



**Northeast  
Utilities System**

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December 18, 1996  
Docket No. 50-423  
B15970

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

Millstone Nuclear Power Station, Unit 3  
Independent Corrective Action Verification Program (ICAVP)

At our meeting on August 12, 1996, the Nuclear Regulatory Commission (NRC) Staff expressed its requirement that Northeast Nuclear Energy Company (NNECO) independently verify the adequacy of NNECO's activities to establish appropriate design bases and design controls at the Millstone units. This was to include the translation of the design bases into operating procedures and maintenance and testing practices, verification of system performance, and implementation of modifications since issuance of the initial facility operating license. NNECO responded by letter dated August 13, 1996, committing to conduct such an independent verification, and this commitment was confirmed by the NRC's Confirmatory Order dated August 14, 1996.

The NRC's Confirmatory Order required that the selection of the independent verification team be approved by the NRC. This letter provides the NRC with information required to assess NNECO's proposed selection of a contractor and the independent verification team for the conduct of the ICAVP for Millstone Unit 3, and requests NRC approval of the proposed contractor (Sargent & Lundy) and team. Proposals for NRC approval of the ICAVP contractor for Millstone Units 1 and 2 will be covered in separate correspondence at a later date.

Enclosure 1 contains the principal criteria used in evaluating the contractor bids for the conduct of the ICAVP. These criteria, which were included in the Request for Proposals, contained both essential evaluation criteria, such as independence, and additional evaluation criteria, such as attributes of the proposed project team and project plan. Enclosure 1 also contains a discussion of the methodology used in the bid selection process to ensure that an objective bid analysis was performed and the results of that analysis.

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In addition to the analysis of factors important to the selection of the ICAVP contractor, NNECO has developed the key program and procedural aspects of the proposed ICAVP which would facilitate achieving independent, objective, and technically correct findings. These are provided in Enclosure 2 and include:

- Program elements to be covered by the ICAVP scope
- Criteria for closure of ICAVP findings
- Criteria for expansion of the ICAVP sample
- Guidelines for the protocol that will be used for communication between all parties participating in the ICAVP, including communication of questions, responses, and findings by telephone, in writing, or at meetings

Finally, as Enclosures 3, 4, and 5 to this letter, we are providing:

- The list of potential contractors considered for this work, along with the bases for selecting the three to receive bid request packages. NNECO believes that only Architect-Engineer firms with previous similar assessment experience, who have done relatively limited work for NU in the past, would be sufficiently capable and independent to perform the work scope covered by the ICAVP, and the NRC's Confirmatory Order.
- A copy of the Request for Proposals sent to the prospective ICAVP contractors.
- Resumes of the proposed ICAVP team, with the names of participating individuals removed to assure objective review and assessment of qualifications.

As a result of NNECO's evaluation of contractor qualifications and independence, we propose that Sargent and Lundy (S&L) be selected as the ICAVP contractor for Millstone Unit 3. S&L is financially and organizationally independent of NNECO and its subsidiaries and the design contractors for the Millstone units. The team members that S&L proposes for the ICAVP have no financial interest in NNECO and no prior involvement in design reviews for Millstone. Our selection has also considered previous work done by S&L at Millstone and NNECO has found that the contractual amounts, which are a small percentage of S&L's revenue, minimize financial entanglements between NNECO and S&L and the previous work itself will not be reviewed under the ICAVP. Finally, both S&L and the team proposed have the requisite expertise and experience to conduct the ICAVP. Therefore, NNECO concludes that the requirements of the NRC's Order are fully met.

NNECO understands that the Nuclear Energy Advisory Council (NEAC), formed by the State of Connecticut legislature, will request periodic briefings of the NEAC and the public by the ICAVP contractor. NNECO will facilitate such briefings if requested.

NNECO requests that the NRC take the appropriate steps, including noticing a public meeting in the vicinity of the site for the purpose of discussing the proposals and the selection process, and to approve the selection of the ICAVP contractor and team recommended. We also request that the NRC provide NNECO a tentative schedule for its review of this information and the conduct of appropriate public meeting(s) as soon as practicable.

NNECO is sending a copy of this letter to each of the responders to our Request for Proposals, and to the Public Document Room/Town of Waterford Public Library. Please feel free to contact Mr. James Peschel at (860) 440-5840 should you need further information or clarification of this letter or enclosures.

Very truly yours,

NORTHEAST NUCLEAR ENERGY COMPANY



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