

From: <VMBLANCH@aol.com>
To: WND2.WNP3(jnh,jaz),TWD1.TWP4(wjs,ljn1),WND1.WNP2(d...
Date: 6/19/96 9:43pm
Subject: BOSTON GLOBE ARTICLE

Millstone fix to be costlier
Utility sees delay in restart of plant
BOSTON GLOBE JUNE 18, 1996

By Scott Allan
GLOBE STAFF

With critics saying nothing less than the ouster of Northeast Utilities' management will address serious safety failures at the Millstone nuclear power complex in Connecticut, the utility's top brass went to Washington last week to convince regulators they can do the job, But it will take longer, and cost nearly 40 percent more than previous estimates of \$200 million, to correct the safety problems that led all three plants to shut down this year, the utility disclosed., A company spokesman, said it is highly unlikely that any of the three reactors will restart before the end of the summer - as company officials once hoped - increasing the risk of power blackouts in Connecticut and perhaps other parts of the region. Northeast Utilities also revised upward its projected shutdown costs, from \$200 million to at least \$275 million. Critics charged that the meeting last Tuesday in Rockville, Md., between Shirley Jackson, Nuclear Regulatory Commission chairwoman, and Bernard M. Fox, Northeast's chief executive, showed the NRC's favoritism toward the company. But Northeast Utilities officials say they asked for no special treatment. "We know we have deficiencies at Millstone and we are absolutely committed to fixing them. These deficiencies are not just, hardware deficiencies, but there is a cultural problem as well," said spokesman Anthony J. Castagno. But Millstone employees who say they were harassed or fired for raising safety concerns said only the departure of Fox and other top executives could fix Millstone's "culture." They say the executives adopted a deliberate strategy of cutting corners on safety to save money. "They need to clean house and reinstall trust," said Paul Blanch, a former supervisor who believes he was dismissed for raising safety issues. "They persecute all whistleblowers, then they reward people who have been found by NRC to have violated the law." The loss of Millstone for the summer, when electricity demand is at its peak, leaves the Northeast more vulnerable to power shortages than any other region, according to the North American Electrical Reliability Council. Northeast Utilities has spent \$45 million importing gas turbines and preparing old power plants for use, while other plants, such as Vermont Yankee nuclear plant, have put off summer maintenance to offset the loss of Millstone. Massachusetts Energy Commissioner David O'Connor said the problems are likely to be most serious in Connecticut, where power line limits make it impossible to completely replace Millstone's power. But he said Massachusetts could be affected if other big power plants in the region shut down unexpectedly. The NRC placed Millstone in Waterford, Conn., on its "Watch List" of the nation's worst run nuclear plants in January, bringing to a head issues that had been growing for years. Northeast Utilities' own internal studies found

widespread failure to follow proper procedures at Millstone I as early as 1991, and managers advised workers to do the minimum to meet safety standards. Among the questionable practices, Millstone workers complained that they had to unload nuclear fuel before it had cooled properly, the heat melting their shoes or making them vomit. The NRC's inspector general concluded that the practice was improper - and went on under the NRC's nose for years.

Millstone has been shut down so the company and the NRC can review the plant's intricate safety procedures. Northeast Utilities has also brought in Ted Feigenbaum, credited with creating a successful safety program at Seabrook in New Hampshire, to take charge of nuclear safety at Millstone. But NRC officials say they've seen little measurable progress, scolding Feigenbaum at an April 30 meeting when he could produce evidence that Millstone is improving. "They were not well prepared to provide us with any demonstrated evidence that performance had improved," said, Wayne Lanning, director of the NRC's Millstone Oversight Team.

Last week's meeting with NRC chairwoman Jackson, attended by Feigenbaum, Fox and two other executives, was aimed at reassuring her that the company will fix-the problems, Castagno said. He said Fox did not ask for faster re-start, of Millstone.

But Ernest Hadley, a Wareham, Mass., lawyer who represents nuclear. whistleblowers on behalf of the group We The People, said the meeting reflects the NRC's cozy relationship with Northeast. He said Jackson refused to meet with his client, Millstone engineer George Galitis, who exposed the improper fuel 'unloading practices.

"I have a problem with the chairman ... who will only listen to NU and won't listen to the public, won't listen to the workers," said Hadley, "If it were not for George Galatis' things would still be getting worse there day by day."

In a filing last Friday with the Securities and Exchange Commission, Northeast Utilities abandoned its hopes that Millstone 3 would start up again by mid-July. The company doesn't expect to finish its own review of Millstone 3, the newest and biggest of the three reactors, until mid-July, at which point the NRC review would begin.

Castagno couldn't predict a new date when the NRC might allow Millstone 3 or the other reactors . to re-start, and, as a result, he could not forecast the total cost. However, the SEC filing indicated that the cost would be at least, \$75 n more than the \$200 million previously forecast, not including tens o@ lions 'M' likely replacement power costs.

Northeast Utilities is New England's largest public utility. Its main units operate in Connecticut, Massachusetts and New Hampshire. Its stock closed yesterday at 14 1/8, down 1/4 a 52-week low on the New York Stock Exchange.

From: <VMBLANCH@aol.com>
To: WND2.WNP3(jnh,jaz),TWD1.TWP4(wjs,ljn1),WND1.WNP2(d...
Date: 6/17/96 1:18pm
Subject: Spent Fuel Pool

LOOKS GOOD TO ME! WHAT ELSE WOULD YOU EXPECT? WHAT IF THE SFP DID BOIL?
EOP 1.1 Step 1 "Bend over and kiss your ass goodbye"
Step 2 "Turn off the lights on the way out"

Event Reports For

06/14/96 - 06/17/96

** EVENT NUMBERS **

30528 30631 30632 30633 30634 30635 ♀
!!!!!!! THIS EVENT HAS BEEN RETRACTED. THIS EVENT HAS BEEN RETRACTED
!!!!!!! +-----+

+-----+
| POWER REACTOR | | EVENT NUMBER: 30528
|
+-----+

+-----+
+
| FACILITY: SALEM | REGION: 1 | NOTIFICATION DATE: 05/22/96
| UNIT: [1] [2] [] | STATE: NJ | NOTIFICATION TIME: 19:23
| [ET] |
| RX TYPE: [1] W-4-LP, [2] W-4-LP | EVENT DATE: 05/22/96
+-----+
| 17:55[EDT] | EVENT TIME:
| NRC NOTIFIED BY: BRYAN HAMILTON | LAST UPDATE DATE: 06/14/96
| HQ OPS OFFICER: RUDY KARSCH |
+-----+

+-----+ NOTIFICATIONS
| EMERGENCY CLASS: NOT APPLICABLE
+-----+
| 10 CFR SECTION: | JACK Durr RDO
ADAS 50.72(b)(2)(i)	DEG/UNANALYZED COND
+-----+

9407110308 3rd

UNIT	SCRAM CODE	RX CRIT	INIT PWR	INIT RX MODE	CURR PWR	CURR RX MODE
1	N	N	0	REFUELING	0	REFUELING
2	N	N	0	REFUELING	0	REFUELING

EVENT TEXT

THE STEEL SPENT FUEL POOL LINER COULD BUCKLE AND LEAK AT TEMPERATURES ABOVE 180xF.

THE DESIGN BASIS FOR THE SPENT FUEL POOL IS THAT IT WITHSTAND SUSTAINED BOILING CONDITIONS. THE LICENSEE FOUND THAT ABOVE 180xF, THERMAL EXPANSION COULD CAUSE BUCKLING OF THE LINER AND FAILURE OF WELD PLUGS WHICH SECURE THE LINER PLATES TO THE EXTERIOR OF THE SPENT FUEL POOL STRUCTURE. WITH THE LINER PERFORATED, SIGNIFICANT AND SUSTAINED POOL INVENTORY LOSS IS POSSIBLE. THIS IS OUTSIDE THE CURRENT DESIGN FOR THE SYSTEM.

BASED ON CURRENT HEAT LOAD ASSUMPTIONS, THE LICENSEE CALCULATED THE MAXIMUM POSSIBLE TEMPERATURE TO BE 172xF IF LOSS OF POOL COOLING WERE TO OCCUR. THIS CALCULATION ASSUMES THAT AT LEAST ONE FUEL HANDLING BUILDING EXHAUST FAN REMAINS IN SERVICE DURING THE EVENT. THEREFORE, THE LICENSEE DOES NOT CONSIDER BUCKLING OF THE LINER TO BE POSSIBLE WITH THE CURRENT CONDITIONS IN THE SPENT FUEL POOL. THE LICENSEE IS EVALUATING THIS SITUATION AND IS STUDYING CORRECTIVE ACTIONS.

| THE LICENSEE INFORMED THE NRC RESIDENT INSPECTOR, THE LOWER ALLOWAYS CREEK
| TOWNSHIP, AND THE NEW JERSEY BUREAU OF NUCLEAR ENGINEERING.
|

| * * * UPDATE @ 1733 ON 06/14/96 BY JOHN ROBERTSON ENTERED BY JOLLIFFE * * *
|

| FINAL SPENT FUEL POOL ENGINEERING CALCULATIONS PERFORMED BY THE LICENSEE
| INDICATE THAT THE SHEAR AND PULL-OUT FORCES ON THE SPENT FUEL POOL LINER
| PLUG WELDS ARE SIGNIFICANTLY REDUCED DUE TO THE DUCTILE PROPERTIES OF THE
| PLUG WELDS AND THE FLEXIBILITY OF THE CONCRETE EMBEDMENTS. THUS, THE
| SPENT FUEL POOL LINER IS CAPABLE OF MAINTAINING ITS INTEGRITY DURING
| BOILING CONDITIONS IN THE POOL.
|

| THEREFORE, THE LICENSEE DESIRES TO RETRACT THIS EVENT.
|

| THIS ISSUE HAS BEEN DISCUSSED WITH NRR STAFF MEMBERS ON 06/10/96.
|

| THE LICENSEE INFORMED THE NRC RESIDENT INSPECTOR.
|

| THE HOO NOTIFIED RIDO KEN JENISON.
|

From: <VMBLANCH@aol.com>
To: WND2.WNP3(jnh,jaz),TWD1.TWP4(wjs,ljnl),WND1.WNP2(d...
Date: 6/14/96 4:47pm
Subject: Local News Article

SCANNED FROM THE HARTFORD ADVOCATE
JUNE 12, 1996

Vindication for the Whistle-blowers

A stinging federal report on NU's nuclear woes means trouble for the NRC

By Michael Kuczkowski

In the den of his West Hartford home, on his home computer, Paul Blanch has stored a little joke. It's a picture of what appears to be the seal of the Nuclear Regulatory Commission—the agency's name encircling an eagle, with five stars in an arc at the bottom. But there's a subtle difference. The "U" and the "N" in Nuclear have been flip-flopped, producing a new but perhaps more accurate moniker for the agency, at least based on Blanch's experience: The Unclear Regulatory Commission.

Blanch is a so-called whistle-blower. A former supervisor at one of Northeast Utilities' three Millstone nuclear power plants, Blanch has spent most of the past seven years trying to get utilities and manufacturers in the

nuclear industry to own up to significant safety problems. His faux emblem is designed as a counterpoint to the dead seriousness of his self-appointed initiative—and to get a laugh.

But in recent days his personal joke has been validated. Last week, a report from the federal Office of the Inspector General, an independent agency that investigates federal regulators, concluded that regulators at the highest levels of the NRC knew that all three of Northeast Utilities' Millstone reactors were unsafe as far back as three years ago and failed to take appropriate action. The report also says that NU was allowed to keep several key internal reviews secret, despite the fact that the NRC knew the reports should have been released to the public.

But perhaps most telling, the report shows that the so-called whistle-blowers like Blanch, who have been ostracized and harassed by the nuclear industry and often rebuffed by the NRC, were telling the truth.

"Damn," laughs Massachusetts attorney Ernest Hadley. "We were right." Hadley, who represents several high-profile whistle-blowers, was the force behind this latest report. A confidential source, whom Hadley still refuses to identify, gave Hadley copies of two internal NU reports that the company conducted in 1991. Hadley, in turn, handed the reports over to the inspector general's office. After reading the secret documents, Hadley realized that NU was playing a shell game with its internal audits.

The reports were the work of several NU task forces commissioned to try to find out why the Millstone plants had such high levels of procedural mishaps. One report showed that between 30 and 50 percent of the time, the plants were not operating according to proper procedures. Another report outlined frank employee concerns about the culture of harassment that had developed at

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Millstone towards people who tried to report safety problems and said supervisors were not watching their employees.

"They were highly critical of Northeast Utilities' management," says Hadley. "I turned this all over to the inspector general and said, 'Here is the smoking gun. Here is evidence that these people knew, they knew a long time ago, and they colluded to keep it secret.'"

In 1991, NU submitted the critical reports to the NRC, but asked that the reports be considered confidential. The utility claimed that the reports contained proprietary information and should be kept secret. NRC lawyers did not agree, saying the reports should be made public. Knowing that NRC regulations would permit them to withdraw the reports, NU told the NRC that they would rather take the reports back than see them made public. After

haggling with the utility, the NRC finally agreed to accept the documents as confidential.

Hadley found NU's claims disingenuous. Such documents are only supposed to be kept confidential if they contain information such as trade secrets, which would allow competitors to use the reports to duplicate a utility's efforts. "What the hell is proprietary about gross mismanagement?" says Hadley. "It may be that Northeast Utilities has taken it to new heights,

but they in no way invented it."

The most damning evidence against the utility was yet to come. About two months after NU submitted the self-critical reports, it submitted a fourth report that stated its compliance rating was 99 percent. The utility made no efforts to keep the report secret, which only lent more credibility to Hadley's claim that NU's efforts were aimed at spin-doctoring.

The inspector general's report agreed. It also found that high-ranking members of the NRC knew the extent of NU's Millstone problems-and failed to place the plants on the agency's watch list. The incidents that the

NRC now admits it knew about include an Aug. 5, 1993 episode in which a valve came within a hair's breadth of bursting, an event which could have brought the plants close to nuclear disaster.

NU's three Millstone plants in Waterford, just a stone's throw away from New London on the Long Island Sound, are on the watch list now. They are effectively shut down. The NRC has declared that they will not be allowed

to run again until the utility has straightened out the safety problems.

Over the past few months, Northeast Utilities has taken a beating for the way it has run its Millstone plants. Continuous media coverage has certainly taken its toll on NU stock prices, which have dropped precipitously

since January. Management is offering public tours of the Millstone site to prove the plants are safe-while at the same time stepping up the rhetoric about how the company's increased reliance on fossil fuel for energy will lead to more brownouts this summer and more smog. For Hadley, and Blanch, the stepped-up exposure of the problem is a reward in itself. "People have understood this time that they were being lied to," says Hadley.

But the battle that is far from over. The inspector general's office reportedly has several more investigations in the works, probing the circumstances around the treatment of various whistle-blowers, including George Galatis, the engineer who pointed out that NU was regularly putting

people at risk by off-loading hot nuclear fuel rods into pools of water that had not been designed to handle such loads. Galatis was told to undergo psychological counseling after raising the safety concerns.

Then there is the matter of collusion between the NRC and NU. Hadley and others contend that the regulators were party to NU's efforts to keep their problems quiet. He believes that some of the responsibility for the persistent problems at Millstone will fall into the lap of the NRC.

"Northeast Utilities only does what the NRC allows it to get away with," says Blanch.

"It's beyond neglect," says Hadley. "This report shows the NRC knew what was going on." If the NRC was as negligent as Hadley and Blanch believe, the Nuclear Regulatory Commission may be in for a shake-up every bit as thorough as the woes Northeast Utilities are currently suffering.

From: <VMBLANCH@aol.com>
To: TWD1.TWP4(wjs,ljn1),WND1.WNP2(dcd),WND2.WNP3(jnh,j...
Date: 6/13/96 12:48pm
Subject: FOIA REQUEST

6/13/96

Mr. Donnie H. Grimsley, Director
Freedom of Information Branch
United States Nuclear Regulatory Commission
Washington, DC 20555-0001

Dear Mr. Grimsley:

It is my understanding that a meeting was held between the Chairman of the Commission and representatives from Northeast Utilities. This meeting took place on or about June 11, 1996 at the NRC headquarters in Rockville MD. In attendance at this meeting were Mr. Bernard Fox, Chairman of NU, and Mr. Ted Feigenbaum, Chief Nuclear Officer for NU.

In accordance with the provisions of the Freedom of Information Act, I request a copy of any and all documentation related to this meeting including the following.

x Attendees at the meeting x Time and duration of the meeting x Meeting notes
x Communication between the Commission and NU relating to this meeting x Any transcript of the meeting x Any and all documents produced or exchanged during this meeting

Your prompt response will be greatly appreciated.
Sincerely,

Paul M. Blanch
135 Hyde Rd. West Hartford CT. 06117
860-236-0326

96080022 17

From: <VMBLANCH@aol.com>
To: WND2.WNP3(jnh,jaz),TWD1.TWP4(wjs,ljn1),WND1.WNP2(d...
Date: 6/13/96 10:05pm
Subject: MR. ROGERS SPEECH

United States Nuclear Regulatory Commission
Office of Public Affairs
Washington, DC 20555
Phone 301-415-8200 Fax 301-415-2234
Internet:opa@nrc.gov

No. S-96-12

THE FUTURE OF NRC REGULATION

Commissioner Kenneth C. Rogers
Nuclear Regulatory Commission

Presented at the

Westinghouse Operating Reactors Symposium
Turnberry Isle, Aventura, Florida

June 5, 1996

PARTIAL

Public perception of safety, or lack of it, can be as important as the reality of safety. A high visibility failure with little safety significance at a nuclear site may cause unacceptable damage to the credibility of the regulator and the industry. We should not forget that it was lack of public trust that caused the demise of the AEC as a regulator. Adequate resources must be allocated to issues that are of high public concern, even if technically we rate their safety significance as relatively low.

The events at several nuclear plants in New England and the resulting media attention have seriously set back the credibility of the industry and the credibility of the NRC. Neither of us can afford that. We would both like to achieve a more efficient, more rational regulatory process based on risk considerations and performance. That ideal is seriously threatened by any developments which lead Congress and the public to conclude that the industry is not complying with our regulations and that our oversight is ineffective. A resulting heavy emphasis on compliance is exactly the mode of regulation that we would both like to change.

One of the more disturbing facts to emerge from the increased inspection activities resulting from the New England reactors affairs is that some licensees appear to be going to great lengths to find legal justification for not reporting certain information to the NRC. That practice will inevitably lead to public relations disasters. Somehow, those of you operating nuclear power plants must convince yourselves that the best way to deal with the NRC is to be completely open. If you feel that you cannot do that, then we have a very basic problem to solve.

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We must be able to have confidence in our licensees; you have the responsibility for safe operation of your plants. The public, in turn, needs to be able to trust the NRC. We must get to a point of mutual trust that will avoid the kind of publicity we saw in Time magazine. If we are not there, and apparently we are not in some cases, then we must work together to get there. The alternative is simply not workable in the long run. This industry is facing a very difficult future. Lack of public trust is too great a burden, and an unnecessary one.