities at
7 Millstone. I think you have heard quite a lot from them in
8 this morning's session, and most of indicates that it's
9 quite early yet in the process. But since the NU management
10 restructuring that took place in October, we have seen
11 positive action in a number of areas.

12 The licensee, for example, has initiated program
13 improvements in the area of quality assurance -- and I
14 emphasize initiated -- program improvements in the area of
15 quality assurance, procedure upgrades, self assessments and
16 prioritization, scheduling and completion of work
17 activities.

18 At unit 3, they have provided us with schedules
19 for resolving restart issues which are identified in our
20 restart assessment plan. These schedules thus far are
21 generally being met and the licensee submittals have been
22 determined to be acceptable.

23 If I can give you a specific in that regard, I
24 would point out that we have about 87 line items, restart
25 assessment plan on our significant items list. They have

1 completed -- actually, they have submitted and we have
2 completed a close out on 12 to 14 of those, and they have
3 generally done it on the schedule that they told us they
4 would do it.

5 CHAIRMAN JACKSON: When you say close out, you
6 mean that if there were any significant physical work to be
7 done, it's been done and all the documentation is done?
8 What do you mean when you say close out?

9 MR. TRAVERS: Close out can range from it actually
10 being completed to our having addressed the engineering
11 package that goes along with it. And I'm not sure, I'd have
12 to look at each individual item.

13 CHAIRMAN JACKSON: I mean, you have a specific
14 definition for what close out means?

15 MR. LANNING: Let me try. The completed packages
16 must have completed the identified corrective actions for
17 that issue before we start to inspect it.

18 CHAIRMAN JACKSON: And when you say that you've
19 closed out twelve items, that means you've finished your
20 inspection?

21 MR. LANNING: We have completed our inspection of
22 those items.

23 CHAIRMAN JACKSON: And you have reached a
24 documented conclusion with respect to it?

25 MR. LANNING: Those are documented in our

1 inspection reports.

2 CHAIRMAN JACKSON: Okay.

3 MR. TRAVERS: NU, as you heard this morning, is
4 also in the process of establishing their employee safety
5 concerns program and in carrying out their review of the
6 design licensing basis of safety related or risk significant
7 systems at all three units. Additionally, they have been
8 implementing the initial requirements of the NRC orders for
9 establishing an independent corrective action verification
10 program and a third-party organization to oversee their
11 employee concerns program.

12 As I indicated at the start, though, it's quite
13 early in the process. In fact, the most significant volume
14 of the information that we will need to review before coming
15 to the Commission has yet to be reviewed because principally
16 their program is not far enough along to allow us to begin
17 to initiate many of the very significant inspection
18 activities that we have planned.

19 CHAIRMAN JACKSON: Now, I note that there are 22
20 licensing issues required for restart; is that right?

21 MR. TRAVERS: There are varying numbers of
22 licensing -- and I was going to cover that in --

23 CHAIRMAN JACKSON: Okay. Fine.

24 MR. TRAVERS: Okay. If I can turn now to touching
25 on the status of the staff activities and give you some

1 specifics as to where we think we are relative to our
2 activities and planning. At the last Commission meeting, we
3 described our use of manual chapter 0350, and I don't plan
4 to go through that again, but suffice it to say it's really
5 a tool that we're using to put ourselves in a position of
6 having compiled, identified and ultimately document the
7 issues that we think have a nexus to the restart decision.

8 The key issues we have identified have been
9 published in our restart assessment plans for all three
10 units. In fact, since our last meeting, we revised the
11 restart assessment plan for unit 3 and have published the
12 first restart assessment plans for both units 1 and 2.

13 The reason we had one for unit 3 last time and not
14 one for unit 1 or 2 is previously, they were in the mode of
15 identifying a lead unit; that was 3. At the last time you
16 met with NU and us, they had identified a more or less
17 parallel track. So we began efforts to expedite our
18 compilation on these issues.

19 The restart assessment issues are generally
20 covered within the topical areas that I've listed on the
21 slide. Today, I plan to focus updates for the first 3
22 indicated areas, but I don't mean to underemphasize the
23 extent of the number of issues that are contained in the
24 other areas, for example, corrective action programming. We
25 heard some from them today on that. Our significant items

1 list, I may touch on some numerics associated with how many
2 we have and so forth. But I --

3 CHAIRMAN JACKSON: I'd also like you to talk about
4 personnel training and performance.

5 MR. TRAVERS: We can certainly talk about the
6 issue. In fact, maybe we should just do that now. You had
7 a discussion earlier this morning about a number of issues
8 that were identified by the licensee and reported to us
9 regarding their operator training and licensing program,
10 their qualification program.

11 In the short term, the staff has issued a
12 confirmatory action letter which really documents the
13 commitments they've made to reassess root cause and assess
14 the status of the individuals who are currently licensed at
15 Millstone, and they've also committed to develop a
16 corrective action plan as well.

17 We have been getting some information from them
18 periodically in conformance with their obligation stated in
19 the commitments they've sent to us.

20 In the longer term, though, and I think it's
21 important to state, we have a specific element of our
22 restart assessment plan that envisions the use of a special
23 inspection to assess the status of the operator, In fact,
24 non-licensed training program at Millstone as well. So we
25 have a number of issues that speak to that.

1 I think another aspect of our program that really
2 addresses these issues as well, and I'll talk about it a
3 little more later, is the fact that we expect to carry out
4 an operational safety team inspection, which is designed to
5 assess the readiness for NU to operate the plant towards the
6 end of the process. It's something that we -- typically
7 uses six to eight inspectors for a couple of weeks on site
8 to, further along in the process, closer to restart, give
9 ourselves an assessment of where they stand.

10 CHAIRMAN JACKSON: Let me ask you one other
11 question about work planning and control.

12 MR. TRAVERS: Yes.

13 CHAIRMAN JACKSON: Is that going to also look at
14 issues of radiological controls? I mean, there was this
15 recent confirmatory action letter to Haddam Neck. Are we
16 going to be taking a look to see that there aren't any
17 similar issues at any of the Millstone units?

18 MR. TRAVERS: We are aware of the problems at
19 Haddam Neck and they are significant ones that are being
20 addressed outside my organization.

21 CHAIRMAN JACKSON: No, I'm saying they're being
22 addressed for Haddam Neck. I'm asking you will you be
23 making an assessment in the same area for Millstone as part
24 of your restart?

25 MR. TRAVERS: The answer is yes, and it's

1 currently part of our core program to look at radiological
2 programs. But I will tell you that we have not evidenced
3 the kinds of problems that you've seen at Haddam Neck.
4 There have been a number of incidents, failure to wear
5 monitoring equipment and small items that keep that issue in
6 the forefront of our thinking. So it's an item that will
7 continually be addressed as we go along.

8 CHAIRMAN JACKSON: Okay.

9 MR. TRAVERS: Before going forward to talk about
10 the first three items that I've indicated, I thought I'd
11 make mention of the fact that we are continuing to meet our
12 commitment to make our process a very public and open one,
13 and in that realm, we have been conducting every four to six
14 weeks a meeting specifically with the public in addition to
15 the meetings we've been carrying out that are open to
16 observation between us and the licensee. Typically when we
17 do those, we go in the evening so that people from attend,
18 and we present a status report from our perspective to
19 members of the public. We haven't gotten any applause at
20 those meetings, but I think it's worked rather well to
21 continue to give people a sense of the issues as we see them
22 and some of the success as well, as we see it.

23 Ultimately, of course, the whole process is
24 designed to put us in a position to have documented a basis
25 for coming to the Commission with potentially restart

1 authorization.

2 A significant element in our restart assessment
3 plan is the conduct of an ICAVP or an independent corrective
4 action verification program. The ICAVP is required by NRC
5 order and it's intended to help verify the licensee's
6 efforts as a starting point to confirm its design licensing
7 basis. It's really a verification step; it's not viewed as
8 part of the regulation process.

9 The principal elements of the NRC activities
10 related to the conduct of the ICAVP are listed on this
11 slide. By order, for example, the NRC must approve the
12 organization proposed by the licensee to carry out the
13 ICAVP. By NRC order --

14 CHAIRMAN JACKSON: You have done that.

15 MR. TRAVERS: And we have recently done that for
16 units 1 and 3, and the contractor proposed and improved is
17 Sargent & Lundy. We have under review a proposal to use
18 Parsons Power or Parsons Engineering at unit 2. The NRC, by
19 order, must also review the audit plans prepared by those
20 ICAVP contractor organizations, and we have under review
21 audit plans from both Sargent & Lundy and Parsons.

22 CHAIRMAN JACKSON: So audit plan review and
23 approval doesn't presuppose approval?

24 MR. TRAVERS: That's right. It does not. In
25 fact, we expect, based on what we've seen to date, that

1 there will be modifications prior to NRC approval of the
2 audit plan.

3 Additionally, in the context of our own
4 responsibilities related to ICAVP, we, the staff, will
5 select the tier 1 systems, and I can refresh you as to what
6 tier 1 and tier 2 and tier 3 mean, but let me just state
7 that staff will select the systems that will be encompassed
8 within the third party contractor review. It's a sample and
9 there has been some concern about keeping them close and
10 who's going to pick them and who makes the judgment, and
11 it's going to be us.

12 CHAIRMAN JACKSON: How many?

13 MR. TRAVERS: And how many, exactly right.

14 If it's helpful, I could briefly state that the
15 approach we're using for our expectation of the contractor
16 in carrying out the ICAVP is that it's going to be a three
17 tiered approach. The first tier, at least for unit 3, we've
18 identified that four systems would be evaluated in a deep
19 vertical slice review of the design, all of the design
20 aspects of those systems.

21 In tier 2, we focus on critical design aspects
22 needed to insure the functionality of systems relied upon to
23 mitigate the consequences of accidents. So it's less deep,
24 but it cuts across and captures critical design aspects of
25 many systems.

1 In tier 3, we expect the contractor will review
2 the implementation of various change processes that are used
3 at Millstone to modify the facility.

4 So you can think of it as layered. The licensee
5 is going to carry out its program; the party contractor
6 under the auspices of ICAVP order will carry out a
7 verification step; and our efforts listed further on this
8 slide, at least the most extensive piece of our efforts will
9 involve NRC conducted inspections.

10 CHAIRMAN JACKSON: Now, will we be doing that at
11 Sargent & Lundy or we're doing that at Millstone?

12 MR. TRAVERS: Both. And I can explain that. The
13 NRC-conducted inspections, and there are four of them at
14 each unit as currently plan, involve team inspections. The
15 first one involves a focus on the conduct of the ICAVP
16 contractor, Sargent & Lundy.

17 Since Sargent & Lundy expects to do much of its
18 work in Chicago, that's where we'll go. We may complete
19 some initial walkdowns on the site, but much of what we
20 expect is going to happen is going to be happening in
21 Chicago. And I've given you an indication of the
22 composition at least in terms of size and the duration
23 period for -- just to give you a sense of the extent of the
24 effort that we are planning for the ICAVP review.

25 CHAIRMAN JACKSON: Commissioner McGaffigan has a

1 question.

2 COMMISSIONER MCGAFFIGAN: The four weeks
3 implementation inspection, if the ICAVP for unit 3 starts on
4 time on May 27th, is that the clock starting for you, or
5 does it start with some delay? Or how --

6 MR. TRAVERS: There are linkages and I'll be glad
7 to explain them. The first linkage is, in the onset of
8 ICAVP, is that the third party contractor review won't start
9 until the licensee has completed at least 50 percent of the
10 group 1 systems as defined by the maintenance rule, and
11 those, of course, are safety related and risk significant.
12 So a flag has to go up in terms of what they've been able to
13 achieve in their readiness for beginning the ICAVP
14 inspection. So there is some overlap; it's not entirely a
15 series event.

16 Our effort is one that -- Gene, you might want to
17 explain the linkage there.

18 MR. IMBRO: Well, the implementation inspection as
19 planned will occur when the ICAVP contractor is about a
20 third or halfway through their reviews. And the idea of the
21 implementation inspection is to assess their implementation
22 of the audit plan that we approved, but I would also point
23 out that it's going to be not a programmatic look, but a
24 technical review where we will actually look at products,
25 design products, calculations that the ICAVP contractor has

1 reviewed and assess whether or not we find additional
2 problems that are there that perhaps they have missed. So
3 it's an over-check on the thoroughness of their review.

4 So, again, that's going to be about halfway
5 through, and we anticipate for unit 3, that would be
6 sometime in the July time frame.

7 COMMISSIONER McGAFFIGAN: So in July, this four-
8 week inspection would occur?

9 MR. IMBRO: That's right.

10 COMMISSIONER McGAFFIGAN: What are the dates for
11 the other three, if -- I know it's hard.

12 MR. IMBRO: They're all somewhat tentative at this
13 point, but the out-of-scope system review will be conducted
14 after the licensee completes their configuration management
15 plan for the particular unit. So for unit 3, to date,
16 that's been stated as July 14th. So sometime July 14th or
17 shortly thereafter, we would actually do an SSFI type
18 inspection on a system that's part of the -- one of the
19 systems that's either group 1 or group 2.

20 CHAIRMAN JACKSON: How are you going to make
21 decisions? I notice you don't put a S on that. You don't
22 put an S on out-of-scope systems.

23 MR. IMBRO: Well, it's really only one system.

24 CHAIRMAN JACKSON: I know. And I'm saying, so how
25 do you decide on expanding scope or potentially expanding

1 scope?

2 TRAVERS: We have established a success criteria
3 and termed it, quote, unquote, a defect for lack of a better
4 word. And fundamentally, it relates to an expectation that
5 the licensee's program will be or should be successful in
6 eliminating issues that might be uncovered in our subsequent
7 steps that put their unit outside of its licensing basis.

8 We intend, if we find items of that sort, to look
9 at the significance of those items. For example, we would
10 really not expect, and we might consider it a significant
11 finding if we found an issue that raises to the level of an
12 unreviewed safety question.

13 So the success criteria that we have in mind in
14 our verification phase is one that hopefully documents that
15 their effort, Northeast's effort, has been successful in
16 eliminating areas where their plant is outside of its
17 licensing design basis.

18 CHAIRMAN JACKSON: So let me understand. When you
19 say at both, you mean you will go to Sargent & Lundy along
20 about the period you say, assuming everything tracks
21 according to schedule, and you review what they've done?

22 MR. TRAVERS: Yes.

23 CHAIRMAN JACKSON: But you're going to do your own
24 SSFI at the station?

25 MR. TRAVERS: That's right.

1 CHAIRMAN JACKSON: And you're going to do it on
2 the same or different system, or that's to be decided?

3 MR. TRAVERS: And I can describe that on this
4 slide.

5 CHAIRMAN JACKSON: Okay.

6 MR. TRAVERS: The second inspection that I've
7 indicated lists an out-of-scope system inspection. That
8 would be a system review, a deep vertical slice, that would
9 be a system outside of the scope of what the ICAVP third
10 party contractor --

11 CHAIRMAN JACKSON: I understand.

12 MR. TRAVERS: But certainly within the scope of
13 what NU has had to do in assessing itself.

14 CHAIRMAN JACKSON: Okay.

15 MR. COLLINS: And that's the intent, Chairman, is
16 to have able to have that view, be able to get NU's work
17 without that additional --

18 CHAIRMAN JACKSON: Without that. And then what
19 the in-scope means, it's what the ICAVP has done, but you'll
20 do our own independent look at it.

21 Mr. COLLINS: Exactly.

22 CHAIRMAN JACKSON: And so there's a cross check.

23 MR. TRAVERS: On that line, I'll just point out,
24 because it is a bit hidden, there's a notation about tiers 2
25 and 3. We expect to do something similar in an evaluation

1 independent from what the ICAVP contractor has done in those
2 areas as well.

3 COMMISSIONER McGAFFIGAN: Could I get back to the
4 question about timing on the last --

5 MR. IMBRO: I offer that because I think for the
6 in-scope system, timing would be after the ICAVP contractor
7 has completed its work. So it's necessarily after they've
8 done their four systems.

9 COMMISSIONER McGAFFIGAN: I'm using arithmetic
10 here. Is that September? You said in July, you thought
11 they'd be a half to a third of the way through, and you go
12 in for the four weeks. Is the expectation that Sargent &
13 Lundy would be finished in --

14 CHAIRMAN JACKSON: See, it really is a linked
15 system. I think that's what you're trying to tell us.

16 MR. IMBRO: That's exactly right. As I recollect,
17 Sargent & Lundy had proposed initially about a 14-week
18 duration for their reviews, so that would put completion of
19 ICAVP something like the end of August or early September.

20 MR. TRAVERS: Perhaps it would be helpful to flip
21 to the schedule slide and give you evidence of --

22 MR. IMBRO: Slide 10.

23 MR. TRAVERS: Slide 10. And it's our project
24 planning schedule. And basically this slide, you know,
25 presents our current best effort to project a schedule based

1 largely on information that the licensee is projecting about
2 its ability to accomplish work.

3 If you look in the context of Commissioner
4 McGaffigan's question, the most relevant lines are the first
5 four, the first one being the dates or duration over which
6 the licensee's effort, termed CMP, will take place.

7 The next line is the current projected date for
8 initiation and completion of the ICAVP third-party
9 contractor effort, and you can see there's overlap based
10 again on this 50 percent group 1 system completion linkage.

11 The third line gives you an indication of the
12 duration and the initiation and expected completion of our
13 effort to carry out inspections.

14 The fourth line, just to finish, is a time frame
15 over which we expect be in a period of in-office review of
16 some findings and the final documentation.

17 CHAIRMAN JACKSON: But this is all predicated on
18 the schedule the licensee has laid out to you and they're
19 actually stepping their way through that schedule.

20 MR. TRAVERS: Yes. It's based on that and one
21 other significant assumption, and that is that what we find,
22 what the ICAVP contractor finds firstly and what we find in
23 our own verification effort is largely successful and the
24 success criteria generally met.

25 CHAIRMAN JACKSON: Does that answer your question?

1 COMMISSIONER MCGAFFIGAN: Yes.

2 MR. TRAVERS: Again, these are significant
3 activities. They're not 100 percent reviews of what the
4 licensee is having to go through at Millstone, but we think
5 the program will give us a high level of confidence that we
6 will --

7 CHAIRMAN JACKSON: That, coupled with the 0350.

8 MR. TRAVERS: Yes. This is just a piece of it.

9 Just to give you a little bit more detail on the
10 kinds of resources and sort of the make up of the kinds of
11 inspections that we expect to complete at Millstone, we have
12 been carefully planning our effort. There is a potential
13 for significant NRC resources to brought to bear and used in
14 connection with these projects.

15 Currently, our planning base is to field two 13-
16 person inspection teams essentially in parallel. This would
17 support ICAVPs at two units, as Mr. Kenyon indicated
18 earlier.

19 CHAIRMAN JACKSON: So it's one team per unit, and
20 so de facto focusing on two.

21 MR. TRAVERS: That's the current plan, yes.

22 CHAIRMAN JACKSON: And you would switch over.

23 MR. TRAVERS: We considered the need to plan for
24 three, but largely based on uncertainties in the licensee's
25 own schedule and admittedly impacts to our own program, our

1 planning base right now is to field two teams.

2 CHAIRMAN JACKSON: What regions are supporting
3 these two?

4 MR. TRAVERS: Region I is not looked at for
5 resources in connection with our ICAVP oversight.

6 CHAIRMAN JACKSON: So this is -- the Region I is
7 excluded --

8 MR. TRAVERS: Correct.

9 CHAIRMAN JACKSON: -- from either -- from any
10 team.

11 MR. TRAVERS: Except to the extent that they've
12 already given up people like Wayne Lanning and Jack Derr and
13 all of the residents to our temporary spent -- yes -- spent
14 fuel special projects office.

15 So Region 1 has already committed resources to our
16 efforts in that regard and, of course, many activities for
17 closing out issues will be supported by region-based
18 inspections. So there's quite a lot of activity that we're
19 looking to Region I to for continued support.

20 MR. CALLAN: Chairman, that's an important issue,
21 and we're keeping a close eye on the impact that this
22 resource expenditure is going to have on the other regions.
23 It will have an impact on Regions II, III, and IV.

24 COMMISSIONER DIAZ: Could I ask what is the
25 present impact? Right now, you have deployed people from

1 the regions to these efforts. Is that actually curtailing
2 our ability to perform core inspections? What is that issue
3 now even before going to this?

4 MR. CALLAN: Commissioner, as part of the
5 solicitation for resources from the regions, they were asked
6 to itemize expected impacts, and I'll have to defer to Bill
7 or Wayne to give you some examples of the types of impact
8 that they expect.

9 MR. TRAVERS: Well, we have gotten a -- in terms
10 of additional support, we're already utilizing some Region I
11 resources, but in terms of identifying additional support
12 for ICAVP in particular, we actually asked the regions,
13 given certain assumptions about the numbers of people who
14 would be utilized, what their assessment -- the impacts of
15 their program would be, and they largely fell in the realm
16 of discretionary inspections, maintenance team inspections,
17 deferrals, but not core. Not core.

18 COMMISSIONER DIAZ: Okay. I understood that --
19 and maybe I misunderstood -- that there was some impact
20 already going to be felt this quarter on core inspections
21 because of deployment from the regions.

22 MR. COLLINS: That has not been expressed to us,
23 Commissioner. The way the process was envisioned -- and I
24 also want to be responsive to a complete answer to the
25 Chairman's question about the other regions. As Bill Callan

1 indicated, we went out with a solicitation based on a worst
2 case man loading, which was three teams, knowing that some
3 of those resources would be coming from other offices
4 besides the regions, including NRR, AEOD and Research.

5 We have had to revise those numbers and we're
6 further revising those numbers based on the availability of
7 resources within NRR and AEOD without impacting the region.
8 Our ultimate goal is to minimize the impact on the regions.

9 The responses we have received have varied. We
10 made a decision up front that we would provide for a minimal
11 impact on Region I. We have since concluded, based on the
12 inputs from the regions, that we would also have a minimal
13 impact on Region III. That's because primarily of the plant
14 situation in Region III.

15 So the preponderance of resources are coming from
16 Region II and Region IV. We have about half the amount of
17 resources that we originally proposed coming from the
18 regions. We have made up that gap with resources from NRR.
19 At this time, we have no indication that we are reducing the
20 core inspections, the core themselves. They are at the
21 contributing regions.

22 Now, there was a view if we went with three
23 inspections at one time and we eliminated Region I and
24 Region III from consideration, that impacting the core was a
25 possibility; but at this time, based on the current schedule

1 and the loading from the regions, we do not envision that.

2 COMMISSIONER DIAZ: Well, I'm sure you're very
3 concerned about not decreasing operational safety
4 inspections in the other regions with this work. You know,
5 I think it's a very important issue, and there's a time
6 problem in here. You know, you can do these things for a
7 small period of time. If you do them for a large period of
8 time, you start covering holes and not doing it.

9 Thank you.

10 MR. CALLAN: I'd like to add one other perspective
11 to this issue. As you know, both Sam and I both managed
12 inspection resources in the region a few months ago, and we
13 contributed a fair number of inspectors to support several
14 large team inspections, Maine Yankee, Millstone team
15 inspections, and a large inspection at Dresden. And it's my
16 experience that the inspectors that come back from those
17 efforts are far, far more useful to the regions than before
18 they went.

19 Participation on a high level team inspection like
20 this, in my view, is more beneficial than just about any
21 kind of training course that we could come up with to
22 develop them as inspectors. Obviously, if you carry that
23 too far, it will have negative effects.

24 CHAIRMAN JACKSON: When you're talking about these
25 teams in terms -- and you note that -- and you don't have to

1 go into, unless someone wants to ask you, great detail about
2 the team position. But -- and you specify an amount for
3 contract support. In terms of the team composition, what's
4 the breakdown in terms of contract support versus NRC staff?

5 MR. TRAVERS: One other means we're using to
6 minimize NRC program impacts is to utilize contractors. If
7 I took a typical team composition -- in fact, I'll use the
8 first team, the one we're putting together for Unit 3 as an
9 example of that. Typically, the team leader and the system
10 leads would be NRC-led employees, and we have contractors
11 currently identified for team 1 for mechanical systems,
12 electric power, instrumentation control and piping and
13 support. Again, NRC staff would be used in the operations
14 assessment, those last two.

15 This is really viewed as a value added process.
16 We're utilizing contractors who have significant experience
17 in design, and so we're taking advantage of past experience
18 in identifying some of those people who have supported us in
19 the past.

20 CHAIRMAN JACKSON: And so then the 16 FTE staff
21 effort beyond that, that's for --

22 MR. TRAVERS: That's a total rack up, if you will,
23 of the NRC staff resources that would be called into play
24 sometimes for the --

25 CHAIRMAN JACKSON: Okay. To support all -- the

1 three units?

2 MR. TRAVERS: That's right.

3 CHAIRMAN JACKSON: Okay.

4 COMMISSIONER DIAZ: This is only for the ICAVP?

5 MR. TRAVERS: That's correct.

6 COMMISSIONER DIAZ: What is the total effort?

7 MR. TRAVERS: I don't have a projection.

8 COMMISSIONER DIAZ: It would be nice to have it
9 sometime.

10 MR. CALLAN: We don't count management resources.

11 COMMISSIONER DIAZ: Maybe you should.

12 MR. TRAVERS: Moving on, I thought I would give
13 you just a quick status of some of the things since we had a
14 list last time that indicated what we hoped or expected we
15 would achieve. We have been meeting with members of the
16 public to obtain input, as we said we would, on several
17 things, on the proposed ICAVP contractor that was submitted
18 by NU, and on the proposal to utilize Parsons Power at unit
19 2.

20 We've actually completed, as the Chairman
21 indicated earlier, an organizational approval for Sargent &
22 Lundy for units 1 and 3, and I think significantly I'd like
23 to point out that we got a number of comments from the
24 public and we, in our approval, took efforts to address
25 those in the actual approval.

1 Principally they related to questions about
2 independence, was the organization truly -- could it be
3 truly viewed as independent from Northeast as opposed to
4 technical qualifications and that sort of thing.

5 Lastly, at least on this slide, we carried out
6 subsequent to our organizational approval an interview of
7 the Sargent & Lundy team members to get a sense of their
8 technical confidence --

9 CHAIRMAN JACKSON: So that was actually part of
10 the approval process for the organization of their audit
11 plan?

12 MR. TRAVERS: It actually followed, but there was
13 certainly linkage. We looked at organizational approval in
14 our interviews as related but somewhat separable. So we
15 traveled to Chicago and met with the proposed team members
16 subsequent to the overall --

17 CHAIRMAN JACKSON: If you had found some egregious
18 problem, you would have --

19 MR. TRAVERS: I would point it out right now.

20 CHAIRMAN JACKSON: -- post facto somehow had them
21 removed?

22 MR. TRAVERS: Yes.

23 CHAIRMAN JACKSON: Tell me about the NEACC's
24 observation. What did they have to say about the
25 organizational approval process?

1 MR. TRAVERS: Again, that's the state's chartered
2 Nuclear Energy Advisory Council. And we have a memorandum
3 of understanding with that group to actually participate or
4 at least observe significant aspects of our process related
5 to ICAVP and other Millstone oversight.

6 The co-chair of that group, Terry Kincanen,
7 represented -- an elected official of the state, traveled
8 with our team to Chicago and sat in on the interviews and
9 some discussion of the audit plan and, in fact, we expect
10 some level of participation as we go forward, perhaps in
11 inspections and so forth, at the discretion of NEAC.

12 They have some people who are quite technically
13 competent, and they may decide that they would like to
14 observe some of the work we do in carrying out our
15 inspections.

16 CHAIRMAN JACKSON: Have they had any initial
17 observations or comments?

18 MR. TRAVERS: In fact, I believe I saw a draft
19 press release that was issued by -- so I hesitate to say. I
20 don't know if ever was finalized. Maybe Gene knows.

21 MR. IMBRO: Well, I've only seen the draft also.
22 I'm not sure if it was finalized. It was my understanding
23 that Ms. Kincanen was going to present that to a meeting of
24 the NEAC about a week or so ago. But I think it would be
25 fair to say, I think it wouldn't be out of line in

1 characterizing Ms. Kincanen's at least impression was that
2 the ICAVP, at least in her estimation, was very thorough and
3 far-reaching in scope.

4 CHAIRMAN JACKSON: Okay.

5 Dr. Travers.

6 MR. TRAVERS: Another important aspect of NEAC
7 that we mentioned last time but I'll briefly make note of is
8 that we have and are working with them to give them an
9 opportunity to perhaps pick as many as one or two systems.
10 We aren't just turning over that responsibility 100 percent
11 to them; we expect to provide them with a list of systems
12 that we think are appropriate and could be selected. And
13 this is largely to address a question and a concern that
14 we've had in some of our public meetings about the secrecy
15 or how well kept the actual systems will be since they're
16 only samples, a small number.

17 What do we expect to do in the next three months
18 relative to ICAVP? Well, we expect to complete our review
19 of the Sargent & Lundy audit plan for units 1 and 3. We
20 expect to complete the staff review of the Parsons
21 organizational proposal. We also expect to complete the
22 staff review of the Parsons audit plan for unit 2. We also
23 expect to carry out our interviews with the Parson team
24 members similar to what we did with Sargent & Lundy.
25 Lastly, if the schedule holds, we expect to begin our own

1 first inspection at unit 3 of the implementation. You know,
2 this is one where we would largely go to Chicago to effect a
3 review of what the contractor --

4 CHAIRMAN JACKSON: You expect that to be toward
5 the end of that period?

6 MR. TRAVERS: That's correct. It right now looks
7 to be the last week of June, first week of July, according
8 to the linkages in the current schedule.

9 CHAIRMAN JACKSON: Okay.

10 MR. TRAVERS: Next slide.

11 CHAIRMAN JACKSON: Yes, Commissioner?

12 COMMISSIONER McGAFFIGAN: Could I ask, on unit 2,
13 just outside -- if they stay on schedule, on June 23rd, just
14 outside that three-month window, we're talking July 23rd,
15 three months from today, would you be -- is the plan at the
16 moment to be able to give us, at the next meeting, a project
17 planning schedule for unit 2 as well and will you be ready
18 if they're ready to start at the start of August?

19 MR. TRAVERS: Yes. In fact, when we get to the
20 schedule, I can mention what the dates would be for unit 2.

21 COMMISSIONER McGAFFIGAN: Okay.

22 MR. TRAVERS: But that's the objective of our
23 planning now, is to be prepared to field two teams when they
24 -- Northeast -- say they'll be ready to begin those
25 inspections.

1 I'd like to turn now to a brief status report on
2 our activities related to employee safety concerns issues at
3 Millstone. Of course, as you recall, a separate NRC order
4 was issued relating to employee safety concerns, and a key
5 element of that order requires Northeast to hire a third
6 party organization to oversee Northeast's program to address
7 employee safety concerns.

8 Since our last meeting with the Commission, we
9 have met publicly with the public to obtain input on both
10 the proposed third party organization which has been
11 proposed and a submittal to NRC of the licensee's employee
12 safety concerns program plan. So we've met with the public
13 and had an opportunity to brief them on these proposals and
14 documents and soliciting comments.

15 We've carried out an interview of the third party
16 organization team members. I should point out that we
17 approved Little Harbor Consultants as the third party
18 oversight for employee safety concerns, and we've carried
19 out an NRC staff review of the Millstone employee safety
20 concern program plan and provided Northeast recently, just a
21 day or two ago, with our comments on that plan.

22 I should point out significantly that we've begun
23 our planning for a special inspection and our thinking on
24 what we really need to look at to make a judgment ultimately
25 prior to coming to the Commission with a recommendation on

1 employee safety concerns, and I actually have a backup
2 slide, if you're interested in seeing it, but if you're not,
3 I will take advantage of --

4 CHAIRMAN JACKSON: Sort of take advantage and keep
5 moving, right.

6 [Laughter.]

7 CHAIRMAN JACKSON: Let me just ask you this
8 question. In terms of your reviewing the Millstone employee
9 safety concerns program and providing comments, were there
10 any significant comments that you had to provide?

11 MR. TRAVERS: Well, I'll point out an important
12 aspect in sort of an administrative sense, the order
13 requires NRC review but not approval of that plan. But in
14 direct response to your question, we did point out a number
15 of issues that we felt needed to be better fleshed out in
16 their program plan for employee safety concerns.

17 Much of what we've received in their initial
18 submittal includes an outline of specific aspects of their
19 program that need further development. They have recognized
20 that they've -- they've included some key attributes that
21 would be necessarily incorporated into that plan, but we
22 haven't seen that plan yet. So it is, in some respects, and
23 I think Mr. Goebel pointed out, it's developing as we speak.
24 So we need to look further.

25 CHAIRMAN JACKSON: Can you give your own

1 assessment or do you feel comfortable, you know, summarizing
2 the number and significance of allegations, any trends that
3 you see to this point?

4 MR. TRAVERS: In terms of -- and I'll let Wayne
5 Lanning speak to this in more detail, but in terms of
6 overall rate of NRC receipt of allegations, it's been
7 tracking fairly steady, still on the order of four or so a
8 month.

9 Maybe, Wayne, you would like to add something to
10 that.

11 MR. LANNING: Well, you know, we've placed a great
12 emphasis on the receipt of technical issues through the
13 allegation process. We continue to receive allegations
14 pretty much at the same rate as Bill indicated, about four
15 per month.

16 In terms of significance, there have been
17 technical issues that have -- now appear on our restart
18 list. There also continues to be an important percentage
19 that deal with alleged harassment, intimidation. So from
20 that standpoint, it's pretty much what we've seen in the
21 past, and that's true for the last six months, also.

22 CHAIRMAN JACKSON: Okay.

23 Mr. Travers?

24 MR. TRAVERS: In terms of what we expect will be
25 accomplished before the next time we meet with the

1 Commission, or at least within the next three months, we
2 expect to complete our review and approval of the third
3 party oversight plan -- I'm sorry, audit plan. And that
4 again --

5 CHAIRMAN JACKSON: As appropriate.

6 MR. TRAVERS: That again assumes that we have gone
7 through the process of commenting and revising if
8 appropriate, that's right.

9 We expect -- and again, I'll point out that
10 there's a public element to this. We fully intend to go and
11 solicit comments from the public in this process.

12 We expect to begin monitoring the Millstone
13 employee safety concerns program and the workings of third
14 party oversight organization through periodic NRC site
15 presence. We also plan to have conducted at least a meeting
16 and perhaps two meetings with the third party oversight
17 organization to assess the status of their efforts and any
18 recommendations they are feeding to the licensee.

19 COMMISSIONER McGAFFIGAN: Is that a public
20 meeting?

21 MR. TRAVERS: Yes. All of our meetings of this
22 sort are at least open for public observation, and typically
23 we provide on a monthly basis an opportunity to make them
24 even more directly accessible to public comment.

25 The next slide touches on another topic that is

1 encompassed in our restart assessment plan for Millstone and
2 it addresses licensing issues that either have been
3 identified or rather are already in-house and being reviewed
4 by the NRC staff or have been identified by the licensee as
5 submissions that will be required prior to restart.

6 This is really a summary of a number of these
7 issues that have been identified or are under review, and we
8 expect it will take some significant NRC effort to work off
9 some of these.

10 I think it's important to note and really the
11 point I wanted to make here was that since they are still
12 largely in the discovery phase of their efforts, there is a
13 potential for additional licensing actions which will be
14 required before restart to be identified.

15 COMMISSIONER DIAZ: Could you give us a flavor of
16 what is the largest, you know, licensing issue and the
17 simplest, just to get an idea of where we are? The most
18 complex or, you know --

19 MR. TRAVERS: I don't think we've identified at
20 least the ones under review as being very complex. And if I
21 say that, I will give you a time estimate for the typical
22 time it takes to process. Typically, for a not too complex
23 licensing amendment, the staff takes between four to six
24 months. They have been accomplished without exigency in a
25 shorter time frame, and that's about two months.

1 So there is definitely a lag, and it's in part due
2 to the process, the very formal process, the process that we
3 use in assuring that there is a public component to our
4 licensing action consideration.

5 COMMISSIONER DIAZ: Right. But you haven't seen
6 any issue of a complexity sufficient to say it's going to
7 take a year to resolve it?

8 MR. TRAVERS: I may have to get back to you on
9 that but I don't think so. Much of what we have identified
10 in terms of the actions before us are clarifications to
11 technical specifications and so forth, that kind of detail.

12 COMMISSIONER DIAZ: Nothing that involves a major
13 change in a system or would take considerable time for --

14 MR. TRAVERS: No, but that's what I'm concerned
15 about in some sense happening -- or not concerned, but I
16 want to be aware of it in terms of the possibility of it
17 affecting the --

18 COMMISSIONER DIAZ: It might be worthwhile to --

19 CHAIRMAN JACKSON: Yes. I noted there was a press
20 clipping from Northeast Utilities -- this was kind of a
21 follow on on April 18th -- stating that there may be show
22 stoppers and, you know, there was commentary about the
23 concrete basement erosion.

24 MR. TRAVERS: Yes.

25 CHAIRMAN JACKSON: But I had thought that was not

1 a restart item but a -- excuse me? It is?

2 MR. TRAVERS: That particular issue is a restart
3 issue in the sense that it needs to be addressed and a
4 resolution identified.

5 CHAIRMAN JACKSON: A resolution. And similarly
6 the recirc spray system.

7 MR. TRAVERS: That is also a restart. It's
8 specifically contained in our significant items list and,
9 depending on the outcome of their review, it could require a
10 major modification of the plant, and I think that's, you
11 know, first a concern to them.

12 CHAIRMAN JACKSON: Okay. And then I noted that
13 the unit with the most additional issues to be submitted is
14 in fact unit 3, which is the one that's supposedly at the
15 front of the queue.

16 MR. TRAVERS: Yes.

17 CHAIRMAN JACKSON: And have you gotten any
18 submittal dates and have these been factored into the
19 schedule?

20 MR. TRAVERS: In fact, they're late. Much of -- I
21 think we -- actually, they're not late. I think they told
22 us in April, either this week, I think by the end of this
23 week they were due in. I think all of the ones that I have
24 on here as -- or maybe three short of those, at least 16 are
25 under development by them and should be submitted shortly.

1 CHAIRMAN JACKSON: And you have this all factored
2 into the schedule and in terms of -- and into the resource
3 loading?

4 MR. TRAVERS: We do. We do, although, I'll be
5 honest with you, there is an element of uncertainty in terms
6 of the resources that will ultimately be required.

7 CHAIRMAN JACKSON: Because you don't know.

8 MR. COLLINS: I think it's important to note too
9 that the window that we currently have allows us the time to
10 process these typical amendments. As we get closer towards
11 the restart date itself, then these will become much more
12 significant in their progress and status.

13 CHAIRMAN JACKSON: Okay.

14 Commissioner McGaffigan I think had his hand up,
15 and then Commissioner Diaz.

16 COMMISSIONER MCGAFFIGAN: In terms of these
17 numbers, is it because they're focused on unit 3 that you
18 have a large number of numbers or is it because unit 3 was
19 licensed later and, therefore, it has a more complex
20 licensing basis and more items come up because it's a --
21 it's just a bigger volume of paper that they needed to
22 update?

23 MR. TRAVERS: Since it's initiated by their own
24 self-identification of what is needed, I honestly don't know
25 the answer, but each one has a story, and I don't know if

1 there is a general heading under which you could make
2 reference to the different numbers.

3 MR. LANNING: Probably resulting from the
4 configuration management program on unit 3, they're having
5 more findings than they have found at unit 2, for example,
6 and there are more modifications involved at unit 3.

7 CHAIRMAN JACKSON: Commissioner Diaz?

8 COMMISSIONER DIAZ: Yes. But definitely this is
9 an issue in which the licensee needs to provide us with
10 information as soon as possible so we can clearly identify
11 the timetable that is involved.

12 MR. TRAVERS: And that's exactly what we've been
13 urging.

14 MR. BURNS: I might add, just to make sure I
15 understand the staff, my assumption in hearing them is --
16 from their description -- is the types of licensing actions
17 that they have identified would involve a no significant
18 hazards consideration, which means their timetable is
19 constructed on a no prior hearing type circumstance, and --

20
21 CHAIRMAN JACKSON: Should that change --

22 MR. BURNS: Should that change, that would be a
23 different matter because of the hearing requirements under
24 the regulations and the statute.

25 COMMISSIONER DIAZ: That was precisely the heart

1 of my question.

2 MR. BURNS: Yes. I want to make sure I address
3 that.

4 MR. TRAVERS: Actually, my last slide presents
5 again our best effort to project --

6 CHAIRMAN JACKSON: Why don't you speak to
7 Commissioner McGaffigan's question about the other unit.

8 MR. TRAVERS: In terms of unit 2 -- well, I'll
9 just point out that if this holds, this would result, with
10 many steps, in us briefing the Commission for unit 3 on or
11 about the 19th of December; and the unit 2 project planning
12 schedule that we've actually developed but weren't as
13 confident in would project the same endpoint, the Commission
14 briefing, on or about early to mid-March.

15 COMMISSIONER MCGAFFIGAN: Why the two-and-a-half
16 month difference given the four-week difference in the ICAVP
17 initiation date? How does it end up two-and-a-half months
18 behind?

19 MR. TRAVERS: I'd have to look at it and --

20 MR. IMBRO: I think part of it is due to the fact
21 that the length of the ICAVP proposed for unit 2 by Parsons
22 is on the order of perhaps ten weeks longer than what's
23 going to be done at units 3 and 1.

24 COMMISSIONER MCGAFFIGAN: Okay.

25 MR. TRAVERS: I'll be honest with you, I think

1 that it's largely problematic in terms of, you know, the
2 unfolding events of their effort, the ICAVP, and our effort
3 in terms of the schedule.

4 COMMISSIONER MCGAFFIGAN: Madam Chairman?

5 CHAIRMAN JACKSON: Yes?

6 COMMISSIONER MCGAFFIGAN: My only comment is I
7 think it's useful to establish baselines at these meetings
8 so that we can compare them, knowing all of these schedules
9 are very uncertain.

10 CHAIRMAN JACKSON: Right.

11 Let me just say the following to you,
12 Commissioner. I think it's unfair for us to establish too
13 definitive baselines for our staff when it's linked to what
14 the licensee has to come forward with and their actually
15 being able to step through their work completion process to
16 support the schedules that they have, in fact, submitted,
17 because the two are work linked.

18 COMMISSIONER MCGAFFIGAN: Right. I understand.

19 CHAIRMAN JACKSON: Please.

20 MR. COLLINS: Excuse me. Just to be complete, we
21 have a very detailed schedule, including a number of
22 postulated conditions, that we can certainly share if that
23 would help be responsive to your question.

24 CHAIRMAN JACKSON: Yes, that probably would be
25 useful.

1 Commissioner Dicus.

2 COMMISSIONER DICUS: The comment I want to make,
3 and this is unusual because I usually very much believe in
4 schedules and I do in this case as well, but a caution I
5 think that backs up on what the Chairman said: let's not be
6 too schedule driven on this at the expense of other issues.

7 CHAIRMAN JACKSON: Any further comment?

8 Are you done?

9 MR. TRAVERS: I think I am.

10 CHAIRMAN JACKSON: Hold on. Sorry. Commissioner
11 Dicus has a question.

12 COMMISSIONER DICUS: One quick question. It
13 should have an easy answer. I think you previously
14 indicated that the ACRS will participate at some point in
15 the Millstone restart. Are they participating yet?

16 MR. TRAVERS: We've actually been in contact with
17 ACRS. We had initially gotten word from them that they
18 would meet in May -- no, in April; but they have since
19 indicated that they would like to hear from us following
20 restart as opposed to earlier on in the process. So right
21 now, we don't have any immediate plans to go forward and
22 brief the ACRS, largely on their own initiative.

23 COMMISSIONER DICUS: All right.

24 CHAIRMAN JACKSON: Well, thank you. I'd like to
25 thank both Northeast Utilities and the NRC staff for

1 briefing the Commission on the progress in assessing
2 readiness for restart of the Millstone units.

3 The Commission recognizes that it is difficult to
4 condense the substance of the reviews performed either by
5 the licensee or the staff into briefings like this, but
6 that's the primary reason that the NRC in fact has created
7 the special projects office, in order to provide direct
8 oversight of all of the licensing and inspection activities
9 and to tailor the NRC staff guidelines for restart approval,
10 the manual chapter 0350 process, to specifically assess the
11 efficiencies and their resolution at the Millstone units.

12 As we've clearly indicated through the briefing,
13 the Commission is not only interested in how the recognized
14 efficient startup issues are resolved, but equally
15 importantly in whether the Millstone organization is
16 functioning in total with the proper perspective on safe
17 operation, whether that relates to employee concerns,
18 operability determinations, operator training, competency
19 and readiness, or any of a myriad of issues.

20 As I stated at the last meeting and as I think
21 Commissioner Dicus has just reinforced, the Commission does
22 not presuppose that any of the three plants will restart by
23 any certain date; however, the Commission must be prepared
24 to assure the allocation of adequate staff resources to this
25 process and to its oversight of the Millstone facility; and

1 as such, at subsequent meetings, the Commission will
2 continue to assess whether adequate progress is being made
3 in the readiness for restart of the Millstone units and
4 whether the NRC assessment process is both comprehensive and
5 timely, but not overly rushed.

6 I would reemphasize to the licensee what you've
7 already heard without my going into chapter and verse again
8 with respect to the degree of specificity the Commission
9 expects to have in the presentations and in documentation
10 provided beforehand going forward.

11 So unless my fellow Commissioners have any further
12 comments, we're adjourned.

13 [Whereupon, at 12:33 p.m., the public meeting was
14 concluded.]

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CERTIFICATE

This is to certify that the attached description of a meeting of the U.S. Nuclear Regulatory Commission entitled:

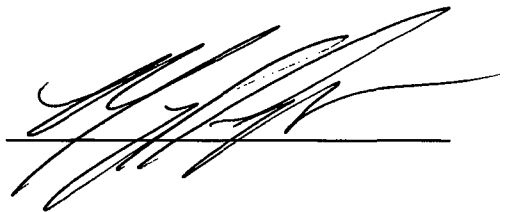
TITLE OF MEETING: BRIEFING ON MILLSTONE -- PUBLIC MEETING

PLACE OF MEETING: Rockville, Maryland

DATE OF MEETING: Wednesday, April 23, 1997

was held as herein appears, is a true and accurate record of the meeting, and that this is the original transcript thereof taken stenographically by me, thereafter reduced to typewriting by me or under the direction of the court reporting company.

Transcriber: _____



Reporter: Jody E. Goettlich



COMMISSION BRIEFING

Millstone

April 23, 1997

OVERVIEW

- **Restart Assessment Plan (MC 0350)**
- **Independent Corrective Action Verification Program (ICAVP)**
- **Employee Safety Concerns Program**
- **Licensing Issues**
- **Schedule**

RESTART ASSESSMENT PLAN (MC 0350)

- ☛ Independent Corrective Action Verification Program (ICAVP)**
- ☛ Employee Concerns Program**
- ☛ Licensing Issues**
 - **Corrective Action Program**
 - **Work Planning and Control**
 - **Procedure Upgrade Program**
 - **Quality Assurance and Oversight**
 - **Significant Items List**
 - **Operational Safety Team Inspection**
 - **Enforcement**
 - **Personnel Training/Performance**
- **Public, State (NEAC), Local, Congressional, other agencies input**
- **Staff Recommendation**

NRC OVERSIGHT OF ICAVP

- **Organizational Review and Approval**
- **Audit Plan Review and Approval**
- **Tier 1 System and Tier 2 Accident Selection**
- **NRC-conducted inspections**
 - **Implementation Inspection (4 weeks/6 inspectors)**
 - **Out of Scope System Inspection (8 weeks/6 inspectors)**
 - **In Scope System and, Tiers 2 and 3 (8 weeks/13 inspectors)**
 - **Corrective Action Inspection (2 weeks/6 inspectors)**

NRC RESOURCES FOR ICAVP OVERSIGHT

- **Two 13-person teams (HQ, Regional and contractor personnel)**
- **Typical Team composition**
 - **Team Leader**
 - **System Leads (2)**
 - **Mechanical Systems (2)**
 - **Electrical Power (2)**
 - **Instrumentation and Control (2)**
 - **Piping and Supports (2)**
 - **Operations (2)**
- **16 FTE staff effort and \$2.6M contract support for three Millstone Units**

ICAVP STATUS

Activities Completed Since Last Commission Status Briefing

- **Meetings with public to obtain input on proposed ICAVP contractor for Units 1 and 3 (Sargent & Lundy) and Unit 2 (Parsons Power)**
- **Organizational Approval of Sargent & Lundy for Units 1 and 3 (April 7, 1997)**
- **NRC Interviewed ICAVP team members (NEAC Observation)**

ICAVP STATUS

Activities Scheduled for Next Three Months

- **Review of Sargent & Lundy Audit Plan for Units 1 and 3 (In process)**
- **Staff review of Parsons for Unit 2 ICAVP (In process)**
- **Staff review of Parsons Audit Plan for Unit 2**
- **Staff review of Parsons team members**
- **Begin NRC inspection of Unit 3 ICAVP implementation**

EMPLOYEE SAFETY CONCERNS PROGRAM STATUS

Activities Completed Since Last Commission Status Briefing

- **Met with the public to obtain input on proposed third-party oversight organization and licensee's Employee Safety Concerns Program (ESCP) plan**
- **Interviewed proposed third-party organization team members**
- **Approved the third-party oversight organization, Little Harbor Consultants**
- **Reviewed the Millstone ESCP plan and provided comments to the licensee**

EMPLOYEE SAFETY CONCERNS PROGRAM STATUS

Activities Scheduled for Next Three Months

- **Review and approve third-party oversight audit plan**
- **Monitor the Millstone ESCP and third-party oversight through NRC periodic site presence**
- **Meeting(s) with third-party oversight organization on status of their efforts and recommendations**

LICENSING ISSUES REQUIRED FOR RESTART

**Unit 1: 4 issues currently under NRC review
2 additional issues to be submitted**

**Unit 2: 7 issues currently under NRC review
9 additional issues to be submitted**

**Unit 3: 3 issues currently under NRC review
19 additional issues to be submitted**

Additional licensing issues may be identified as the licensee continues design bases and licensing bases problem identification.

PROJECT PLANNING SCHEDULE

MILLSTONE UNIT 3
4/15/97

ID	Task Name	Start	Finish	Qtr 1, 1997			Qtr 2, 1997			Qtr 3, 1997			Qtr 4, 1997			Qtr 1, 1998		
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
1	CMP UNIT 3 IMPLEMENTATION*	6/3/96	7/14/97															
2	ICAVP UNIT 3 IMPLEMENTATION**	5/27/97	9/2/97															
3	NRC ICAVP INSPECTIONS	6/30/97	11/14/97															
4	NRC ICAVP IN-OFFICE REVIEW/ DOCUMENT	11/3/97	12/19/97															
5	INSPECTION PROGRAM	2/14/97	10/12/97															
6	FEMA NOTIFICATION	9/30/97	10/12/97															
7	EMPLOYEE CONCERNS PROGRAM INSPEC	8/18/97	8/29/97															
8	LICENSE AMENDMENTS	3/5/97	10/12/97															
9	OPERATIONAL SAFETY TEAM INSPECTION	10/21/97	11/24/97															
10	RESTART ASSESSMENT PANEL REVIEW	11/25/97	12/8/97															
11	EDO/DIR NRR BRIEF	12/12/97	12/12/97															
12	COMMISSION BRIEFING	12/19/97	12/19/97															

- * Configuration Management Program (CMP) carried out by the licensee.
- ** ICAVP carried out by Sargent & Lundy contractor.

**Northeast Utilities Briefing
for the U.S.
Nuclear Regulatory Commission**

*NRC Headquarters
Rockville, Maryland
April 23, 1997*

Presentation Topics

- ♦ **Success Objectives**
- ♦ **Schedule**
- ♦ **Financial Condition**
- ♦ **Public Response**

Northeast Nuclear Energy

Millstone Success Objectives

- 1. High Standards / Clear Accountabilities**
- 2. Strong Nuclear Safety Philosophy**
- 3. Effective Self-Assessment**
- 4. Effective Corrective Action**
- 5. Licensing and Design Bases Restored**
- 6. Employee Concerns Resolution**
- 7. Excellence in Nuclear Operations**

Northeast Nuclear Energy

Presentation Topics

- ♦ **Success Objectives**
- ♦ *Schedule*
- ♦ *Financial Condition*
- ♦ *Public Response*

Northeast Nuclear Energy

Success Objective #1

***That we are an organization
with high standards and
clear accountabilities***

Northeast Nuclear Energy

Success Objective #2

***That we demonstrate a strong
nuclear safety philosophy -
evidenced by careful
adherence to high nuclear
safety standards and
conservative decision making***

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Success Objective #3

That there is effective self assessment, with significant issues identified internally rather than externally

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Success Objective #4

That there is an effective corrective action process

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Success Objective #5

***That licensing and design
bases have been properly
restored - with processes to
ensure that they are properly
maintained***

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Success Objective #6

***That we have an environment
that supports the
identification and
effective resolution of
employee concerns***

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Success Objective #7

***That we are committed to
achieve excellence in nuclear
operation***

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Presentation Topics

- ♦ *Success Objectives*
- ♦ **Schedule**
- ♦ *Financial Condition*
- ♦ *Public Response*

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Presentation Topics

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Presentation Topics

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