



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

October 7, 1996

Mr. Glenn Cheney  
Post Office Box 284  
Hanover, CT 06350

Dear Mr. Cheney:

I am responding to your message of August 20, 1996, that you sent electronically to Dr. Shirley Ann Jackson, Chairman of the Nuclear Regulatory Commission (NRC). In your message, you expressed concern that the safety problems uncovered at the four nuclear power stations in Connecticut may extend to the other nuclear power stations in New England over which Northeast Utilities (NU) may have some influence. To allay this concern, you called for these plants to be shutdown and inspected in greater detail.

There are seven nuclear power plant sites in New England: Millstone and Haddam Neck in Connecticut, Pilgrim and Yankee Rowe in Massachusetts, Seabrook in New Hampshire, Maine Yankee in Maine, and Vermont Yankee in Vermont. Through several wholly owned subsidiaries, NU has various fractions of ownership interest in all of them except Pilgrim. One of these facilities, Yankee Rowe, was shut down permanently in February 1991 and is being decommissioned, and, as you are aware, Millstone Units 1, 2, and 3 and Haddam Neck are currently shut down. Of the remaining nuclear power stations, NU subsidiaries collectively own the shares shown in the enclosed table.

The NRC requires licensees to operate their facilities in conformance with NRC regulatory requirements, including those specified in NRC regulations, the operating license, and the facility's Technical Specifications. The licensee is responsible for ensuring that the plant is operated in accordance with NRC regulatory requirements, and the NRC monitors the licensee's compliance with these requirements through its inspection program.

However, the Millstone Station performance has been of concern to the NRC for the last 5 years. NU has had limited success in resolving significant performance concerns with procedural adherence, work control and tagging, ineffective communications and teamwork among organizations, continued weaknesses in correcting identified problems, poor self assessment and quality verification, and inappropriate response to employee safety concerns.

Due to NU's failure to achieve a sustained level of performance improvements at Millstone and the continuing concerns for NU's effectiveness in resolving safety concerns, the Millstone Station has been placed on the NRC's Watch List as a Category 3 plant. Plants in this category are having or have had significant weaknesses that warrant maintaining the plant in a shutdown condition until the licensee can demonstrate to the NRC that adequate programs have both been established and implemented to ensure substantial improvement.

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At Haddam Neck, the NRC inspection history has not revealed deficiencies similar in number and nature to that at the Millstone Station, but because of a recent operational occurrence and the discovery of several design deficiencies, there has been increased NRC inspection activity at this station.

The Millstone units are operated by Northeast Energy Service Company, a wholly owned subsidiary of NU, and Seabrook is operated by North Atlantic Energy Service Corporation, also a wholly owned subsidiary of NU. At Haddam Neck, Connecticut Yankee Atomic Power Company has designated Northeast Energy Service Company to provide certain services such as engineering, design, and construction and to provide support services for licensing, maintenance, and operation (this list is not all-inclusive). The management and technical support organization at Haddam Neck consists of personnel from both Connecticut Yankee Atomic Power Company and Northeast Energy Service Company, and the corresponding executive positions in both companies are held by the same individual.

The NRC is concerned that similar problems could arise with NU's operation of Seabrook. However, to date, the NRC has not identified issues at this facility that could indicate the kind of problems observed at Millstone. A recent integrated performance inspection (Inspection Report 50-443/96-80, dated April 3, 1996) found many strengths in the operation of Seabrook. Nonetheless, the NRC will continue to evaluate the corrective actions being taken by NU at Millstone for their applicability at Seabrook.

NU and NU subsidiaries are not directly involved with the operation of Maine Yankee and Vermont Yankee. Any influence that NU might have upon the conduct of operations at these power stations would be through decisions and actions taken by the respective Boards of Directors. Because of its minority representation on the Boards of Directors of Maine Yankee and Vermont Yankee, NU has limited influence upon decisions reached by the boards. This is unlike the operating arrangements at the Millstone, Haddam Neck, and Seabrook sites at which there is a much closer relationship to NU. Maine Yankee Atomic Power Company (MYAPCo) has 18 directors and 9 executive officers. Of these, only three directors are also associated with NU or NU subsidiaries, and none of these individuals are directly involved with the day-to-day operation of Maine Yankee. Vermont Yankee Nuclear Power Corporation has 16 directors and 10 executive officers. Of these, only two directors are also associated with NU or NU subsidiaries, and neither of these individuals are directly involved with the day-to-day operation of Vermont Yankee.

With regard to Maine Yankee, the NRC is performing an independent safety assessment at Maine Yankee to evaluate, among other issues, the conformance of the plant to its design and licensing bases. The safety assessment will also evaluate Maine Yankee's compliance with selected NRC requirements, as does the normal inspection process. The NRC expects to complete its report of the independent safety assessment by October 1996. If information becomes available that indicates that the licensee is not in full compliance with the facility Technical Specifications or other NRC requirements, the NRC will consider taking enforcement action, as appropriate. However, the NRC staff's

Mr. Glenn Chaney

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actions to date are not based on circumstances that could be attributed to participation by NU senior officials on the Board of Directors of Maine Yankee.

With regard to the plants not on the Watch List, the NRC staff will continue to rely upon its inspection program through which the NRC monitors compliance with regulations. Additionally, NRC senior managers routinely review the overall operation of the nuclear facilities and identify any trends in performance and their potential causes. The NRC also periodically evaluates overall performance through its program of systematic assessment of licensee performance to provide utilities with NRC's aggregate view of facility operation and to ensure that appropriate additional inspections will be scheduled. By these inspection and evaluation programs, the NRC assesses performance along with compliance with regulations.

Sincerely,

(Original Signed By)

Steven A. Varga, Director  
Division of Reactor Projects - I/II  
Office of Nuclear Reactor Regulation

Enclosure: Table of Plants

Docket Nos. 50-245, 50-336, 50-423,  
50-309, 50-443, 50-271,  
and 50-213

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DOCUMENT NAME: GT96664.GRN

\*See previous concurrence

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NAME	ADeAgazio*	LBerry	PMcKee*	BCalure*	SVarga	RZimmerman*	JMoore
DATE	09/19/96	09/19/96	09/19/96	09/19/96	09/19/96	10/01/96	09/19/96

10  
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TABLE OF OPERATING PLANTS HAVING SOME PORTION  
OF OWNERSHIP BY NORTHEAST UTILITIES

Facility Name	NU/Subsidiary Share - Percent	Operating Company
Haddam Neck	49	Conn. Yankee Atomic Power Co.
Millstone Unit 1	100	Northeast Energy Service Co.
Millstone Unit 2	100	Northeast Energy Service Co.
Millstone Unit 3	68	Northeast Energy Service Co.
Maine Yankee	20	Maine Yankee Atomic Power Co.
Vermont Yankee	16	Vermont Yankee Nuclear Power Corp.
Seabrook Unit 1	40	North Atlantic Energy Service Corp.

Enclosure

Rec'd 9/3.

A. De Agazio  
**ACTION**

EDO Principal Correspondence Control

FROM:

DUE: 09/30/96

EDO CONTROL: GT96664

DOC DT: 08/20/96

FINAL REPLY:

Glen Cheney

TO:

Chairman Jackson

FOR SIGNATURE OF :

\*\* GRN \*\*

CRC NO: 96-0922

*Russell*

DESC:

CONCERNS RE RECENT PROBLEMS WITH NORTHEAST  
UTILITIES NUCLEAR REACTORS IN CONNECTICUT

ROUTING:

Taylor  
Milhoan  
Thompson  
Blaha  
Russell, NRR  
HMiller, RI  
Lieberman, OE

DATE: 08/29/96

ASSIGNED TO:

CONTACT:

NRR

Russell

SPECIAL INSTRUCTIONS OR REMARKS:

Ticket reissued - Not a 2.206 per  
Steve Burns, OGC 9/3/96.

NRR RECEIVED:

SEPTEMBER 3, 1996

NRR ACTION:

DRPE:VARGA

NRR ROUTING:

RUSSELL  
MIRAGLIA  
THADANI  
ZIMMERMAN  
MARTIN  
BOHRER

**ACTION**

DUE TO NRR DIRECTOR'S OFFICE

BY *Sept 25, '96*

OFFICE OF THE SECRETARY  
CORRESPONDENCE CONTROL TICKET

PAPER NUMBER: CRC-96-0922                      LOGGING DATE: Aug 26 96  
ACTION OFFICE: EDO  
AUTHOR: GLENN CHENEY  
AFFILIATION:  
ADDRESSEE: CHAIRMAN JACKSON  
LETTER DATE: Aug 22 96                      FILE CODE:  
SUBJECT: NORTHEAST UTILITIES  
ACTION: Appropriate  
DISTRIBUTION: CHAIRMAN  
SPECIAL HANDLING: NONE  
CONSTITUENT:  
NOTES: ~~2.206~~ PETITION PER JACK GOLDBERG VIA DORIS MOSSBERG  
DATE DUE:  
SIGNATURE:                      .                      DATE SIGNED:  
AFFILIATION:

EDO -- GT96664