

1 UNITED STATES OF AMERICA
2 NUCLEAR REGULATORY COMMISSION

3 + + + + +

4 PUBLIC MEETING

5 WITH

6 NORTHEAST UTILITIES

7 REGARDING

8 MILLSTONE UNITS 1, 2, AND 3

9 + + + + +

10 MONDAY

11 AUGUST 12, 1996

12 + + + + +

13 ROCKVILLE, MARYLAND

14
15 The public hearing was held in the Nuclear
16 Regulatory Commission Auditorium, Two White Flint North,
17 11545 Rockville Pike, at 1:00 p.m., Phil McKee, Northeast
18 Utilities Project Director, presiding.

19 PRESENT:

20 Phil McKee

21 Jim Taylor

22 Bill Russell

23 Jim Milhoan

24 Hub Miller

25 Wayne Lanning

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PDR COMMS NRCC
CORRESPONDENCE PDR

1 PRESENT (continued):

2 Roy Zimmerman

3 Ted Feigenbaum

4 Bob Busch

5 Terry Harpster

6 Don Miller

7 Mike Brothers

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P-R-O-C-E-E-D-I-N-G-S

(1:03 p.m.)

MR. MCKEE: If everybody could find a seat and we'll try to begin here. It looks like everyone is about settled. Thank you.

Well good afternoon. I'm Phil McKee. I'm the project director in the NRC Office of Nuclear Reactor Regulation. I am responsible for the Northeast Utilities facilities.

This is an announced meeting between the NRC staff and Northeast Utilities, the licensee for Millstone Station Nuclear Power Plants in Waterford, Connecticut. All three Millstone units are presently shut down.

The purpose of this meeting is to discuss independent verification actions needed to confirm the effectiveness of Northeast Utilities programs to identify and correct design control deficiencies prior to the restart of each of the Millstone units.

Seated at the table to my right is the NRC, and the licensee persons to the left. We have here today the executive director for operations, Mr. James Taylor, the deputy executive director for nuclear reactor regulations, regulatory operations and research, Mr. James Milhoan, the director of nuclear reactor regulations, Mr. Bill Russell, the associate director of reactor projects

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1 in the office of NRR, Mr. Roy Zimmerman, and the regional
2 administrator for NRC region I office, Mr. Hub Miller.
3 Also we have with us the director in Millstone oversight
4 team, Mr. Wayne Lanning.

5 Mr. Feigenbaum, if you'd care to introduce the
6 people at your table, whoever you might.

7 MR. FEIGENBAUM: Yes. I would. I'm Ted
8 Feigenbaum. I'm executive vice president and chief
9 nuclear officer for Northeast Utilities. On my left here
10 is Robert Busch, who is the president of the Energy
11 Resource Group of Northeast Utilities.

12 To my right is Don Miller, senior vice
13 president of Nuclear Safety and Oversight. On my far
14 right is Michael Brothers, who is unit director for Unit
15 Three.

16 We will be joined by Mr. Harpster in a little
17 bit here. He had some plane problems. Terry Harpster is
18 the director of licensing services for Northeast
19 Utilities. There are members of my staff to support us
20 behind me.

21 MR. MCKEE: Okay. I might mention we too with
22 the NRC have a staff and a support group behind the NRC
23 table here and some out in the audience.

24 Thank you again. In accordance with NRC
25 policy and practice, this meeting is open to members of

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1 the public for observation only. This meeting will be
2 transcribed, and copies of the transcript will be placed
3 in the NRC public document room and also in both the local
4 public document rooms in Connecticut as the documents
5 become available.

6 Following the conclusion of this meeting
7 between the NRC and the licensee, there will be a limited
8 period for comments and questions from the press, followed
9 by any comments and questions that the public may have.

10 Subsequent to that, there will be time for
11 media interviews with members of the NRC and subject to
12 the availability of the utility persons with them. NRC
13 public affairs is here. They will help support and
14 coordinate the interviews, at least for the NRC staff.

15 . At the back of the room, just some
16 administrative items. I don't know if everybody had a
17 chance, anybody that's here. We have an attendance list.
18 We will try to include that when we publish the
19 transcript.

20 Also we plan one break during this meeting,
21 after the NRC has completed their presentation. We'll
22 take about a 10 minute break and reconvene. There will be
23 time for questions between Northeast Utilities and the
24 staff, followed by the questions and answers.

25 With that, I'd like to turn the floor up. Is

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1 there any questions on the protocol that we might have or
2 comments?

3 MR. TAYLOR: Just one. The company indicated
4 that they may wish to have a caucus at the end of the
5 staff's presentation to identify whether there are any
6 additional questions that they want to have the staff
7 address before we terminate the meeting. We are making
8 arrangements for them to have a conference room for them
9 to caucus in.

10 So there may be a second break. That is, in
11 the conduct of the meeting we may need to take a break for
12 a short caucus to allow the company to formulate any
13 additional questions that they have.

14 MR. MCKEE: Okay. With that, I would like to
15 turn the floor over to Mr. Taylor for some opening
16 remarks.

17 MR. TAYLOR: Thanks, Phil. I will open with a
18 brief history which has some relationship to the design
19 related problems involving Millstone Station that has led
20 to this meeting today.

21 As you may know, on April 4, 1996, NRC issued
22 a so-called demand for information letter under NRC
23 regulation 50.54(f) so that NRC could determine whether
24 Millstone Unit 3 was being operated and maintained in
25 conformance with the updated final safety analysis report

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1 or FSAR license conditions, commission regulations.

2 Undergirding this request were NRC concerns
3 that the utility might have compromised safety through
4 failure to adhere to design. I would note that designs of
5 nuclear power plants are so complex and voluminous that
6 NRC could in no way review every portion of a plant's
7 design.

8 Nonetheless, in the late 1980s, NRC inspection
9 findings through special teams demonstrated that some
10 licensees had not adequately maintained their design basis
11 as required by NRC regulations. These issues prompted
12 many licensees to initiate design basis reconstitution
13 programs to identify missing information to selectively
14 regenerate documentation and to correct designs as
15 required.

16 NEI, then called NUMARC developed design
17 basis program guidelines to provide a framework for
18 licensees to use in implementing design basis programs.
19 Staff noted in a November 9, 1990 letter to NUMARC that
20 "the goal of any design reconstitution program should be
21 to establish confidence that the existing facility is in
22 accordance with the current design documents and that any
23 deviations are reconciled."

24 The staff advised the Commission that we
25 considered the NUMARC approach a useful framework that

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1 would provide worthwhile insights to those utilities
2 undertaking design basis programs. The guidelines were
3 forwarded by NUMARC to their members to use on a voluntary
4 basis. NUMARC also indicated that the majority of
5 licensees had begun or were seriously considering
6 implementation of design basis reconstitution program.

7 During its review of these activities, the NRC
8 considered the need to promulgate additional regulatory
9 requirements to make the implementation of design document
10 reconstitution programs mandatory. The staff concluded in
11 November, 1991, that additional requirements were not
12 needed because of existing regulatory requirements for
13 design control, specifically in 10 CFR 50.2, 50.34, 50.59,
14 and part 50 appendix A and B.

15 NRC also intended to continue inspection
16 efforts which would test the adequacy of engineering
17 activities by examining design products and plant
18 configurations. The approach on the part of the staff was
19 not to specifically review design basis programs, but
20 through its ongoing inspection activities should cases be
21 found where licensees were outside of their design basis,
22 the staff would then take enforcement action and require
23 that the design basis be updated and maintained.

24 Further, NRC modified its enforcement policy
25 guidance to encourage the voluntary identification of past

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1 design engineering and installation issues.

2 In August, 1992, the Commission also issued a
3 policy statement which summarized existing requirements
4 under the regulations and the Commission's expectations
5 concerning availability and adequacy of design basis
6 information.

7 The policy statement the Commission emphasized
8 the importance that modifications to a facility only be
9 made after a thorough review had been conducted, and an
10 understanding of the underlying design bases had been
11 gained in order to assure appropriate design margins are
12 preserved.

13 As discussed in the 1992 policy statement, the
14 staff planned to issue a generic letter, which would
15 request that each licensee voluntarily submit information
16 about their programs related to assuring a design basis or
17 their rationale for not implementing such a program.

18 In 1993, NRC decided to take no action on
19 issuance of this generic letter. Based on issuance of the
20 policy state which conveyed to the industry the
21 Commission's concern about the importance of maintaining
22 the design basis and evidence that licensees recognized a
23 concern and were conducting such programs. Staff planned
24 at that time to continue design related inspections.

25 Based on the NUMARC initiative, the ongoing

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1 utility programs to improve and maintain the design basis
2 and the regulatory burden of team inspections reported in
3 the 1991 regulatory impact survey, NRC later reduced its
4 efforts on resource intensive design team inspections and
5 shifted the balance to focus on operational safety.

6 We continued in the intervening years to focus
7 at all plants on operational safety versus areas, such as
8 design basis. Then in January of this year, based on
9 design and engineering information which we obtained, NRC
10 recognized that at Millstone the design basis was not
11 being appropriately maintained or adhered to. At that
12 time, I directed a special design and engineering
13 inspection be conducted at Millstone, led by Mr. Virgilio,
14 who is here today.

15 In summary, I wish to emphasize that the NRC
16 position has been and still remains, that it is the
17 responsibility of the individual licensees to have
18 appropriate documentation that defines their design basis
19 and to have procedures for performing necessary
20 assessments of design and procedure changes which are
21 required by NRC regulations.

22 The design deficiencies identified at the
23 Millstone station represent a significant breach in
24 confidence we had placed on Northeast Utilities to
25 maintain the design and license basis.

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1 I believe that Bill Russell will now continue.

2 MR. RUSSELL: Yes. If I could have slide
3 number one, please.

4 Since 1991, both NRC inspections, SALP
5 reports, enforcement actions, have indicated problems in a
6 number of areas at the Millstone Station. These relate to
7 configuration and design control failures that were just
8 discussed by Mr. Taylor, failures to implement corrective
9 action for known problems, failures to implement quality
10 assurance requirements, and failures to comply with terms
11 and conditions of the license.

12 These findings have been also verified by
13 licensee activities through a number of critical self
14 assessments performed by the licensee. The most
15 significant as it relates to design basis is adverse
16 condition report 7007, an Event Response Team report which
17 was completed and forwarded to the Commission in February
18 of 1996.

19 More recently, there has been an independent
20 root cause evaluation team which looked through the
21 history of the performance problems since the 1991 time
22 frame. That report was provided to the Commission in July
23 of this year.

24 There were earlier reports, in particular the
25 performance task group report in September of 1991, which

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1 identified some of the same root causes which exist today.
2 There have been others focusing on quality assurance
3 activities and other reviews performed by the licensee.

4 In response to these licensee internal
5 findings and discussions with the NRC and the enforcement
6 actions we have taken and issues discussed in SALP
7 reports, the company has had a number of corrective action
8 programs. These related to improving station performance
9 at Millstone Two, the utility's performance enhancement
10 program. There have been at least two substantial
11 management reorganizations associated with operations at
12 the Millstone Station.

13 This record shows that there has been a long-
14 standing regulatory concern and a failure to follow
15 through on past corrective actions to ensure that they
16 were adequately implemented.

17 If you could move the slide up to the bullet
18 that starts Scope and Magnitude of the Problem.

19 This year, I issued a letter to the company
20 requesting that they identify for the first unit that they
21 propose to restart the detailed plan, along with specific
22 information about the degraded and non-conforming
23 conditions that they had identified to date. The company
24 responded, indicating that Millstone Unit Three would be
25 the first unit that they propose to restart.

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1 They have made two submittals on Millstone
2 Three. As of the data for July 2, they had identified
3 approximately 1,200 non-conforming items, for which
4 approximately 600 they propose to address prior to
5 restart.

6 Many of these changes are required to restore
7 operability as operability is defined in the facility
8 technical specifications. That is, be able to perform the
9 intended functions under conditions associated with design
10 basis.

11 These are not in the hundreds. Some of the
12 items may simply require correction of documentation to
13 correct differences between the as found plant and the
14 design basis documentation. There are a number, however,
15 which raise questions about operability and which are
16 requiring physical hardware modifications to the facility.

17 That is the background for this. What we
18 would like to do now is discuss broadly two parallel
19 review activities. One which will be managed out of the
20 region with support from NRR, but will be the principle
21 responsibility of Hub Miller.

22 What I would like to do is turn the discussion
23 over to Hub Miller at this time, for some background on
24 the NRC's manual chapter 350 process, after which I will
25 come back and discuss the focus of this meeting.

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1 MR. MILLER: Thank you, Bill. Given the
2 significance and the persistence really of the issues that
3 Bill has alluded to, NRC has found it necessary to
4 escalate its efforts in inspection and oversight of the
5 Millstone Station. Now I'll briefly review what that is,
6 focusing mainly on the part that the region plays a part
7 in.

8 First of all, at the beginning of this year
9 Millstone was added to the watch list as a plant requiring
10 increased monitoring. The inspection staff at the
11 Millstone Station, the resident inspection staff was
12 increased from four to six people. The agency conducted
13 the special inspection that Mr. Taylor talked about, led
14 by Mr. Vigilio.

15 We took such steps as dedicating a senior
16 manager, Mr. Wayne Lanning to my left, was designated as a
17 person from the regional perspective to provide full-time
18 guidance and oversight of the regional activities and to
19 be coordinating with the headquarters office.

20 After the plants were shut down, a
21 determination was made that it would be appropriate for
22 the agency to invoke the rigorous process that is laid out
23 in the manual chapter 0350. This is a process that is
24 intended to assure a very systematic and structured review
25 on the part of the staff, assure that there is

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1 completeness in our coverage of the issues, coordination
2 among the various parties both in the region and in
3 headquarters that are involved, and very importantly,
4 assures that the process is conducted in a way that there
5 is full documentation of the decisions that are made
6 before restart of the plants are authorized.

7 All of this comes together in a restart action
8 plan that is developed under the guidance of a restart
9 panel. The restart panel is a team of headquarters and
10 regional people. Again, led by senior executives. In
11 this case, Mr. McKee and Mr. Lanning are the co-chairs of
12 the restart panel.

13 The 0350 process, however, also vests in Mr.
14 Russell and myself as regional administrator, and
15 reporting to the executive director of operations certain
16 responsibilities to oversee this process. In other words,
17 it lays out the roles and responsibilities of the staff to
18 assure a coordinated and thorough review.

19 Among other things, the restart plan calls for
20 the identification of the issues that are to be focused
21 on. They are the sort of things that Bill talked about.
22 But it also calls for the identification of various
23 inspections that are needed to get assurance, that before
24 restart, the issues have been either resolved or that
25 there has been substantial progress sufficient enough to

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1 warrant restart.

2 These inspections that we would expect to
3 conduct prior to restart include of course the continuing
4 inspection by the resident inspection staff, by the region
5 based inspectors on selected issues, and of course
6 continued oversight from headquarters.

7 It includes the independent corrective action
8 verification inspection that we will be talking about
9 today. I won't say anything more about that.

10 But finally, it will include an operational
11 readiness inspection which will be completed after the
12 company, the licensee has determined for itself that it is
13 in a position to restart, that it has resolved the issues
14 that are before us.

15 This inspection will be really a customized
16 inspection. It will of course in the scoping and the
17 focusing of this inspection, we will be taking account of
18 the findings of previous inspections and very importantly,
19 the independent corrective action inspection that we will
20 be conducting.

21 Its focus will be on the broader issues that
22 go beyond the design issues that will be the principle
23 focus of the corrective action verification inspection,
24 focus on human performance issues, issues of procedure
25 adherence, and that sort of thing.

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1 It is important to point out also that
2 throughout this whole process, that there will be
3 extensive steps taken to assure public involvement and
4 public visibility on this process and the inspections that
5 area conducted.

6 I have listed a couple things here. We will
7 continue to conduct our so-called exit meetings with
8 licensees upon the completion of inspections. Those will
9 be open to the public.

10 We will continue to conduct periodic public
11 meetings to review the status of our oversight activities.
12 There have been several meetings conducted by Mr. Lanning
13 in the vicinity of the site.

14 Meetings with the licensee on significant
15 issues such as restart plans will be open to the public.
16 There was a meeting in fact held on the 24th of July and
17 another meeting to be held on August 19th, in fact on
18 restart plans. Those will be open to the public for
19 observation. There is always opportunity presented to the
20 public to make comment.

21 Lastly in this regard, we will continue to
22 provide information through the public document rooms. We
23 in fact opened up a second public document room recently
24 at the Waterford L.brury to supplement the one already
25 existing in Norwich.

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1 I think also in this connection, I should
2 mention that the NRC has encouraged the State of
3 Connecticut to give strong consideration to observing
4 inspections that are conducted under agreements that are
5 open to the states to sign, to specifically observe
6 inspections. We expect that they will avail themselves of
7 that opportunity.

8 Lastly, I should say or I should mention that
9 the Commission recently following the most recent senior
10 management meeting made the decision that the Millstone
11 Station should be moved to category three on the watch
12 list, which means that before restart is approved or
13 before restart occurs, the Commission must consider the
14 situation and make a conscious decision and approve
15 restart.

16 I should lastly mention that if restart is
17 approved, that would not change the status of the plant on
18 the watch list. That would remain an issue to be
19 considered through the senior management meeting process.

20 But that gives you an overview of the overall
21 process, focusing mainly on the role that the region
22 plays.

23 Bill?

24 MR. RUSSELL: Okay. What I'm going to do to
25 organize the presentation is first provide some background

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1 on what an independent corrective action verification
2 program is. This is an overlay of the 350 process. That
3 is, it's an addition to. This activity will be overseen
4 out of headquarters.

5 It is based upon NRC experience with
6 independent design verification programs. These were
7 conducted typically in the 1980 time frame, post Three
8 Mile Island, in the period where we were having some
9 concerns about the quality of construction and
10 implementation of design during construction, was
11 typically used for facilities that were near-term
12 operating licenses to review and verify that the license
13 commitments were in fact appropriately incorporated into
14 the actual as-built as design facility.

15 The key elements of the independent design
16 verification program were first, it was conducted by a
17 third party. We'll come back to that to define what we
18 mean by independence and technical qualification.

19 The third party is contracted for by the
20 licensee. It is composed of highly qualified staff, with
21 experience typically in architect engineering activities,
22 including both design as well as pre-operational matters
23 associated with testing to verify that the design has in
24 fact been implemented through testing.

25 The team selection, that is, the independence

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1 and the qualification of the members, were reviewed by NRC
2 to determine their independence and their experience,
3 breadth, from the standpoint of constitution of the team.

4 Protocols were developed which resulted in
5 parallel reporting of information as discovered to both
6 the NRC and the utility. In this case, we would look for
7 parallel reporting between the team and Northeast
8 Utilities.

9 The final part is that the NRC conducted its
10 own parallel overview of what the team was doing, to
11 ensure that it performed an adequate scope and depth of
12 review, and that the plans that the team developed were in
13 fact implemented. This typically consisted of reviewing
14 products of work in process, but also may include some
15 independent calculations and did include independent plant
16 walk-downs, verifications of information.

17 We have modeled the plan as it relates to an
18 independent corrective action verification program upon
19 the design verification program activities. The major
20 difference being that we are looking not at the original
21 design work that was done for initial licensing, but
22 rather, how the design has been maintained with time since
23 initial licensing.

24 If I could have the next slide, please. What
25 are NRC expectations for the conduct of an independent

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1 corrective action verification program? First is to have
2 a well-defined plan for in-depth evaluation that is a
3 vertical slice for the selected systems. That there
4 should be a risk safety based criteria for the choice of
5 the systems selected for audit.

6 There needs to be an audit plan to confirm
7 that the licensee review on the system selected for the
8 independent verification activity is representative. That
9 is, if there are, and I'll use numbers now. Let's say
10 that you have 20 risk significant systems based upon what
11 you have laid out in the maintenance rule implementation,
12 and that you have a total of 60 or 70 systems. I'm not
13 sure what the right number is that are associated with
14 Millstone 3.

15 We would be interested in making sure that you
16 used a similar process on each of those, such that the
17 system chosen for audit is representative of the work
18 activity conducted on the other systems. We would expect
19 that the independent corrective action verification team
20 effort would be able to audit that process and convince
21 themselves that the methods chosen for the systems audited
22 were similar to the methods used by Northeast Utilities in
23 confirming, and be able to confirm that conclusion.

24 We want a formal protocol for concurrent
25 reporting of in process and final results to both the NRC

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1 and the licensee.

2 By independent, and I'm now discussing as it
3 relates to individuals on the team, we would want no
4 current or previous employees or contractors who had been
5 involved, in this case specifically with Millstone 3
6 review activities.

7 No financial interest. That is, not own stock
8 in. What we would do is look to the NRC conflict of
9 interest provisions as they relate to contractors, would
10 be the area we'd be looking for standards in this case.

11 We will be interested in procedures for
12 reporting findings. That is, making sure that the
13 independence of the team as to how they present, so that
14 they are not presenting through the company to us, but in
15 fact, are able to present independently to the company and
16 the NRC at the same time.

17 There are some important issues also with
18 respect to phasing and timing of work, particularly as it
19 relates to you completing work under your restart plan and
20 your configuration management plan, such that some of this
21 independent review activity can start earlier when you
22 have gotten to the appropriate point in your review.

23 For NRC oversight of this activity related to
24 such things as reviewing the qualifications and
25 independence of the team, looking at the procedures that

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1 have been developed for reporting concurrently to you and
2 to the NRC, for looking at the scope of the plan, for
3 approving the systems that were chosen for audit, that
4 will be conducted by a team led by an SES manager from
5 headquarters with a number of inspectors. That team will
6 be reporting to me.

7 So it will be independent of the 350 process
8 as it is being managed. So this is in addition to. Next
9 slide, please.

10 What I want to focus on for a few moments now
11 are elements of phasing of work, corrective action work,
12 under your restart plan. That is, the Millstone Station
13 restart plan and the configuration management plan as it's
14 applied specifically to Millstone 3.

15 For purpose of discussion, I have broken this
16 up into two phases. Phase I is what I will characterize
17 as problem identification. Not necessarily identifying
18 the corrective action for a problem or designing a fix or
19 implementing it, but just going through whatever process
20 is used to identify the extent of the problems.

21 The first important point here is that we want
22 problem identification and operability assessments as
23 needed on a system by system basis. We would like you to
24 use the same definitions of systems that you are using for
25 the maintenance rule under 50.65, with the same interfaces

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1 that you have used to define for maintenance rule
2 implementation. That is to ensure that there's not
3 confusion as it relates to boundaries and interfaces.

4 We would like you to identify the non-
5 conforming conditions that are associated with those
6 systems such that rather than as you did in your July
7 second submittal, where you indicated you had some 1,300
8 items or so, we would like you to organize it by system.
9 So a risk significant system may have for example, a total
10 of 50 non-conforming conditions, some number of which you
11 may decide need to be corrected for restart.

12 What I am talking about in phase I is
13 organized by system, that the non-conforming or degraded
14 conditions are identified and organized by system.

15 We would like you to focus on the most risk
16 significant systems first. That is, by way of applying
17 your resources, don't start with the ones that are easiest
18 to accomplish first, but start with the more risk
19 significant first and work through.

20 You will see that that is important later,
21 because as you have a number of systems completed in the
22 problem identification phase, we will select from those or
23 approve the selection of those chosen for audit. We want
24 that to be a reasonably representative sample such that we
25 can in fact randomly choose to decide which ones are to be

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1 audited. So it won't be the first or necessarily the
2 second system that you complete.

3 We are interested in making sure that a
4 consistent process is used in phase I for problem
5 identification. Most importantly, we want line management
6 to have concluded that the discovery phase, if I use terms
7 in a proceeding is complete, and that you have identified
8 the degraded or non-conforming conditions associated with
9 that system using the boundary interface descriptions from
10 the maintenance rule.

11 When the line is done, we're going to be
12 looking for the quality organization to also sign up
13 formally and say that problem identification is complete
14 and that this was done in a consistent manner with other
15 systems that are being evaluated at this point in time.

16 We do not want or it's not necessary to have
17 identified specific corrective action to be taken. It's
18 not necessary to have completed the corrective action.
19 Those will be phase II activities. But we can start the
20 review on the first portion, which is the problem
21 identification at the point where you have reported to us
22 a number of systems are complete and that you both based
23 upon line reviews and quality reviews have concluded that
24 problem identification is sufficient.

25 What we are really looking for is that

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1 statement from the company that you are essentially done
2 with that phase and that you've got a punch list of what
3 are the non-conforming conditions. That would be the
4 starting point for the independent corrective action
5 verification team effort to go in and independently assess
6 whether that is in fact correct, that you have identified
7 all of the degraded and non-conforming conditions
8 associated with that system. Next slide, please.

9 Phase II. Phase II of your work involves the
10 identification of the corrective actions to be taken for
11 each of the degraded and non-conforming conditions. The
12 review for each of those items with a disposition could be
13 that it is acceptable as is, and you revise design basis
14 documentation and/or the FSAR in accordance with 50.59, or
15 it could be that you have concluded that there is a change
16 needed to the facility design or a change in procedures or
17 some type of reanalysis. Whatever is the appropriate
18 corrective action for each of the items, we would expect
19 you to identify that.

20 For actions which are going to be deferred
21 until after restart, we would like you to identify the
22 basis for deferring that work. It could be on risk
23 significance or other matters.

24 For deferred work, if it's based upon risk
25 significance, you may not have to identify the explicit

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1 corrective action you are going to take, but you clearly
2 have to provide a rationale for why the item should be
3 deferred and why that would be acceptable to remain
4 deferred should restart be approved.

5 Our intent is for you to complete the
6 corrective, not the corrective action implementation, but
7 the problem identification such that if restart is
8 approved, there is not a surprise later by identifying
9 some significant problem post-restart.

10 The context that we are discussing now is how
11 much of the known problems need to be addressed at the
12 time of a restart decision and a rationale for those that
13 are in fact deferred.

14 NRC oversight. I mentioned some of this
15 earlier. What I want to do is highlight that we have a
16 350 process which is the agency procedure for restart
17 approval. For members of the audience, we will have a
18 number of copies of NRC manual chapter 350 that will be
19 available in the back of the room such that they can see
20 what is the scope of review as it relates to restart
21 approval. Also by way of background, there is a copy of
22 inspection manual procedure, chapter 25.35 on design
23 verification programs, both of which were discussed in
24 background.

25 Again, the responsibility for coordination of

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1 the 350 process is the regional administrators. To
2 implement that, two individuals have been assigned, both
3 SES managers, one from region I, one from headquarters.
4 That's Wayne Lanning and Phil McKee, to manager the
5 activities. We do expect that the NRC will have completed
6 and issued its restart plan prior to the meeting that's
7 scheduled, I believe Hub mentioned, I think it's the 19th
8 of August.

9 Again, the results of the restart activities
10 for the NRC would be presented to the Commission and it
11 will be a Commission decision on restart. Next slide,
12 please.

13 The NRC has been developing internally a
14 minimum set of actions that we feel are necessary in the
15 context of an independent verification of implementation
16 of plans. This goes back to the information I discussed
17 in the opening comments. That is, we've had a history of
18 concerns. We have had previous plans from the company,
19 previous reorganizations. There has been not a sufficient
20 follow through in implementation.

21 Given that history, we have concluded that
22 there needs to be an independent corrective action
23 verification program. It is our intention to issue an
24 order formally requiring the development and
25 implementation of an independent corrective action

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1 verification program.

2 While we hope that such an order will simply
3 confirm the licensee's agreement to conduct a program
4 along the lines that I'll describe in the next few slides,
5 there should be no doubt that absent agreement, we are
6 prepared to promptly issue an order directing the licensee
7 to undertake certain specified steps to provide the
8 necessary independent assurance that deficiencies have
9 been identified and that lasting corrective action has
10 been taken.

11 The next two slides, slides seven and eight,
12 are identically the text that we would be proposing to
13 impose or confirm by order. This is the portion of the
14 meeting that if there is any question regarding what is
15 intended by the text for these slides, that this is the
16 opportunity to raise questions.

17 Let me go through them first. One, implement
18 an independent corrective action verification program
19 including first, conduct of an in-depth review of selected
20 systems design and design basis since issuance of the
21 facility operating license.

22 Develop risk safety based criteria for
23 selection of the systems for review. Develop a
24 description of the audit plan to ensure that licensee
25 problem identification and corrective action on the

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1 selected system or systems are representative and
2 consistent with other systems.

3 Four, develop procedures and schedules for
4 parallel reporting of findings to NRC and Northeast
5 Utilities.

6 Finally, procedures for commenting on the
7 licensee's proposed resolution of team findings and
8 recommendations.

9 The concept here is that the team in
10 developing findings or recommendations may do that based
11 upon information they have available. It may be that the
12 company has additional information, that when that
13 information is brought to the table, that the team would
14 conclude that the matter has been resolved satisfactorily
15 and there was not a non-conforming condition, that it was
16 in fact satisfactory.

17 We want to provide for that feedback loop, but
18 we want that to be a formal process such that it is well,
19 documented and is publicly scrutable. Next slide, please.

20 What I just described is what I would call
21 process, how it would be conducted. What I want to do now
22 is discuss scope and depth of review.

23 Scope of the independent corrective action
24 verification program will include engineering design and
25 configuration control as required by NRC regulations -

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1 today. That's principally 50.2, which defines design
2 basis as well as 50.34, 50.59, appendix B in particular,
3 criterion 16, corrective action program, and the others
4 associated with design control. So this is not imposing
5 any new requirement beyond the regulations that exist
6 today.

7 Second element. Verification of as-built as
8 modified conditions. Look at for example, the design
9 changes that have been made to the system since initial
10 licensing. Look at them both on an individual basis and
11 an integrated basis as to how they interact with each
12 other. Verification of as built to as modified
13 conditions. That is, a physical walk down of the plant to
14 verify that the as-built or as-modified conditions are
15 representative of the design basis.

16 Third, translation of design and licensing
17 basis requirements into operating procedures, maintenance
18 and testing. There may be a design change which puts an
19 interface into an operating procedure, as to how the new
20 design would be operated to make sure that those
21 interfaces are appropriately reviewed as a part of the
22 change process.

23 Four, verification of system performance
24 through review of specific test records and observation of
25 selected testing on the particular system. Whether this

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1 is simply a surveillance test or it's a request to perform
2 a portion of an earlier pre-operational test based upon
3 modifications that have been made, that's the context that
4 we're talking about here. This is verification from
5 actual observation to the extent it's appropriate, either
6 looking at records or looking at subsequent testing.

7 The concept being that the earlier testing may
8 have been on a configuration that's different, is the
9 system still able to perform its intended design function
10 based upon modifications that may have been made.

11 The scope of this is principally to focus on
12 modifications made since initial licensing of a facility.
13 We're not talking about going back and redoing the initial
14 design basis. There may be cases where you discover that
15 the as initially designed facility is somewhat different
16 from records that you have associated with a facility
17 safety analysis report or other documentation. Those
18 matters need to be resolved consistent with the 50.59
19 review process.

20 You clearly have the option of either
21 conforming the documentation to the as-built plant through
22 50.59 review or modifying the plant to conform to the
23 licensing basis either is an acceptable resolution to
24 bring the two into conformance.

25 What I would like to do is pause for a moment

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1 because this is really the meat of what we want to convey
2 in this meeting. That is, the concept of an independent
3 review, how it would be conducted from a process
4 administrative control standpoint, and scope and depth of
5 review as it's characterized on these two slides.

6 If you would like to -- let me go on.

7 MR. FEIGENBAUM: Why don't you continue to go.

8 MR. RUSSELL: Let me go onto slide nine. Then
9 if you want to caucus and come back for questions, we can
10 do that.

11 MR. FEIGENBAUM: Good.

12 MR. RUSSELL: Slide number nine. NRC
13 oversight of the corrective action verification program.

14 These are not explicitly called out in the
15 order, but these are elements which are either in the
16 background or in the phrasing in the order that says as
17 otherwise directed by the director of nuclear reactor
18 regulation.

19 But again, these are elements that I want to
20 make sure there's a clear understanding as to how we would
21 interact on these.

22 The qualifications and independence of the
23 individuals chosen to perform the review would be agreed
24 upon and approved by NRC, whether we indicate a no
25 objection to these individuals or we explicitly approve,

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1 that's in the details to be worked out. But it's clearly
2 our intent to ensure that they are appropriately qualified
3 and they are independent of past involvement with the
4 facility.

5 MR. FEIGENBAUM: May I ask one clarification?

6 MR. RUSSELL: Yes.

7 MR. FEIGENBAUM: That's any involvement at any
8 time in the past regardless of unit, regardless of time
9 frame?

10 MR. RUSSELL: We have not really addressed the
11 issue as to whether they may have been involved, for
12 example, on unit one but were not involved on unit three,
13 recognizing that you have different vendors for the three
14 units. At this point in time --

15 MR. FEIGENBAUM: On a case by case basis?

16 MR. RUSSELL: It needs to be addressed on a
17 case by case basis. There is or would be a provision in
18 the either order or confirmatory order for how that
19 approval process would be implemented.

20 We will be conducting a parallel inspection.
21 The plan is to use people who had been involved with the
22 Virgilio team inspection, such that we don't have to have
23 people coming up to speed again with site access, badging,
24 et cetera, or learn your internal processes and procedures
25 or how to use your various computer based tools for --

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1 determining information related to design basis
2 documentation.

3 The team will conduct parallel inspections.
4 They will audit calculations. They may perform their own
5 calculations. They will review the corrective actions and
6 the implementation for the selected systems.

7 This is an area where we will not have
8 duplication between the 350 process and the independent
9 verification once the verification starts. Clearly,
10 through the 350 process, there will be inspection and
11 monitoring of work in process. So there may be some
12 overlap before the actual system is chosen for audit. But
13 once that is done, our intent is that there would not be
14 duplication of those activities.

15 Any necessary coordination on questions we
16 have about whether something should or should not be
17 deferred until after restart or whether agree with that,
18 would be done internally within the NRC.

19 Most importantly, any conditions that are
20 required or actions that are required for restart would be
21 separately determined by the Commission. That is, this
22 order only addresses the scope of independent corrective
23 action verification. It is not something which upon
24 completion would necessarily be sufficient for a restart
25 decision.

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1 It is also not saying that there would not be
2 a subsequent order that would lay out a schedule and
3 requirements for things to be completed post-restart.
4 What I am pointing out is that those matters will be the
5 subject of separate communication and direction. Those
6 matters will be decided by the Commission itself at the
7 time they vote on restart.

8 That covers the items, with the exception of
9 scheduling. We think that it's important to complete this
10 process relatively quickly. We are requesting that you
11 caucus and decide if there is additional questions or
12 information that you would like to have. We'd like to
13 cover it in the context of this meeting.

14 If not, we would like to have correspondence
15 from you committing to the elements that were on the two
16 slides number seven and eight, in writing by close of
17 business tomorrow. If that reply is found to be
18 satisfactory, we would propose to confirm by order not
19 later than close of business on Wednesday.

20 If on the other hand, you conclude that you
21 are not able to commit to some element as we have laid it
22 out, we would be prepared to implement by order also to be
23 issued by close of business on Wednesday.

24 So unless you have any questions at this point

25 --

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1 MR. FEIGENBAUM: I have one or two just brief
2 ones before we caucus. We would like an opportunity to
3 meet privately and talk for a few minutes before we give
4 you any additional questions.

5 The question I have is regarding phase II
6 resolution, where your first bullet there indicates
7 necessary corrective actions identified, reviewed, and
8 implemented. I assume what you are saying there is that
9 on the selected safety systems a representative sample of
10 the corrective actions would be identified, reviewed and
11 implemented?

12 MR. RUSSELL: That is correct. Obviously some
13 number have to be identified and through a process such
14 that they could independent verify satisfactory
15 implementation.

16 We would also expect that some of them would
17 be more risk significant such that we could verify
18 satisfactory implementation of the more risk significant
19 modifications or more complex modifications, rather than
20 you have completed the implementation on the ones that
21 involve simply a change to the FSAR paper procedure, et
22 cetera.

23 We are interested in those that have interface
24 with operations. That is, clearly we intend the scope to
25 include the interface with operations, how the procedure

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1 changes have been processed, the appropriate training has
2 been conducted, and the fact that the people can in fact
3 operate the as-modified system consistent with the design
4 basis.

5 But we do not intend for it to have all of
6 them completed, but there needs to be a sufficient amount
7 of work done on the selected system for the independent
8 corrective action verification activities to address the
9 sufficiency of it, consistent with your revised
10 configuration management plan and procedures.

11 Completion of all items required for restart
12 is back in the 0350 process. That's why I said those
13 would be presented to the Commission. It's through the
14 0350 process that we would be prepared to take a
15 recommendation to the Commission at the time when we
16 believe that that work is completed.

17 In the past, four facilities that have been
18 under the 0350 process, there is typically a period of
19 time between a Commission briefing and a decision and a
20 punch list that may exist at the time of the Commission
21 briefing. Then there are status reports as to how those
22 are completed. Generally the approach is one that if the
23 Commission is satisfied, they then act, delegate to the
24 regional administrator to allow restart subject to certain
25 things being met with reports to the Commission from the

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1 regional administrator at the time those final items have
2 been verified.

3 That is a very consistent process with how we
4 handle the issues associated with Watts Bar, for example.
5 If you look at the record on Watts Bar and how the
6 decisions will made, that this will clearly be a
7 Commission decision on restart for which the staff will be
8 implementing guidance received from the Commission.

9 MR. FEIGENBAUM: Understood. Mr. Russell,
10 that is very helpful by the way. The second I question I
11 had had to do with when we submitted our initial findings
12 on July 2, we noticed, we made you aware of the fact that
13 there were a number of programmatic issues. There were 16
14 areas that we needed to do more work in. One of them, for
15 instance, was our method for keeping vendor
16 recommendations up to date.

17 Those kind of programs cut across all systems,
18 certainly all significant safety systems. Would those
19 kinds of issues of resolving vendor manual program, for
20 instance, would that be handled as a punch list item to be
21 looked at by the 0350 process?

22 MR. RUSSELL: Our intent would be that those
23 types of issues which are generic, which cut across, would
24 be handled through the 0350 process. Assuming that you
25 have revised your procedures for implementing a corrective

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1 action change, then the observation of that work being
2 done as it relates to the system would be the basis for
3 the independent corrective action verification.

4 We are focusing on end results completed
5 product, not process and commitments to do so in the
6 future. So if, for example, you are in the process of
7 revising your procedures as to how you handle vendor
8 information, and the vendor information is significant as
9 it relates to potentially a degraded or non-conforming
10 condition from the licensing basis. Let's say it's
11 associated with testing and/or maintenance on a system
12 where the system may be degraded or not operable, those
13 kinds of issues would need to be followed either based
14 upon the process you have in place today or your revised
15 process to judge the adequacy of the outcome.

16 So the independent corrective action
17 verification is focusing on results, not on process and
18 procedure. The 0350 process will review and make
19 determinations generically as to whether you have an
20 adequate program for controlling information.

21 MR. FEIGENBAUM: What I was trying to get
22 clarification on is for instance, if we had an issue on a
23 vendor manual related to service water system, which is
24 obviously a safety significant issue, would that be held
25 up, turning over the service water system to the

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1 independent verification team, pending completion of the
2 vendor manual program?

3 MR. RUSSELL: Not necessarily, provided you
4 have identified that that issue is open and that you are
5 addressing it. It's not part of the discovery phase.

6 What we are saying is you need to identify the
7 scope of problems at the time you turn the system over and
8 the line and QA have signed off on that.

9 The subsequent corrective actions may occur
10 over a period of time. What we don't want to do is wait
11 until all the corrective actions are done and then be
12 piling on at the end with additional unnecessary delay.

13 MR. FEIGENBAUM: So if vendor manuals for
14 service water system was an issue, that would be on our
15 punch list. That would be looked at as part of that
16 process under the 0350.

17 MR. RUSSELL: That is correct. For example,
18 your internal procedures for how you wish to control
19 vendor manuals in the future, where they are going to be
20 maintained, who is responsible for them, et cetera. That
21 would be done generically through the 0350 process review.

22 MR. BUSCH: Yes. Mr. Russell, I just want to
23 step back for just a second and make sure on the
24 independent corrective action verification program, I
25 understand the sequence.

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1 If I understand it, it would be basically in
2 very large pieces. First we will get back to you
3 confirming our understanding of this and then the issuance
4 of an order. Then followed by our proposal of an
5 independent verification group or a firm or a body,
6 however it's assembled. You would then go through the
7 process of in some way approving that team of people to do
8 the work?

9 MR. RUSSELL: Yes. We would review their
10 qualifications and their independence. If we find them
11 acceptable, we would issue a letter back indicating that
12 that is an acceptably independent and technically
13 qualified team to conduct the activity.

14 MR. BUSCH: Right. Next, they would basically
15 put the entire plan of action for their work together?

16 MR. RUSSELL: That is correct.

17 MR. BUSCH: You would then essentially
18 independent of the licensee, with them, review and in some
19 fashion concur with that plan of action?

20 MR. RUSSELL: That is correct.

21 MR. BUSCH: We would then start phasing the
22 actual work of the team in the two phases that you talked
23 about, first, the phase on discovery where they confirm
24 punch list items. Then finally, the second phase on those
25 punch list items their independent review of corrective

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1 action.

2 Then as systems closed out and they closed out
3 corrective action, that would ultimately be the conclusion
4 then of their work.

5 MR. RUSSELL: That is probably correct, yes.
6 What we are going to try and do is be in a mode where
7 based upon the requirements of the order, information is
8 submitted. That is, a plan is submitted. Unless we find
9 that there is a problem with it, where it's not
10 appropriately independent, not properly phased, et cetera,
11 so that we are not on a critical path for approving.

12 But if we come back to you and say this needs
13 to be changed, we'll give you the rationale as to why it
14 needs to be changed.

15 So that the intent is, that they could be
16 developing some of the planning activities while you are
17 going through your internal work as it relates to phase I,
18 whatever the line and the quality organizations are doing
19 to identify the scope of problems on a system by system
20 basis and organizing that information.

21 MR. BUSCH: That would then fit together with
22 the 0350 process where probably this would be done prior
23 to the conclusion of the 0350 process?

24 MR. RUSSELL: That's the intent, that this
25 would be done before that point in time. It would provide

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1 confirmation through an in-depth vertical slice, looking
2 at results to confirm that the processes that you are
3 using are satisfactory.

4 MR. FEIGENBAUM: Okay. If we could get a few
5 minutes.

6 MR. MILLER: Before we break, there's one
7 issue that I needed to just clarify. It has to do with
8 the restart plan and the August 19th meeting. I want to
9 clarify this. It's kind of a detail in a way, but there
10 is a lot of public interest in this.

11 The meeting on the 19th is a meeting to review
12 or it's a continuation really of the July 24th meeting we
13 had with you regarding your restart plan. We had to
14 terminate that first meeting and didn't have enough time
15 to go through all of that and give you comment. That
16 meeting of course is open to the public.

17 But there will be a second meeting on August
18 20th, where we will get additional public input. We have
19 made it known that we are interested in hearing from the
20 public regarding our restart plan, the restart plan that I
21 described in my remarks at the beginning.

22 So it's easy to get these things confused.
23 But on the 20th, there will be a separate meeting. It's
24 after that meeting on the 20th when we get public input,
25 that we will complete the development of that plan. Then

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1 that will be made publicly available. I expect that will
2 be a living document, updated from time to time.

3 MR. FEIGENBAUM: That was our understanding.

4 MR. MILLER: All right.

5 MR. FEIGENBAUM: All right. I thought that
6 important, Bill, to clarify that. Thank you.

7 MR. RUSSELL: Let me cover one other aspect.
8 That is, the role of the line organization and the quality
9 organization as it relates to conduct of activities.

10 I want to illustrate with some dialogue that
11 Jim Taylor and I had with another company as it relates to
12 the role of the line organization, the quality
13 organization. That is the Watts Bar facility. The time
14 frame was the summer of 1994 through the fall of 1994.

15 We had a number of corrective action programs
16 that the company was implementing which they had put
17 through line reviews and quality reviews. During
18 inspection activity, we found that the conditions that
19 they said had been completed satisfactorily, were not
20 completed. Something on the order of eight different
21 examples. Then they got into what were the root causes of
22 that.

23 We also found that in fact, the interfacing
24 between the quality organization, line organization was
25 not visible to us. That is, we could not tell what the

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1 quality organization was finding and returning back to the
2 line for corrective action as is described in appendix B,
3 as it relates to non-conforming conditions and how they
4 are documented. While that is done internally, there
5 needs to be some visibility.

6 Subsequent to that period of time, the
7 corrective actions that the company had was that basically
8 when the lines said they were done and they forwarded
9 something to the quality organization for review, we
10 started having periodic meetings where the quality
11 organization described how many packages they had
12 received, how many they find satisfactory, how many got
13 sent back, what was done, et cetera.

14 It was very important to get an understanding
15 of the quality organization and how it was functioning.
16 The best way to see how something is functioning is to see
17 the results of what they find and what they do.

18 It's desirable to have the first time through
19 a product be one that is satisfactorily done through the
20 line organization. Given the history that you are dealing
21 with, that may not be as likely as you would like it to
22 be, at least in the early stages.

23 What we're saying is, we need some evidence as
24 to what they are finding because obviously, if we go in
25 and do an inspection, one of the questions we are going to

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1 be asking is did the line organization do a review in this
2 area. If so, what did they find? Did the quality
3 organization do a review in this area? If so, what did
4 they find?

5 If we find that they both looked and didn't
6 find something, and we look and we find something
7 significant, that tells us how effective the oversight is.
8 Again, I'm looking at results, not process, procedure. We
9 want to focus on the results of what is identified.

10 So I think it is important for you to re-visit
11 and look at, particularly in light of some of the recent
12 quality assurance findings by outsiders, how effectively
13 that function is being carried out.

14 So this is really for you, Mr. Miller, to
15 focus on those issues, particularly in light of the July
16 1996 conclusion by the root cause team as to how well
17 quality is working.

18 I have reviewed, Mr. Feigenbaum, your
19 directions. I believe they were dated August 1, to the
20 staff on your expectations. But given that history of
21 that function, we are going to be looking for some
22 evidence because that evidence that the process is working
23 and working well is what is going to be necessary to reach
24 conclusions about future operations once the immediate
25 problems are identified and resolved.

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1 MR. FEIGENBAUM: Understood.

2 MR. RUSSELL: I'd also point out that the
3 false starts between the summer of 1994 and the fall of
4 1994 probably contributed to something on the order of a
5 years delay at Watts Bar.

6 Okay? Any other questions?

7 MR. FEIGENBAUM: We'd like to return in 10 or
8 20 minutes.

9 MR. RUSSELL: Let's make it at 2:30, and Steve
10 Reynolds, my technical assistant, will take you to 1F79,
11 which is a conference room, so that you don't have to go
12 through security to get into that conference room. We'll
13 break until 2:30.

14 MR. MCKEE: We'll go off the record now, but
15 we'll be going back on the record at 2:30.

16 (Whereupon, the foregoing matter went off the
17 record at 2:11 p.m. and went back on the
18 record at 2:38 p.m.)

19 MR. MCKEE: If everyone can start taking their
20 seats, we'll begin again.

21 MR. FEIGENBAUM: Mr. Russell, we have just a
22 small number of questions and comments and clarifications.
23 I guess the most significant of which that needs some
24 discussion is on page seven, which is the third sub-bullet
25 down that deals with the representative sample, the

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1 consistency of the review across the safety significant
2 systems.

3 I just wanted to step back and describe a
4 little bit of what we did when we did our initial
5 discovery review. We looked at the most safety
6 significant systems, of which we have 11, the most safety
7 significant systems that represent about 85 percent of the
8 core melt frequency of Millstone Three.

9 We did detailed vertical slices of those 11
10 systems to find problems in those systems, but also as a
11 diagnostic for all safety significant systems and all
12 systems in the plant to find weaknesses in our programs
13 and procedures.

14 We looked at approximately 26 attributes in
15 those 11 systems when we did our vertical slice. As I
16 indicated to you in the July 2 letter, and subsequently we
17 talked about it briefly earlier today, we did find
18 problems in about 16 of those 25 attributes which is
19 causing us to go back and re-evaluate programs and
20 processes on a generic basis for those areas.

21 When we select the systems that are most risk
22 significant for the independent verification team to look
23 at, some of those systems or when the team based on our
24 rationale picks those systems, they may pick some of those
25 systems that had the vertical slice. They may choose to

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1 pick some systems, for one reason or another, that do not
2 have the vertical slice. Again, we use this as a
3 diagnostic tool.

4 So we think perhaps it would be beneficial to
5 modify the wording a little bit in this particular bullet
6 that talks about the consistency with other systems,
7 because based on safety significance and whether it was
8 chosen for a vertical slice or not, there may be
9 differences across all the safety significant systems, the
10 way we've reviewed them.

11 Ultimately though, the 16 peaks and the
12 problems we found will be taken care of across the board
13 in all systems, but not all systems got the vertical slice
14 review in our review.

15 MR. RUSSELL: The intent is can I use the
16 example of 20 risk significant systems, I believe, out of
17 some total number of systems, maybe 50 or 60, that the
18 process that you use for the 20 would be consistent.

19 We recognize that there may be a difference
20 between the process you would use on a risk significant
21 system from one to which is concluded to not be risk
22 significant. That's the whole concept that's embodied
23 within the maintenance rule as to how you treat systems
24 differently.

25 One caution. That is, that the maintenance

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1 rule risk significant structure and organization, and
2 things which are done using PRA are predicated upon the
3 design having been maintained. So to the extent that if
4 the design is not adequately maintained, if there's some
5 common cause failure, a system which would under random
6 failure kinds of considerations or based upon prior
7 operating experience, be considered not risk significant,
8 if there's some common cause failure problem, it would
9 turn out that they could be risk significant.

10 That is, if you took a as-discovered condition
11 and you modeled it in a PRA and said this system is not
12 available, it could turn out to be potentially
13 significant.

14 What we are talking about is a plan here that
15 would identify what the process is for auditing. So if
16 you have groups that you have used for your activity on
17 systems, that all the systems within a particular group
18 are treated the same way.

19 If you have two different approaches, for
20 example, for BOP systems that are transient initiators,
21 you have one approach, for standby safety systems you have
22 another, for a system that's in operation continuously
23 that you can monitor its performance, you might have
24 another approach.

25 Whatever you do to group them to ensure that

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1 the design basis is consistent with the FSAR licensing
2 basis, and that the as-built, as-analyzed, is consistent
3 with that design basis. That is what we're interested in.

4 MR. FEIGENBAUM: So the fact that we are
5 taking our findings, our programmatic issues, our 16
6 attributes that needed fixing across the board, and
7 folding those into all risk significant systems across the
8 board, that meets the intent of this word consistent,
9 because the independent team may pick a system that
10 received a vertical slice, and may review a system that
11 didn't get the personalized vertical slice, but got the
12 benefit because the attributes will now be folded into
13 that system and those programs fixed.

14 I just wanted to make sure that we understood
15 that that was acceptable to have a system that had a
16 vertical slice and a system that didn't have a vertical
17 slice, as long as the problems were found and corrected.

18 MR. TAYLOR: I would think if we get an
19 independent vertical look at a system, they'll find issues
20 that you may have missed, and that therefore, if they do,
21 and those problems could reflect elsewhere, that that's
22 what this means too. Do you know what I mean? That your
23 back look -- you start going in depth looking at a design
24 in a system, I would be surprised if they took some of the
25 11 that you did, I would be surprised if they don't come

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1 up with some issues that just were missed in your review.

2 That is not meaning to be critical, but I am
3 speaking from experience of people reviewing.

4 MR. FEIGENBAUM: The vertical slice.

5 MR. TAYLOR: Exactly. So whatever they
6 indicated with regard to your corrective action, you might
7 have to go back and make adjustments elsewhere. So I
8 think that's the independent aspect. That's the benefit
9 of somebody that hasn't lived with it, hasn't -- you know,
10 coming in with a fresh look.

11 MR. RUSSELL: Yes. Let me -- I agree with
12 what Jim just described. That's why we're interested in
13 this being representative.

14 Obviously if we go in and we find that the
15 results are positive, that is, there are not new issues
16 identified, et cetera, then the processes that you have
17 implemented on those representative samples can be the
18 evidence that the process was sufficiently effective that
19 there is high degree of confidence that the issues have
20 been identified.

21 On the other hand, we you go in and you
22 sample, and you find that there are problems that were
23 missed, then it raises questions about the process that
24 was implemented. Now it may be that you have for risk
25 significant systems, that you have done a vertical slice.

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1 From that vertical slice on 11 systems, you have
2 identified certain things that you need to go look at on
3 all systems, such that you don't have to repeat a vertical
4 slice on all the rest of the systems.

5 If that's in fact the case, then what we are
6 going to be looking at is did you adequately address those
7 attributes. Then if the issue turns out that when we do
8 our vertical slice we find out that there was an attribute
9 17 or 18 that turned out to be significant such that the
10 design basis wasn't maintained, that raises an issue as to
11 whether there ought to be either additional attributes on
12 the list, and then we know where to expand the scope for
13 potential conditions that need to be addressed.

14 MR. FEIGENBAUM: The bottom line is are we in
15 conformance and do we meet the requirements.

16 MR. RUSSELL: That's exactly it. All we're
17 interested in is making sure that the process is not
18 skewed such that a few systems get a grade A pedigree
19 review and others don't. We want to make sure that the
20 process you have implemented, for whatever the process
21 was, and it may change with time. You may learn based
22 upon the experience with the first few and find a more
23 efficient way of doing it.

24 What we're interested in is the consistency of
25 the result such that the problem identification is

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1 complete.

2 MR. FEIGENBAUM: I understand.

3 MR. RUSSELL: As it relates to that, we had
4 some discussion while you were out as it relates to two
5 items. One, when we would expect to start an independent
6 review from the standpoint of phasing of your corrective
7 action as it relates to problem identification.

8 I don't want to establish a rigid number, but
9 we want to have a sufficient number of systems completed
10 there can be a representative sampling out of those
11 systems to make judgements on the process, whether that's
12 approximately half of the systems completed or it's some
13 number of systems, I don't want to specify a percentage,
14 et cetera, because I would like to start the process as
15 early as we can, as soon as there is a representative
16 number that you have completed.

17 So if, based upon what you have already done,
18 it is simply a matter of organizing the information, doing
19 some verification submitting it, that could start
20 relatively soon. Then choose from that set.

21 There are some logistics to go through by way
22 of getting agreement on the firm or organization or
23 individuals to do the work. They are developing their
24 planning, both their audit plan and communication
25 protocols, et cetera. So there is going to be some time

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1 before they are ready to physically start. So I would
2 hope that there could be a number of these that have gone
3 through the line and QA to say these systems with these
4 items at this point in time unresolved are the number of
5 issues that we have to deal with.

6 The second aspect is as it relates to findings
7 of this team, findings and/or recommendations, the
8 protocol that we're talking about with respect to a
9 feedback loop, that is, we expect you to decide whether
10 the findings are correct or not, whether a modification is
11 needed or not, or whether there's some other approach.

12 We don't expect you to simply accept their
13 comments. We expect you, if you agree with the
14 independent team's findings, to indicate you agree. If
15 you disagree, you disagree and what the rationale is.

16 The dialogue that I had earlier was your
17 resolution of disposition of their comments. We want to
18 have a process where the team can comment on this, whether
19 they agree or not, whether something was missed.

20 That could either be through the vehicle of a
21 meeting, it could be formal dialogue, but there needs to
22 be a protocol as to how that would be handled. If it's a
23 meeting, we would want to obviously have NRC people there
24 to observe the resolution. If it's written documentation
25 back and forth that's provided at the same time to both

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1 the NRC and yourselves. It's in that context.

2 I do not expect this independent review team
3 to come up with recommended corrective actions. They are
4 going to be making judgements about your recommended
5 corrective actions in phase II. If they find that some
6 are not sufficiently complete, they will provide the
7 rationale. You would either agree with that or disagree
8 with that with a reason. We would want them to be able to
9 comment on your rationale to try and get closure so that
10 both can agree and it's an open observable process as to
11 how that resolution is handled.

12 MR. FEIGENBAUM: I just wanted to make sure I
13 understood when you said when we were about halfway
14 through, we had a representative sample of systems, you're
15 talking about a representative sample of risk significant
16 systems or half of the risk significant systems?

17 MR. RUSSELL: No. Let me illustrate with
18 numbers. I think you said you have 11 risk significant
19 systems. I don't know what your total number of systems
20 are.

21 MR. FEIGENBAUM: Actually it's 39 total
22 systems. We did a vertical slice on 11 systems which are
23 the most safety significant.

24 MR. RUSSELL: Eleven out of 39 total. If you
25 have risk significant 11, and something on the order of 20

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1 systems, some of which are risk significant, some of which
2 are not risk significant, then you would have a
3 representative sample to choose from.

4 So when you are about approximately halfway
5 through the discovery phase with respect to numbers of
6 systems for which discovery phase would be applied, that
7 is phase I, at that point in time, they could choose from
8 approximately 20 systems. Some number would be risk
9 significant, some would not be risk significant.

10 Okay? So it's not completion with five, that
11 is, half of 11. But it's something on the order of 18 to
12 20 of which a number would be risk significant.

13 MR. FEIGENBAUM: Mr. Russell, on page eight,
14 we wanted to just make sure that we understood that the
15 second sub-bullet dealing with verification of as-built
16 and as-modified is related to the last bullet, sub-bullet
17 on that page, modifications made to the system since
18 initial licensing. The fact that it was separated --

19 MR. RUSSELL: Yes. All of these are since
20 initial licensing.

21 MR. FEIGENBAUM: Okay.

22 MR. RUSSELL: We have on the page eight, or
23 seven at the top of the page, review of selected systems,
24 design and design basis since issuance of the facility
25 operating license.

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1 So the starting point for the activity is not
2 going all the way back in time to initial design review,
3 design documentation, but rather, how it's been maintained
4 since initial licensing.

5 MR. FEIGENBAUM: On the first sub-bullet on
6 page eight, we understand that to be engineering design
7 and configuration control processes.

8 MR. RUSSELL: Yes.

9 MR. FEIGENBAUM: It's the processes you'll be
10 looking at.

11 Bob, you had one other question?

12 MR. BUSCH: Yes. Again, Mr. Russell, I just
13 want to make sure I understand our process. Believe me,
14 I'm timid about going very far in this because as you
15 know, I'm not a lawyer. I'm an engineer.

16 But my understanding is and your expectation
17 is that the company, licensee in this case, will now take
18 these bullets, clearly add a few words simply along the
19 lines of those that Mr. Feigenbaum talked about to make
20 sure there's absolutely no misunderstanding about what the
21 process is and what we're attempting to do. We will
22 provide you tomorrow with our confirmation of our
23 understanding of this language that's in here, essentially
24 to the extent possible maintaining as much fidelity with
25 these words as humanly possible.

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1 We plan to turn these into sentences and
2 paragraphs. That's all I am really saying.

3 MR. RUSSELL: Yes. Right.

4 MR. MILLER: Bill, isn't it true that if I
5 take the second item, for example, on the bullet that
6 addresses modifications, that that might include -- you
7 mentioned processes, Mr. Feigenbaum. That might include
8 looking back at calculations, for example, and analyses to
9 confirm that if let's say net positive suction had for an
10 emergency core cooling system pump was at issue, you would
11 get confidence that as you modified that system or that
12 pump, that there wasn't a degradation in margin.

13 So that might take you beyond just looking at
14 the process that you used to modify the plant, but it
15 might take you back to calculation and analysis.

16 MR. TAYLOR: I agree with that comment.

17 MR. FEIGENBAUM: And I understood that from
18 Mr. Russell's comments earlier in the day that the 50.59
19 process --

20 MR. TAYLOR: If you have compromised, you
21 know, the original design and the only way you are going
22 to know that is through calculation. We have seen over-
23 loaded 1E buses. They weren't there to begin with, but as
24 loads were added, not taking into account starting
25 currents, you know that one. I saw that at a number of

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1 plants in the last five or 10 years, actual 1E buses.

2 MR. BUSCH: That would really be contained in
3 the third bullet, the translation of the design and
4 licensing basis requirements. Correct?

5 MR. MILLER: I suppose it could be encompassed
6 within a number of those. The important thing is to --

7 MR. TAYLOR: You shouldn't hesitate to go back
8 and make sure.

9 MR. RUSSELL: No. Of course not.

10 MR. FEIGENBAUM: Well, Mr. Russell and Mr.
11 Taylor, Mr. Miller, and NRC staff, I just want to thank
12 you for this opportunity to meet in a public setting to
13 listen and understand the approach that we're going to
14 take to evaluate and test our own engineering design
15 reviews that have been underway at Millstone since April.

16 We clearly recognize that we have had
17 significant failures in maintaining our design basis.
18 Much needs to be done in this area. We are hard at work
19 at that, at that effort.

20 We hope that such an approach as described
21 today will help determine if our own evaluations have
22 identified all the areas that need to be addressed and
23 fixed on all the significant and risk significant and
24 safety systems in an appropriate way, and give a solid
25 basis for the potential restart of our unit.

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1 Of course we recognize that it may also
2 identify additional work that needs to be done before we
3 can restart Millstone.

4 We also recognize that we'll be subject to
5 additional reviews by on-site staff and NRC staff and
6 regional staff, in accordance with manual chapter 0350 and
7 as described by Mr. Miller previously.

8 So we look forward to working with your staff
9 in the near future to identify an independent and
10 qualified party to do such an effort, and to perform the
11 reviews and develop the detailed scoping document by which
12 the reviews will be conducted.

13 As Mr. Busch said, we will obviously go back
14 and review this again in more detail. It is our
15 expectation that we will be able tomorrow to be able to
16 confirm in writing the understandings as outlined today as
17 how this kind of an independent review would be conducted.

18 So again, we thank you for this opportunity
19 and the ability to clarify these issues, and look forward
20 to a prompt response from us to you and then you back to
21 us so we can get started on this work.

22 MR. RUSSELL: That's really, Ted, the essence
23 of the reason for the relatively short turnaround. It's
24 time to get this in place. It's time to start the work.
25 So rather than protracted dialogue back and forth, we need

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1 to get the elements in place and provide the Commission,
2 the staff and the public, confidence that in this
3 instance, the work is done and completed based upon end
4 product result testing rather than process, procedures, or
5 commitments to plans.

6 MR. FEIGENBAUM: We will name a project
7 manager for this effort and inform your staff of who that
8 is so that we can coordinate.

9 MR. MCKEE: Well, I think that concludes the
10 portion of the meeting between NRC and the utility. The
11 record portion.

12 We're going to have, as I mentioned, following
13 this, we're going to have an opportunity for the press to
14 ask questions and then for the public to ask questions.
15 So thank you for this portion.

16 I want to mention just an administrative item.
17 There are some extra handouts available on the press
18 tables for the slides that we used. Also those that may
19 have come in and didn't, we have a sign-up sheet by the
20 exit on my right on the way out, if people can assure that
21 they are listed on that sign-up sheet.

22 So this portion of the meeting is concluded.
23 We're off the record.

24 (Whereupon, at 3:00 p.m. the proceedings were
25 concluded.)

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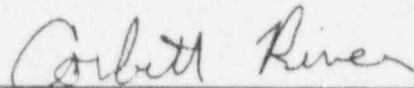
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NORTHEAST NUCLEAR ENERGY COMPANY

Docket Number: N/A

Place of Proceeding: ROCKVILLE, MARYLAND

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5/12/90 NRC - MILLSTONE PUBLIC MEETING ATTENDANCE

<u>NAME</u>	<u>AFFILIATION</u>
DAN JORHAN	NRC/NRR
JACQUE DURR	NRC/REGION I
JOHN ZWOLINSKI	NRC/NRR
STEVE REYNOLDS	NRC/NRR
PHIL MCKEE	NRC/NRR
JOHN KORECK	NRC/Public Affairs
ROBERT HUSTON	TVA
BILL MEINERT	MMWEC - MASSACHUSETTS MUNICIPAL WHOLESALE ELECTRIC
VINCE MOONAN	US Labor Assoc.
Tom Shender	Waterford, Ct.
Bob J Busch	NU
LILLIAN CUOMO	NU
DONALD B Miller Jr	NRC
Gerry Garfield	NU
MIKE BROTHAN	NU
R. JEB DELOACH	NU
PETER STONE	NRC
PADENIC KELLY	NU
L B. MARSH	NRC
Al Gairome	SCIENTECH
W. SEELYE	NRC
D. STILTON	McGraw Hill
MICHAEL RATKY	NRC/OC
C. MARCO	NRC/OC
J. MOORE	NRC/OC

<u>Name</u>	<u>Affiliation</u>
Frank J. Miraglia	NRR
Victor H. McKee	OEDD
James Taylor	EDD
James Milhoan	DEDR
MARTY Villalva	NRR
JIM LIEBERMAN	OE
Brian McCabe	OEDO
Carolyn Laurin	NRR
Margie Kotzdas	NRR
Claudia Craig	NRR
Frank Alekiewicz	NRR
R. M. Latta	NRR
Robert Gramm	NRR
MARK BEAUMONT	WESTINGHOUSE Rockville
DANIEL G. McDONALD	NRR
WILLIAM MURTON	NRR
JOHN KYTE	Egan & Assoc
William A. Cross	STS
TERENCE L. CHAN	OCM/GD
ANTHONY W. MARKLEY	OCM/GD
MITZI YOUNG	OCM/SJ

21
PUBLIC MEETING

BETWEEN

THE NUCLEAR REGULATORY COMMISSION

AND

NORTHEAST UTILITIES

REGARDING

MILLSTONE UNITS 1, 2 AND 3

AUGUST 12, 1996

1:00 PM

BACKGROUND

- **NRC INSPECTIONS AND LICENSEE INTERNAL AUDITS (SINCE
= 1991) HAVE IDENTIFIED:**
 - **CONFIGURATION (DESIGN) CONTROL FAILURES**
 - **FAILURES TO IMPLEMENT CORRECTIVE ACTION FOR
KNOWN PROBLEMS**
 - **FAILURE TO IMPLEMENT QUALITY ASSURANCE
REQUIREMENTS**
 - **FAILURE TO COMPLY WITH TERMS AND CONDITIONS OF
LICENSE**
- **SCOPE AND MAGNITUDE OF THE PROBLEM IS SIGNIFICANT**
 - **MILLSTONE 3 1187* NON-CONFORMING ITEMS
597* PROPOSED FOR CORRECTION
PRIOR TO RESTART**
 - **DESIGN CHANGES ARE REQUIRED FOR MANY TO
RESTORE OPERABILITY**
- **AS OF JULY 2, 1996**

NRC INSPECTION OVERSIGHT

- EXPANDED INSPECTION AND SENIOR MGMT OVERSIGHT
- MANUAL CHAPTER 0350 PROCESS
 - SYSTEMATIC, STRUCTURED PROCESS
 - RESTART ACTION PLAN
 - RESTART PANEL
- INSPECTIONS PRIOR TO RESTART
 - CONTINUING RESIDENT/REGIONAL/HQ OVERSIGHT
 - INDEPENDENT CORRECTIVE ACTION VERIFICATION INSPECTION
 - OPERATIONAL READINESS INSPECTION TEAM
 - FOCUS ON HUMAN PERFORMANCE
- PUBLIC INVOLVEMENT
 - INSPECTION "EXIT" MEETINGS
 - PERIODIC PUBLIC MEETINGS ON STATUS
 - MEETINGS WITH LICENSEE (E.G., RESTART PLANS)
 - PUBLIC DOCUMENT ROOMS
- COMMISSION APPROVAL OF RESTART LAST STEP
- IF RESTART IS APPROVED, PLANT WOULD REMAIN ON WATCH LIST

**WHAT IS AN INDEPENDENT CORRECTIVE
ACTION VERIFICATION PROGRAM (ICAVP)?**

- **BASED UPON NRC EXPERIENCE WITH INDEPENDENT DESIGN VERIFICATION PROGRAM (IDVP) (MC 2535)**
 - **VERIFICATION OF IMPLEMENTATION OF LICENSING REQUIREMENTS**
 - **COMPARISON OF "DESIGN BASIS" TO "AS BUILT" AND "AS ANALYZED"**
- **KEY ELEMENTS:**
 - **CONDUCTED BY A THIRD PARTY**
 - **LICENSEE CONTRACTS FOR THE THIRD PARTY REVIEW**
 - **TEAM IS COMPOSED OF HIGHLY QUALIFIED AND EXPERIENCED ENGINEERING STAFF**
 - **TEAM SELECTION IS APPROVED BY NRC**
 - **TEAM REPORTS FINDINGS CONCURRENTLY TO NU AND NRC**
 - **NRC OVERSEES THE ACTIVITIES OF THE THIRD PARTY REVIEW**

NRC EXPECTATIONS FOR ICAVP

- HAVE A WELL-DEFINED PLAN FOR IN-DEPTH EVALUATION OF SELECTED SYSTEMS
- RISK/SAFETY-BASED CRITERIA FOR SELECTION OF SYSTEMS
- AUDIT PLAN TO CONFIRM LICENSEE REVIEWS ON SELECTED SYSTEM IS REPRESENTATIVE
- PROTOCOL FOR CONCURRENT REPORTING OF IN-PROCESS AND FINAL RESULTS TO NRC AND LICENSEE
- INDEPENDENT
 - NO CURRENT OR PREVIOUS EMPLOYEES OR CONTRACTORS
 - NO FINANCIAL INTEREST
 - KEY HOLD POINTS, AS NECESSARY
 - PROCEDURES FOR REPORTING FINDINGS
 - PHASING AND TIMING OF WORK

NRC OVERSIGHT

- NRC HQ TEAM (SES + INSPECTORS) TO OVERSEE THE ICAVP

LICENSEE PHASED CORRECTIVE ACTION NECESSARY

PHASE I - PROBLEM IDENTIFICATION

- PROBLEM IDENTIFICATION AND OPERABILITY ASSESSMENT ON A SYSTEM-BY-SYSTEM BASIS, FOCUSING ON THE MOST RISK SIGNIFICANT SYSTEMS
- CONSISTENT PROCESS
- LINE MANAGEMENT / QUALITY ASSURANCE OVERSIGHT COMPLETED AND RESULTS REPORTED
 - EVALUATION AND CORRECTIVE ACTION IDENTIFICATION NOT REQUIRED

LICENSEE PHASED CORRECTIVE ACTION NECESSARY
(CONT'D)

PHASE II - RESOLUTION

- **NECESSARY CORRECTIVE ACTIONS IDENTIFIED, REVIEWED AND IMPLEMENTED**
- **CORRECTIVE ACTIONS DEFERRED UNTIL AFTER RESTART JUSTIFIED BY NU, REVIEWED AND APPROVED BY NRC**

NRC OVERSIGHT

- **NRC OVERSIGHT WILL BE CONDUCTED USING MC 0350**
 - **REGIONAL ADMINISTRATOR, REGION I COORDINATES**
 - **COORDINATION WITH EDO AND D:NRR**
 - **RESULTS PRESENTED TO COMMISSION**
 - **RESPONSIBLE SES MANAGERS:**
 - W. LANNING, REGION I**
 - P. MCKEE, NRR**

ACTIONS TO BE ADDRESSED BY ORDER

- IMPLEMENT AN INDEPENDENT CORRECTIVE ACTION VERIFICATION PROGRAM, INCLUDING:
 - CONDUCT OF AN IN-DEPTH REVIEW OF SELECTED SYSTEMS' DESIGN AND DESIGN BASES SINCE ISSUANCE OF THE FACILITIES' OPERATING LICENSES
 - RISK/SAFETY BASED CRITERIA FOR SELECTION OF SYSTEMS FOR REVIEW
 - A DESCRIPTION OF THE AUDIT PLAN TO ENSURE THAT LICENSEE PROBLEM IDENTIFICATION AND CORRECTIVE ACTION ON THE SELECTED SYSTEM ARE REPRESENTATIVE AND CONSISTENT WITH OTHER SYSTEMS
 - PROCEDURES AND SCHEDULES FOR PARALLEL REPORTING OF FINDINGS TO THE NRC AND NU
 - PROCEDURES FOR COMMENTING ON THE LICENSEE'S PROPOSED RESOLUTION OF THE TEAM'S FINDINGS AND RECOMMENDATIONS

ACTIONS TO BE ADDRESSED BY ORDER (CONT'D)

- SCOPE OF THE ICAVP EFFORT INCLUDES:
 - ENGINEERING DESIGN AND CONFIGURATION CONTROL
 - VERIFICATION OF AS-BUILT AND AS-MODIFIED CONDITIONS
 - TRANSLATION OF THE DESIGN AND LICENSING BASES REQUIREMENTS INTO OPERATING PROCEDURES, MAINTENANCE AND TESTING
 - VERIFICATION OF SYSTEM PERFORMANCE THROUGH REVIEW OF TEST RECORDS AND OBSERVATION OF SELECTED TESTING
 - PROPOSED AND IMPLEMENTED CORRECTIVE ACTIONS FOR LICENSEE-IDENTIFIED DESIGN DEFICIENCIES
 - MODIFICATIONS MADE TO THE SYSTEM SINCE INITIAL LICENSING

NRC OVERSIGHT OF ICAVP

- APPROVE QUALIFICATIONS AND INDEPENDENCE OF ICAVP TEAM
- APPROVE SYSTEMS SELECTED FOR ICAVP REVIEW
- NRC HQ TEAM WILL CONDUCT PARALLEL INSPECTION; AUDIT CALCULATIONS; REVIEW CORRECTIVE ACTIONS AND IMPLEMENTATION FOR SELECTED SYSTEMS
- NRC RESTART OVERSIGHT (MC 0350) AND ICAVP OVERSIGHT ARE PARALLEL AND INDEPENDENT EFFORTS
- CONDITIONS/ACTIONS REQUIRED FOR RESTART WILL BE DETERMINED BY THE COMMISSION

Dr. Shirley Ann Jackson
Chairman
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

Donald W. Del Core, Sr.
4 Driscoll Drive
Uncasville, CT. 06382-1808

August 13, 1996

Dear Dr. Jackson:

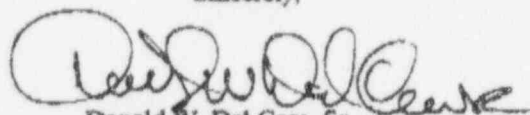
Two important issues have come to my attention and I believe they need your immediate attention. The first deals with public meetings between the NRC staff and NU being held at Rockville, MD. The second deals with Mr. William Russell of your staff allowing NU to pick the members of an Independent Corrective Action Verification Program suggested by you during your recent visit to our area.

I have very deep concerns about the veracity of any program whereby the licensee tasked with verifying corrective action gets to select the "INDEPENDENT" party to accomplish the verification! Clearly from information I have been supplied with, the selection process rules established by Mr. Russell were not clearly defined. The process seemed to be a bit rushed to say the least. The question of use of a particular contractors for use on Millstone Unit # 3, seemed to run along the lines of whether or not the particular contractor was used for Unit # 3 before. The fact that they may have been used by NU before in any capacity seems to be a very important issue to the independence of any verification. While I welcome your suggestion of an independent verification, the veracity of the program is already in question.

Additionally, what possible good is accomplished by having a public meeting between NU and the NRC staff on an issue that is so important to the restart process, in Rockville, MD. Why would anyone schedule any meeting regarding public health and safety away from the area involved? Again if what the NRC and NU are trying to accomplish is reducing public trust, they are doing a good job of it. I believe you and your staff may have missed the point of our public meeting last week. These two issues seem to point out a continued arrogance on the part of your staff, and NU, with regard to our public involvement.

Dr. Jackson you seemed very sincere about your intentions last week, please don't erode the early public trust you have gained, by allowing your staff to continue on the very path that got us to where we are today. Thank you very much in advance for your attention in this matter of deep concern to me.

Sincerely,



Donald W. Del Core, Sr.
1-860-848-8124
1-860-848-2020 Fax

9610150254 1/.

Millstone plants will get review for safety

Inspection team to assess problems

By PAUL CHOINIERE
Day Staff Writer

Rockville, Md. — Before they can restart, the Millstone nuclear plants in Waterford will undergo a level of scrutiny not seen since the nuclear industry was rocked by the accident at Three Mile Island in 1979.

Representatives of Northeast Utilities and the federal Nuclear Regulatory Commission met at the agency's headquarters here Monday to discuss the appointment of an independent verification team that will be responsible for verifying that the serious problems at the three Millstone Nuclear Power Station plants are addressed.

NU officials said they would not object to the appointment of the team.

William Russell, director of nuclear reactor regulation for the NRC, said independent verification teams were used in the wake of the Three Mile Island accident to ensure that new plants met design regulations developed from the lessons learned at Three Mile Island.

The independent review process is being resurrected to make sure Millstone will not reopen until it can operate safely. It is the first time the process has been

See MILLSTONE, page A8

■ The NRC has asked Northeast Utilities for more information to determine whether the license of its Connecticut Yankee nuclear plant should be suspended, modified or revoked. **B5**

Millstone will get safety review

From A1

used for the restart of a problem-plagued plant.

"This is very different," said Russell. "It's unique in this case."

At the meeting, representatives of NU agreed to support the use of an independent review team. Restart plans also will have to be reviewed by the NRC.

The NRC has been criticized for not cracking down sooner on Millstone. In January the agency placed the three Millstone nuclear reactors on its list of problem plants. But the action came only after several years of well-documented problems at the plants.

Those problems are largely regulatory in nature — involving both widespread failures to follow procedural guidelines and a failure to document design changes made to the plants over the years. This breakdown in regulatory compliance resulted in a reduced margin of safety at the Millstone reactors, said James M. Taylor, executive director for nuclear operations at the NRC.

Taylor said NRC inspectors can-

not be expected to review all plant designs because they are so "complex and voluminous." It is ultimately up to the operator of a nuclear plant to make sure it is run properly. NU's failure to do so was a "breach of the confidence" the NRC placed in the company, said Taylor.

The representatives of NU appeared contrite at the meeting, asking for only a couple of technical clarifications and admitting their mistakes. Robert Busch, president of the Energy Resources Group, said the company will submit a written commitment to the NRC today concerning the independent review team process.

The consultants that will conduct the review will be selected by Northeast Utilities, but must be approved by the NRC. Nuclear consultants who are working for, or have worked for the Millstone plants in the past, will not be eligible. The state will be invited to appoint an observer to serve on the review team.

Russell said he was confident those selected to review whether

Millstone has corrected its problems will do a fair and impartial job.

Northeast Utilities wants to get its newest and largest plant, Millstone 3, back in operation first. With hundreds of procedural and design problems to be corrected, company officials declined to speculate as to when the plant may receive approval to restart. It could be a year or more before Millstone units 1 and 2 go back on line.

NRC Chairwoman Shirley Ann Jackson first announced the plans for a third-party inspection team during a visit to Waterford last week. Jackson said the agency was taking the unusual step because of a lack of public confidence both in Northeast Utilities and the regulatory agency itself.

Russell noted that NU has produced several plans over the years intended to improve plant performance, none of them adequate.

This time, he said, the agency will "focus on end results, completed product," not "management plans, reorganizations and promises."

ACTION

EDO Principal Correspondence Control

FROM:

DUE: 08/29/96

EDO CONTROL: GT96626

DOC DT: 08/13/96

FINAL REPLY:

Donald W. Del Core, Sr.
Uncasville, CT

TO:

Chairman Jackson

FOR SIGNATURE OF :

** PRI **

CRC NO: 96-0886

Chairman Jackson

DESC:

ROUTING:

CONCERNS RE PUBLIC MEETINGS WITH NORTHEAST
UTILITIES HELD IN ROCKVILLE & SELECTION OF
THE MEMBERS OF AN INDEPENDENT CORRECTIVE ACTION
VERIFICATION PROGRAM

Taylor
Milhoan
Thompson
Blaha
HMiller, RI
Cyr, OGC

DATE: 08/16/96

ASSIGNED TO:

CONTACT:

NRR

Russell

SPECIAL INSTRUCTIONS OR REMARKS:

NRR RECEIVED:

AUGUST 16, 1996

NRR ACTION:

DRPE:VARGA

NRR ROUTING:

RUSSELL
MIRAGLIA
THADANI
ZIMMERMAN
GRIMES
BOHRER

ACTION

DUE TO NRR DIRECTOR'S OFFICE

BY Cyr 26, '96

ACTION

EDO Principal Correspondence Control

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DRPE:VARGA

NRR ROUTING:

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MIRAGLIA
THADANI
ZIMMERMAN
GRIMES
BOHRER

<p>ACTION</p> <p>DUE TO NRR DIRECTOR'S OFFICE</p> <p>BY <u>Aug 26, '96</u></p>

OFFICE OF THE SECRETARY
CORRESPONDENCE CONTROL TICKET

PAPER NUMBER: CRC-96-0886 LOGGING DATE: Aug 16 96

ACTION OFFICE: EDO

AUTHOR: DONALD DEL CORES
AFFILIATION: CONNECTICUT

ADDRESSEE: CHAIRMAN JACKSON

LETTER DATE: Aug 13 96 FILE CODE: IDR-5 MILLSTONE

SUBJECT: CONCERNS PUBLIC MEETINGS WITH NORTHEAST UTILITIES
HELD IN ROCKVILLE AND SELECTION OF INDEPENDENT
CORRECTIVE ACTION VERIFICATION PROGRAM MEMBERS

ACTION: Signature of Chairman

DISTRIBUTION: CHAIRMAN, COMRS, RF

SPECIAL HANDLING: SECY TO ACK

CONSTITUENT:

NOTES: OCM #4874

DATE DUE: Aug 30 96

SIGNATURE: . DATE SIGNED:

AFFILIATION:

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