



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

January 23, 1997

50-213
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336
423

Deborah Katz, President
Citizens Awareness Network
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Paul Gunter, Reactor Watchdog Project
Nuclear Information and Resource Service
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Washington, DC 20036

Dear Ms. Katz and Mr. Gunter:

This letter is to acknowledge receipt of a Petition pursuant to Title 10 of the Code of Federal Regulations (10 CFR) Section 2.206 dated November 25, 1996, and an amendment to the Petition dated December 23, 1996, submitted by you on behalf of Citizens Awareness Network (CAN) and the Nuclear Information and Resource Service (NIRS) (Petitioners). The Petition was submitted to the Commissioners of the U. S. Nuclear Regulatory Commission (NRC) and to the NRC Executive Director for Operations. The Petition requested that the NRC take actions regarding the nuclear facilities that Northeast Utilities (NU or Licensee) operates in Connecticut. The Petition has been forwarded to my office for the preparation of a response.

Petitioners allege that NU has, over the past decade, mismanaged its nuclear facilities in Connecticut and operated them in flagrant disregard of NRC regulations; that NU has failed to fulfill its commitments to the NRC; that NU management had concrete particularized knowledge of serious on-going violations of NRC regulations culminating in material misrepresentations to the NRC; that regulatory oversight by the NRC to assure NU's compliance with NRC regulations has been a blatant and abject failure; that NU is in violation of 10 CFR Part 50, Appendix B; and that these failures have culminated in inconsistent and inaccurate Final Safety Analysis Reports at NU's nuclear facilities, in Connecticut, thereby posing a significant safety concern for either continued plant operation or decommissioning.

The bases for these assertions are NU and NRC inspection findings and NU documents referred to in the Petition and the amendment, and a VHS videotape, Exhibit A, which accompanied the Petition. The videotape records an August 29, 1996, Citizens Regulatory Commission televised interview of a former Millstone Station employee expressing his views on NU management. Areas identified in the Petition include surveillance testing, operation outside the design basis, and degraded material condition. The Petition asserts that this information demonstrates that there are inadequate quality assurance programs at NU's nuclear facilities in Connecticut, that NU has made material false statements regarding its Millstone units and that safe decommissioning of the Haddam Neck facility, which the Petitioners refer to as Connecticut Yankee, is not possible given the defective nature of the design and licensing basis for this facility. In addition, in the amendment,

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Petitioners assert that certain nitrogen calculations performed by NU for the facility may not comply with 10 CFR Part 50, Appendix B, and the NRC has failed to identify this problem. The videotape interview included the former employee's views relating to NU's poor management in allowing: degradation of the material condition of the plant; poor radwaste practices resulting in potential radiation exposure to employees; and harassment, intimidation and subsequent illegal termination of employees raising safety concerns. The NRC has had the videotape transcribed and placed in the Commission's Public Document Room at 2120 L Street, N.W., Washington, DC 20037, and also placed in the local public document rooms at (1) the Learning Resources Center, Three Rivers Community-Technical College, 574 New London Turnpike, Norwich, CT 06360, (2) the Waterford Library, ATTN: Vince Juliano, 49 Rope Ferry Road, Waterford, CT 06385, and (3) the Russell Library, 123 Broad Street, Middletown, CT 06457.

Petitioners request the following actions: immediate suspension or revocation of NU's licenses to operate its nuclear facilities in Connecticut; investigation of possible NU material misrepresentations to the NRC; continued shutdown of the NU facilities until the Department of Justice completes its investigation and the results are reviewed by the NRC and until the NRC evaluates and approves NU remedial actions; continued listing of the NU facilities on the NRC "watch list" should NU resume operation; barring any predecommissioning or decommissioning activity at any NU nuclear facility in Connecticut until NU and the NRC take certain identified steps to assure that such activities can be safely conducted; and initiation by the NRC of an investigation into how it allowed the asserted illegal situation at NU's nuclear facilities in Connecticut to exist and continue for more than a decade. In addition, in the amendment, Petitioners request copies of Haddam Neck's nitrogen calculations and an immediate investigation of the need for enforcement action for alleged violation of 10 CFR Part 50, Appendix B.

The basis for Petitioners' request that the NRC immediately suspend or revoke the licenses to operate the Haddam Neck and Millstone facilities is the alleged chronic, negligent management of the nuclear facilities for more than a decade.

The Licensee shut down the Haddam Neck plant on July 22, 1996, as required by the facility Technical Specifications, because of concerns that the service water piping from the fan that recirculates containment air may exceed design loads during certain accident conditions. The Licensee determined that these concerns and other hardware and programmatic concerns identified before and during this forced outage should be resolved before NU would restart the plant. However, on October 9, 1996, the joint owners of the Haddam Neck plant stated that an economic analysis of operations, expenses, and the cost of replacement power indicated that a permanent shutdown of the plant seemed likely. On December 4, 1996, the joint owners voted to decommission Haddam Neck instead of restarting the plant.

On November 4, 1995, the Licensee shut down Millstone Unit 1 for a scheduled refueling outage. Subsequently, potential violations regarding past refueling practices and operation of the spent fuel pool that were inconsistent with the unit's design basis. The NRC sent a letter to the Licensee on December 13, 1995, requiring that, before the restart of Millstone Unit 1, NU inform the NRC, pursuant to 10 CFR Section 50.54(f), of the actions taken to ensure that in the future it would operate that facility according to the terms and conditions of the plant's operating license, the Commission's regulations, and the plant's updated Final Safety Analysis Report (UFSAR).

In January 1996, the NRC designated the three Millstone units Category 2 plants on the NRC's watch list. Plants in this category have weaknesses that warrant increased NRC attention until the Licensee demonstrates a period of improved performance. On February 20, 1996, the Licensee shut down Millstone Unit 2, as required by the unit's Technical Specifications, due to the high pressure safety injection system being declared inoperable. On March 30, 1996, the Licensee shut down Millstone Unit 3 after it found that some containment isolation valves did not meet NRC requirements.

In response to a Licensee root-cause analysis of the inaccuracies in the Millstone Unit 1 UFSAR that identified the potential for the presence of similar configuration-management conditions at Millstone Units 2 and 3, and design configuration issues identified at these units, the NRC sent 10 CFR 50.54(f) letters to the Licensee on March 7 and April 4, 1996. These letters required that the Licensee inform the NRC of the corrective actions taken regarding design configuration issues at Millstone Units 2 and 3 before the restart of each unit.

In June 1996, the NRC designated the units at Millstone as Category 3 plants on the NRC's watch list. Plants in this category have significant weaknesses that warrant maintaining them in a shutdown condition until the Licensee can demonstrate to the NRC that it has both established and implemented adequate programs to ensure substantial improvement. Plants in this category require Commission approval before operations can be resumed.

On August 14, 1996, the NRC issued a confirmatory order directing the Licensee to contract with a third party to implement an Independent Corrective Action Verification Program (ICAVP) to verify the adequacy of its efforts to reestablish the design bases and design controls for the Millstone units. The ICAVP is intended to provide additional assurance, before the restart of a Millstone unit, that the Licensee has identified and corrected existing problems in the design and configuration control processes for that unit.

On October 24, 1996, the NRC issued an order directing that, before the restart of any Millstone unit, the Licensee develop and submit to the NRC a comprehensive plan for reviewing and dispositioning safety issues raised by its employees and ensuring that employees can raise safety concerns without fear of retaliation. The order also directs the Licensee to retain an independent third party to oversee implementation of its comprehensive plan.

The staff's approach to oversight of the NU facilities is to ensure that the Licensee will carry out a comprehensive and broad-scope program to identify and correct its weaknesses. In a June 20, 1996, letter to the NRC, the Licensee described its Configuration Management Plan (CMP), which is its principal program to provide reasonable assurance that weaknesses at the Millstone units have been effectively corrected. The CMP includes efforts to understand the licensing and design-basis issues that led to NRC issuance of the 10 CFR 50.54(f) letters and actions to prevent recurrence of those issues. The Licensee described its CMP objective to document and meet each units' licensing and design-basis requirements, and its intention to ensure that adequate programs and processes exist to maintain control of these requirements. A CMP is also in progress at the Haddam Neck Plant.

Thus, the significance and number of issues identified at the Millstone units and at Haddam Neck have resulted in the shutdown of all four units. As discussed above, the Haddam Neck facility will not resume operation. By letter dated December 5, 1996, the Licensee for Haddam Neck certified, in accordance with NRC regulations, that it had determined to permanently cease operations at the Haddam Neck facility and that the fuel had been permanently removed from the reactor. In addition, I see no need to immediately suspend or revoke the operating licenses for the three Millstone units as these units are currently shut down and are undertaking major efforts in response to NRC orders. Furthermore, the Commission must approve the restart of any of the Millstone units.

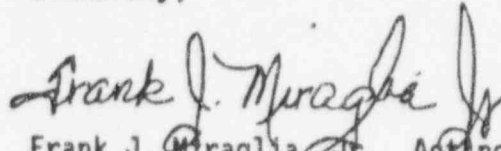
The basis for the Petitioners request for an immediate determination of the need for enforcement action for violation of 10 CFR Part 50, Appendix B, is alleged deficient calculations performed by NU for the Haddam Neck facility. An event at the Haddam Neck facility resulted in the introduction of a nitrogen gas bubble in the reactor vessel. The Licensee performed calculations to estimate the water level to assess whether the reactor fuel had been uncovered during the event, which presumably are the "nitrogen calculations" to which the Petitioners refer. The NRC conducted an Augmented Inspection Team (AIT) review of this event. Inspection Report No. 50-213/96-80, dated October 30, 1996, provides the results of the AIT review. Although the AIT concluded that the event was safety significant, it further concluded that there were no actual consequences. A copy of the AIT report is enclosed that details other actions taken by the Licensee to determine the water level in the reactor vessel including special tests. Subsequent to the AIT report, a predecisional enforcement conference was held in Waterford, Connecticut, on December 4, 1996, which addressed several issues including NU's response to this event. I see no basis for an immediate investigation of the need for enforcement action for violation of 10 CFR Part 50, Appendix B, relating to alleged deficient calculations performed by NU in response to the event since the reactor vessel has been defueled and the Haddam Neck facility will not resume operation. Consequently, accuracy of the calculations has no present safety impact.

With regard to your request to prohibit NU from decommissioning any of its reactors in Connecticut, 10 CFR 50.82, "Application for termination of license," requires that a Licensee submit a post-shutdown decommissioning activities report (PSDAR) to the NRC and a copy to the affected state(s) prior to or within 2 years following permanent cessation of operations. The report must include, among other things, a description of the planned decommissioning activities along with a schedule for their implementation. The joint owners of the Haddam Neck plant have not submitted a PSDAR to the Commission. All activities being performed at the Haddam Neck plant are required to comply with its current license.

As the Petition and amendment requests an investigation of NRC oversight activities at NU facilities in Connecticut over the last decade, copies of the Petition, amendment, and videotape have been sent to the NRC's Office of the Inspector General.

In accordance with 10 CFR Section 2.206, the NRC will take action with regard to the issues raised in the Petition within a reasonable time. For your information, I have enclosed a copy of the Notice that is being filed with the Office of the Federal Register for publication. I have also enclosed for your information a copy of the videotape transcription and a pamphlet on the public petition process. Ms. Deborah Katz, President of CAN, has been added to the service lists for the Millstone and Haddam Neck facilities to assure that the Petitioners receive all relevant NRC correspondence.

Sincerely,



Frank J. Miraglia Jr., Acting Director
Office of Nuclear Reactor Regulation

- Enclosures:
1. Federal Register Notice
 2. Inspection Report No. 50-213/96-80
 3. Video Transcription
 4. Pamphlet on the Petition Process

cc w/encls: Rosemary Bassilakis, Researcher
Citizens Awareness Network
54 Old Turnpike Road
Haddam, Connecticut 06438

Licensee and Service List

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Office of Nuclear Reactor Regulation

Docket Nos. 50-245, 50-336, 50-423
and 50-213

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cc w/encls: Rosemary Bassilakis, Researcher
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* see previous concurrence

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January 23, 1997

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Haddam, Connecticut 06438

Licensee and Service List w/o encl: 4

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Northeast Utilities Service Company

Millstone Units 1, 2, and 3
Haddam Neck Plant

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Haddam Neck Plant

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