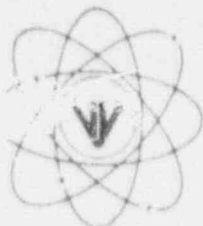


VERMONT YANKEE NUCLEAR POWER CORPORATION



Ferry Road, Brattleboro, VT 05301-7002

REPLY TO
ENGINEERING OFFICE
580 MAIN STREET
BOLTON, MA 01740
(508) 779-6711

November 18, 1992
BVY 92-129

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D.C. 20555

- References:
- (a) License No. DPR-23 (Docket No. 50-271)
 - (b) Letter, USNRC to VYNPC, Initial Systematic Assessment of Licensee Performance (SALP) Report No. 50-271/91-99, NVY 92-185, dated 10/15/92
 - (c) Letter, VYNPC to USNRC, BVY 92-116, dated 9/25/92

Dear Sir:

Subject: Vermont Yankee Response to the Initial SALP Report No. 50-271/91-99

Vermont Yankee appreciated the opportunity to discuss the subject report with representatives of the U.S. Nuclear Regulatory Commission during the public meeting held in Vernon, Vermont on October 29, 1992. We believe the Initial SALP Report presents a fair appraisal of our performance in most of the functional areas during the period from March 17, 1991 through August 1, 1992. Included in this response are minor corrections to the Initial SALP Report, new information which was not presented previously and our improvement initiatives to the concerns noted.

In the area of Security we believe that we have made improvements during this report period which have not been given full consideration by your staff and are therefore detailed in this response.

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Section III.A Plant Operations

During the report period, Vermont Yankee conducted a routine refueling and maintenance outage. An important self assessment initiative was introduced for this outage to minimize risk to plant safety during the shutdown period. An independent review team consisting of qualified engineering professionals and a senior licensed Shift Supervisor reviewed the proposed schedule, maintenance workscope, containment integrity, AC and DC power availability, water inventory and the adequacy of core cooling from a reactor safety perspective. This safety review was performed prior to the refueling and maintenance outage and resulted in several significant improvements.

The issues mentioned in the report regarding operator training and Emergency Operating Procedures (EOP's) have been thoroughly addressed. Effective corrective actions and program improvements are being implemented.

Section III.B Radiological Controls

Vermont Yankee is in agreement with the NRC's evaluation that our radiological control program is good, with improving performance in many areas. We have made significant program improvements during the period and will continue our efforts in this area.

Section III.C Maintenance/Surveillance

In September 1991, Vermont Yankee implemented a computer based Maintenance Planning and Control system called MPAC to apply the benefits of computer technology to our maintenance planning, inventory control, equipment history, purchasing and related administrative processes. MPAC provides the cornerstone for continuing maintenance program enhancements including reliability centered maintenance, maintenance rule implementation, and equipment performance trending.

We also initiated a System Analysis and Review Program (SARP) to evaluate balance of plant instrumentation maintenance activities and identify the optimum level of future preventative maintenance tasks. SARP focused on improving the overall reliability of plant systems by identifying critical components which could impact system performance and then defining the appropriate preventive maintenance tasks for these components.

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The report mentions that occasionally repairs were required after performance certain components had already degraded, indicating that failure prediction in these instances had not been fully successful. Your report also listed several examples of successful identification of degraded component conditions. We will continue our evaluation of preventive/predictive maintenance activities to become more effective in this area.

Section III.D Emergency Preparedness

The report states that some coordination problems occurred during the period between emergency planning and other plant departments. Emergency plan training for security personnel was given as an example. An evaluation of this area is being undertaken as documented in Reference (c), and appropriate administrative controls will be implemented to improve inter-department communications as appropriate.

Section III.E Security

Upon review of the SALP report in the area of Security, we believe there are several additional areas that should be considered as part of your assessment of our performance. In addition, while the events described in the report are generally accurate, there are further details regarding many of the events and issues that should be considered to fully evaluate our performance in this area.

During the prior SALP period, our performance was rated as Category 2, noting improved management support and communications with NRC Staff. Weaknesses were identified in the areas of access authorization, documentation of events, and reportability issues. Early in the current SALP assessment period a security event occurred, which after detailed investigation showed that although the root cause was personnel error, several management weaknesses existed that may have contributed to the event. Based on our investigation, many key areas were identified for improvement.

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One of the first areas which we evaluated was our Security Organization. To improve communications and awareness of daily security issues, we reorganized our security force by eliminating the Chief of Security position. This reorganization allowed direct communication of issues between the security supervisors and the Vermont Yankee Security Manager. In addition, title changes were made to ensure there was no doubt which Vermont Yankee employees were responsible for security. Daily meetings between the Vermont Yankee Security Supervisor and the Security Operations and Training Supervisors were initiated to ensure clear and timely focus on all issues facing our security organization. Other organizational changes included the establishment of a full time Access Control Coordinator, and a full time Security Technical Assistant. Both of these positions are responsible for key elements of our security program.

Later in the SALP period, we recognize that the changes initiated early in the SALP period had not fully met our objectives for improving program effectiveness and that additional management involvement was prudent for our security organization and a major reorganization was implemented. We established Security as a separate department reporting directly to the Technical Services Superintendent and headed by a new position of Security Manager. This position now provides dedicated attention to the sole area of Security, where the previous position of Plant Services Supervisor had a divided focus on Security, Document Control, Stores and Inventory, and Administrative Services. The establishment of a separate Security Department now recognizes security as a functional area equivalent to other major functions, such as Operations, Maintenance, and Radiation Protection. The Security Supervisor position was restructured as the Security Operations Specialist to provide daily oversight of the security force and provide additional focus and attention to hardware and procedural issues. The position of Security Manager has been filled with a very capable and experienced individual who has extensive military security experience and most recently held a position as a Lead Quality Assurance Auditor for Yankee Atomic Electric Company. In that capacity, he has performed audits and assessments of security programs at Vermont Yankee, Yankee Rowe, Maine Yankee, Seabrook, and Calvert Cliffs. He also has strong motivational and communications skills, and consistently demonstrates a clear understanding of the requirements of an effective Security Program.

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During 1991, we implemented a very significant modification and addition to our access control gatehouse to upgrade our effectiveness in this area. The improved gatehouse includes state of the art design features such as turnstiles, duress alarm and lockdown capabilities, improved access control features, automated site accountability measures, separation of the entrance and exit pathways, and improved visibility and control throughout the building. In addition, the facility now provides office and meeting facilities for formal shift turnovers which were implemented during this SALP period. This project involved a commitment of over one million dollars and now is a facility we are very proud to show as the first symbol of Vermont Yankee's Security program that is visible as you enter the plant.

Other hardware upgrades, including our CCTV assessment system and alarm stations, were implemented throughout the SALP period. We have completely replaced all on-site CCTV cameras with state of the art electronic equipment, and made many improvements to address environmental issues including glare shields, camera angle adjustments, relocation of cameras within the enclosures and a night focus on all cameras. These changes have improved the performance of the system such that the need for compensatory measures has been greatly reduced. We have also initiated a complete system upgrade that provides additional camera coverage and improved resolution. Additionally, we have purchased a video capture system, video sequencer and automatic alarm display system that will be in use by the end of 1992.

In conjunction with the establishment of a full time Access Control Coordinator position, we have fully implemented an access control program that complies with all NRC requirements and the NUMARC guidelines. Prior to allowing any organization to perform background investigations, we verify by audits and sampling of completed background investigation reports that the contracted organization fully understands our program and our expectations. Our staff has been diligent in follow-up verification of all access information, even though the information is only accepted from a limited number of previously approved vendors. Although a complete five year background investigation is conducted for all individuals, subsequent information received from the Criminal History Check sometimes reveals details that were not previously obtained. Upon receipt of any adverse information, we take immediate, conservative action to suspend the access for those individuals until a comprehensive assessment of the background information can be completed. Although our access authorization

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program is very detailed and thorough, it must depend to some extent on information supplied by individuals. It is our practice at Vermont Yankee to rescind access authorization if adverse information is discovered via the Criminal History Check that was not provided by the individual, as we believe this is a key indicator of an individual's trustworthiness. We believe this is a program strength, and not a programmatic weakness as was indicated in the report.

The SALP report notes that during the annual audit process, two licensee identified findings were categorized as potential regulatory issues, but were not considered significant and not properly pursued. We believe this characterization is very inaccurate. All audit findings at Vermont Yankee are considered significant, carefully evaluated, and a written response must be accepted by the Plant Manager and the Senior Vice President, Operations, as well as an independent assessment of the adequacy of our response by our Quality Assurance staff.

As we discussed during our meeting on October 29, 1992, one of the licensee identified findings involved a design detail of the upgrade to Gatehouse 2 which we fully believed had NRC concurrence based on several meetings held with NRC before construction was started on the Gatehouse. In addition, prior to opening the modified gatehouse, a tour of the facility was provided by the Technical Services Superintendent to the on-site resident NRC inspectors where all design features were explained. We were not aware of any concern with our approach until we submitted a change to our Security Plan that was not accepted by the NRC. The other licensee identified finding involved an issue which the NRC upon further review agreed was not a problem. In both cases, our response represented a careful consideration of the finding, and the responses were consistent with our understanding of the requirements of an effective Security Program.

Although staffing of the contract security force was increased during the SALP period, the report incorrectly states that two over-hire positions were subsequently lost through attrition. Our staffing levels did not affect the overtime required during our most recent refueling outage. The report incorrectly concludes that the overtime was exacerbated during the outage by not hiring additional personnel. We have always staffed the outage with two twelve hour shifts. Any additional personnel hired for the outage would have worked this same schedule. It is our experience that twelve hour shifts with scheduled days off during a six week refueling outage do not lessen our security effectiveness. We remain sensitive to performance issues, and ensure through oversight, behavior observation, and employee feedback that all individuals remain fully fit for duty throughout the outage. We agree with the Initial

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SALP Report's assessment that the security organization continued to exhibit a professional demeanor and good morale throughout the outage, and there were no performance related issues during the outage period. Our assessment of overtime following the outage has shown that current staffing practices have resulted in a reduction in non-outage overtime in 1992 by greater than 25% compared to a similar period in 1991.

We agree that early in the SALF period, following the security event which resulted in four violations, we did not fully assess the significance of the event, and reached an incorrect conclusion regarding reportability. As described in our response to the violations, we have taken significant steps to improve our sensitivity in this regard. Although our past practice tended to fully verify a situation before reporting, we have taken steps to ensure that involved personnel will conservatively assume that a vulnerability exists and report it as such if there is any identified potential for a reportable condition. Corrective actions included additional training and counseling of Vermont Yankee managers and security force supervision, clear written requirements in job descriptions, and a revision to our reporting procedure and related training to emphasize this expectation.

The discovery of inappropriate reading material at duty stations was a concern shared by both NRC and VY. Vermont Yankee agrees that inappropriate reading material is unacceptable at security posts, and we took immediate steps by providing a clear written policy that such material was prohibited and to emphasize the necessity for security officers to remain attentive to their assigned duties. Ongoing oversight in this area has shown a clear understanding of our position and uniform implementation of this policy.

In the SALP report, the NRC noted that following an event where Safeguards Information was not properly protected, we did not implement corrective action. While we have not been able to determine why your staff was not aware of our corrective actions, we have verified that appropriate corrective actions were implemented. These actions included counseling of individuals, as well as retraining for all involved departments. It should be noted that this event occurred during the upgrade of Gatehouse 2, where literally hundreds of safeguards documents were in continuous use. Our Security personnel routinely checked the implementation of appropriate controls due to the size of this project. Upon self-identification of this event, prompt reporting and corrective actions were implemented.

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As a result of our preparation for, and the OSRE evaluation conducted in October 1991, we have made significant improvements in our response capabilities. Prior to the OSRE evaluation, we hired an independent consultant to evaluate our capabilities, and assist us in documenting our response strategies. In addition, we identified several areas for improvement which were provided to the NRC upon their arrival for the evaluation. These improvements extend well beyond contingency response and weapons deployment to cover areas involving tactical training, physical plant modifications, and command and control issues. We have upgraded our strategies and completed extensive training to ensure our response capabilities will fully meet the challenges of a similar evaluation.

In addition to contingency response training, we have improved our overall security training program. Our current practices include mini-drill scenarios that are conducted on shift to challenge individuals as well as the entire shift complement. These scenarios involve many of the contingencies which are included in the Security Plan as well as issues such as access control, vehicle search practices, and reportability determinations where hypothetical situations or controlled drills are presented to assess the security response capabilities. These mini-drills have proven to be an excellent method for individual Shift Supervisors, training personnel and Vermont Yankee security management to assess the performance of personnel, and allow for trending and analysis of the general performance of the entire security force. We are currently expanding the scope of the training program to include on-shift assessment of our OSRE type response capabilities. In addition to this on-shift training, formal shift turnovers, an expanded employee concerns program, and creation of a "pass-on book" have significantly improved our communications, assessment, and training capabilities.

At our meeting on October 29, NRC requested additional details regarding an intrusion detection system problem. The details of this issue are Safeguards Information, and therefore, this information will be submitted to you in a separate letter.

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Throughout the SALP period, Vermont Yankee continued to provide management attention to the security program through routine status reviews. Additionally, meetings were held with NRC staff on July 2, August 27, and December 16, 1991; March 3, and May 22, 1992. During these meetings Vermont Yankee focused on ensuring that NRC staff were fully cognizant of our plans and progress on all security issues. Based on this level of attention and communication, we fully believed that we were providing the proper level of resources and attention to the security program. We were, without question, very disappointed by the SALP report which cited a decline in performance and leaves knowledgeable readers with the impression that we have one of the worst security programs in the country. We do not believe that to be the case.

We embrace the Board recommendation to conduct a comprehensive and independent assessment of our security program. We anticipate that this assessment will be completed during the first quarter of 1993 and will be prepared to discuss the results with you as you have requested.

Section III.F Engineering and Technical Support

Several improvements implemented during this report period were not recognized in the report. These include replacement of all four drywell coolers, replacement of the main station transformer, installation of a hardened containment vent, installation of improved instrument air dryers, replacement of several station service transformers, numerous seismic equipment upgrades, improved reactor feedwater nozzle ultrasonic inspection methods, and use of a cold critical configuration predictor called SHUFFLEWORKS, to monitor shutdown margin during fuel movement.

What was evaluated as a weak engineering review which involved the redirection of the service water flow path affecting emergency diesel generator operation, actually occurred in 1987, prior to this report period, and is not indicative of engineering reviews performed during this period. As a result of earlier inconsistencies in the way we performed engineering reviews, and senior management recommendations, Vermont Yankee has developed and presented formal training courses focused on 10CFR 50.59, 50.71, 50.34 (Part b) and the FSAR. We believe that this program has substantially improved the quality of our engineering reviews. Evaluations which reflect the current quality of engineering reviews include the tie in for the new supplemental fuel pool cooling system and the enhancement of the reactor building closed cooling water heat exchanger drain capacity.

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Our analysis of the inaccurate MOV response (i.e. wrong bypass settings for torque switches) determined the root cause to be personnel error by the engineer researching Generic Letter 89-10, not the lack of a coordinated MOV program policy. Further, the assignment of a senior engineer to this project was the result of our internal self assessment of the program conducted prior to the NRC inspection. This assessment was a comprehensive review of the entire MOV program and included a number of independent engineering consultants and industry MOV experts. Also, there was no safety impact as a result of the discovered error (the physical bypass switch settings were correct in the field; the submittal was incorrect) and the information was promptly corrected once discovered.

The primary containment isolation system actuation due to a failed CR120 relay was a random failure of a component which had never been assigned a service life by the vendor and had not demonstrated a physical limitation of service life. As a result of this failure, Vermont Yankee assigned a service life and has implemented a plan for replacement.

Section III G. Safety Assessment/Quality Verification

Several self assessment initiatives were successfully conducted during this report period including MOV program implementation, radiological enhancement program, balance of plant instrumentation, design change process review, reactor vessel level instrumentation, refuel outage safety review, housekeeping inspection program, environmental compliance review program, industrial safety program, emergency preparedness, improved engineering reviews and equipment upgrades. There are many more on-going self-assessment initiatives among the various plant departments. Given the goal of self-assessment as "do the job right the first time", problem prevention becomes a key element in any successful program. Renewed emphasis in self-assessment at Vermont Yankee is sure to have a positive impact on future performance.

We have reviewed our more traditional self-assessment activities such as audits/surveillances and believe we have a balanced approach between a performance based and a programmatic based emphasis. The Quality Assurance department has recently reorganized, placing the Audit and QA Surveillance Groups under the same manager. This has already brought about more of a team oriented approach to verification activities at Vermont Yankee. Additionally, weaknesses discussed in the SALP will be evaluated for corrective actions as a part of the audit process. The reorganization, along with a more active and aggressive evaluation of proposed corrective actions proposed by the plant will make this program even more effective.

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The report states that a response to a Nuclear Regulatory Commission request for additional information relative to a submittal on Station Blackout was not timely in that it took approximately five months. In regard to this issue, the NRC did not provide any date by which a response was expected. The additional information requested involved the Vernon Hydro Station, which is owned by the New England Power Company. An analysis was performed by them, and the results were reviewed and factored into Vermont Yankee's response to the NRC's request for additional information. Given these factors, we do not feel that the response time was unreasonable. The NRC was kept verbally informed of our submittal schedule and our progress throughout.

Vermont Yankee has an excellent record of providing timely responses to licensing issues. During this SALP period a total of 125 Licensing Action Items (LAI's) were tracked and a total of 65 of these involved a required submittal to the NRC. The following is a summary of our survey of these 65 submittals:

Number of submittals made early (before required due date).....	34
Number of submittals made on time (by required due date)	30
Number of submittals made late (after required due date).....	1

The one late submittal involved a response to an NRC inspection report which was submitted one day beyond the requested 30 days.

Summary

In summary, Vermont Yankee made significant improvements during the SALP period from March 17, 1991 through August 1, 1992, and many more are underway in the current SALP period. We assure you that Vermont Yankee has and will continue to strive for superior performance in all SALP functional areas.

In the area of Security, we ask that you recognize our commitment of significant resources to enhance the Security Program at Vermont Yankee, and that our Security Program has improved over the previous SALP report period. Significant improvements have been and continue to be made including upgrades to our perimeter detection and assessment systems and our access control center. Modification of our Access Control Center has produced a very effective control point which has improved our ability to control access to the plant site. In consideration of the information provided in this response letter, we respectfully request that you reconsider our performance rating in the functional area of Security.

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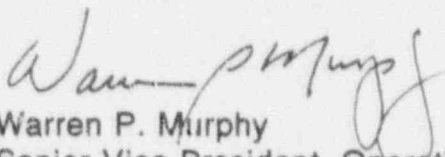
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In the event you may have questions or desire any additional information, please do not hesitate to contact us.

Very truly yours,

Vermont Yankee Nuclear Power Corporation

A handwritten signature in dark ink, appearing to read "Warren P. Murphy", is written over the printed name.

Warren P. Murphy
Senior Vice President, Operations

cc: USNRC Region I Administrator
USNRC Resident Inspector - VYNPC
USNRC Project Manager