

Mr. Paul M. Blanch
135 Hyde Road
West Hartford, CT 06117

Dear Mr. Blanch:

I am responding to your letter of August 13, 1996, in which you questioned the independence of the Independent Corrective Action Verification Program (ICAVP) that will be conducted at the Millstone Nuclear Power Station in Waterford, Connecticut.

In a letter to the U.S. Nuclear Regulatory Commission (NRC) dated August 13, 1996, Northeast Nuclear Energy Company (NNECO), the licensee for the Millstone plants, committed to obtain the services of an independent contractor to conduct a verification of the results of its corrective action programs to resolve design control problems at the Millstone plants. On August 14, 1996, the NRC staff issued a Confirmatory Order Establishing an Independent Corrective Action Verification Program (Effective Immediately) in which the staff confirmed the licensee's commitments. The order states that the NRC must approve the selection of the ICAVP team. In the letter forwarding the order to NNECO, the staff stated that the factors it will consider in evaluating the independence of each team member will include, but not be limited to, whether the individual has been involved in design reviews for the licensee and whether the individual has any financial interest in Northeast Utilities (NU).

You questioned whether Millstone Unit 2 employees would be allowed to be involved in the independent assessment of Millstone Unit 3. No current employee of NU or NNECO who has been involved with Millstone Unit 3 will be accepted as a member of the Millstone Unit 3 ICAVP team. Contractors and former employees that have previously worked on Unit 3 or have a current financial interest in NU or NNECO will also be precluded from the team. The ICAVP team members will be selected by the organization contracted to perform the ICAVP. The team members will be approved by NRC prior to the ICAVP implementation.

You expressed concern that "contractors will not be willing to challenge either the NRC or NU for fear of never getting hired again in the industry." The NRC staff has not found this to be a problem during either previous NRC or industry-sponsored design verification inspections. The contractors involved in these reviews in the past have exhibited appropriate critical and questioning attitudes. The ICAVP is modeled after the Independent Design Verification Program (IDVP), which is described in the enclosed NRC Inspection Manual Chapter (IMC) 2535, "Design Verification Programs." The IDVP reviews were established to gain additional confidence that the design process for a facility effectively implemented NRC regulations and other licensing design commitments made by an applicant for an operating license. The ICAVP will

assess whether the corrective actions implemented by NNECO effectively identified and resolved design and configuration control problems at the Millstone plants. The ICAVP will provide an additional measure of confidence that the as-modified condition of the plants and the revised design control processes effectively implement NRC regulations and other licensing design

commitments made by NNECO.

Although the NRC anticipates high-quality reviews from the Millstone ICAVP similar to those of the IDVP, the NRC staff will maintain appropriate oversight of the process to ensure the quality and independence of the reviews. The NRC staff will also review and approve the ICAVP contractor, the individual team members selected for the Millstone ICAVP, and the ICAVP audit plan before it is implemented. The ICAVP team will concurrently report its findings to the NRC and the licensee and will be required to comment on the licensee's proposed resolution of the team's findings. To further assure independence, the ICAVP reviews will, to the extent feasible, be conducted in the contractors' offices not at the Millstone site and contact between the ICAVP team and the licensee or other licensee contractors will be controlled by a protocol that is being developed. Additionally, an NRC Headquarters inspection team will oversee the licensee's resolution of the ICAVP findings. This oversight team is being led by Eugene Imbro, an NRC Senior Executive Service manager with prior experience in conducting and overseeing IDVPS. The NRC has encouraged the Connecticut State government and the Connecticut Nuclear Energy Advisory Council to observe and provide comments to the NRC oversight team.

You questioned how issues such as the culture, management competence, and regulatory compliance at NU would be addressed. The ICAVP is intended only to assess the adequacy of NNECO's corrective actions for design and configuration control problems at the Millstone units. In evaluating NNECO's actions directed toward resolving other issues at Millstone, the NRC staff will apply the guidance discussed in the enclosed IMC 0350, "Staff Guidelines for Restart Approval." In this regard, employee concerns and the manner in which those concerns are resolved are the responsibility of the licensee. However, the NRC staff will take whatever actions it deems appropriate to facilitate resolution of these issues. In its letter of August 13, 1996, NNECO acknowledged that all three Millstone units have been designated by the NRC as Category 3 plants, which require the Commission's approval to restart. NNECO agreed that it would not take any Millstone unit critical until the Commission approves restart of the unit. In its letter of August 14, 1996, the NRC staff noted that any additional conditions and/or actions the Commission may require of NNECO for restart will be addressed in future correspondence.

On August 20, 1996, the NRC staff met with interested members of the public in East Lyme, Connecticut, to obtain public comments on the licensee's plans for resolving issues, including, but not limited to, design control problems at Millstone. The NRC staff will develop its plans for overseeing the licensee's corrective actions. Throughout the ICAVP process, the NRC staff will conduct

meetings in the vicinity of the Millstone site, including meetings with the licensee, to discuss NNECO's restart plans and the results of the NRC's ICAVP oversight inspection.

I trust this letter addresses your concerns.

Sincerely,

John Zwolinski, Deputy Director
Division of Reactor Projects - I/II
Office of Nuclear Reactor Regulation

Paul M. Blanch
Energy Consultant
135 Hyde Rd.
West Hartford CT 06117
Voice 860-236-0326
Fax 860-232-9350