

VERBATIM PROCEEDINGS

NUCLEAR REGULATORY COMMISSION

PUBLIC FORUM IN THE MATTER OF NORTHEAST UTILITIES.

MILLSTONE UNITS 1, 2 AND 3

DECEMBER 17, 1996

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DECEMBER 17, 1996

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1 . . . Verbatim Proceedings of the Public  
2 Forum of the United States Nuclear Regulatory Commission  
3 in the matter of Northeast Utilities, Millstone Units 1,  
4 2 and 3, held December 17, 1996, at 7:05 P.M., at the  
5 East Lyme Public Library Community Center, Society Road,  
6 East Lyme, Connecticut. . .

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9  
10  
11 MR. WAYNE LANNING: Okay. Good evening.  
12 My name is Wayne Lanning. I'm the Deputy Director for  
13 Inspections in the Office of Special Projects. This is  
14 a meeting between the NRC and you, the public. This is  
15 a continuation of our efforts to keep you informed of NRC  
16 activities ongoing as they relate to Millstone. So, we  
17 have about an hour or so interval of presentations. And  
18 as soon as we get the view graph machine screen down,  
19 we'll show you what that is. But I'll talk to it as we  
20 go through it here a little bit.

21 Before I get into that, just one  
22 administrative thing. We have a sign-up sheet. So --  
23 who has got the sign-up sheet?

24 A VOICE: It's right here.

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1 MR. LANNING: Right here. Okay. That if  
2 you want to make a statement or ask a question, I'd  
3 appreciate it if you would sign your name on the sheet.  
4 And I'm going to use that sheet when we get to the  
5 question-and-answer session.

6 Why don't we first introduce the NRC staff  
7 who are here tonight before I get into the agenda? We'll  
8 start with Mr. Durr.

9 MR. JACQUE DURR: Good evening. I'm  
10 Jacque Durr. I'm the Projects Branch Chief for the  
11 Inspection Branch under the Special Projects Office that  
12 now comes out of NRR in Bethesda -- or in Rockville,  
13 Maryland.

14 MR. PHIL McKEE: And I'm Phil McKee. I'm  
15 the Deputy Director for Licensing in the Special Projects  
16 Office in the Maryland office.

17 DR. BILL TRAVERS: And I'm Bill Travers.  
18 And I'm the Director of the Special Projects Office. And  
19 in a moment, I'll tell you a little bit about myself and  
20 this relatively new organization that's been established  
21 by NRC.

22 MR. GENE IMBRO: Okay. my name is Gene  
23 Imbro and I'm the Deputy Director of the ICAVP Oversight  
24 Effort.

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1 MR. LANNING: Okay. We also have the  
2 resident staff here with us in the front row.

3 Let me just give you an overview of our  
4 agenda tonight. As Bill indicated, Mr. Travers will give  
5 us an overview of the Special Projects Office and talk  
6 about our function a little bit following me. And then  
7 Mr. Durr will give us a status of the enforcement  
8 process. We had an enforcement conference with Northeast  
9 Utilities back on the 5th of December. And so he'll  
10 bring you up to speed on what that process is and how  
11 we'll progress from here. He will also talk about some  
12 recent inspection results. These are inspection results  
13 that are documented in our integrated inspection reports  
14 that we issue about every six weeks. So he'll highlight  
15 some of the more important findings from that inspection  
16 report or reports.

17 Then Mr. McKee will give us a status of  
18 the 2.206 petition, the infamous Gladys petition. He  
19 will talk to where we are with regard to that petition.  
20 He'll also talk a little bit about the order that the NRC  
21 issued to Northeast Utilities concerning the Employee  
22 Concerns Program and the need for an independent  
23 reviewer.

24 Following Mr. McKee will be Mr. Imbro.

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1 Gene will talk to the status of the independent  
2 verification process that's ongoing. There's been a lot  
3 of activity with regard -- within the NEAC and he'll give  
4 you some insight into that.

5 And then, finally, I will summarize for  
6 you some recent changes we've made to the NRC restart  
7 assessment plan and I'll also summarize our meeting we  
8 had this afternoon with Northeast Utilities concerning  
9 their recovery plan.

10 And I think those presentations will take  
11 a little over an hour, at which time we'll take about a  
12 ten-minute break. And then we'll come back for a  
13 question-and-answer session.

14 So, with that, let me introduce Dr. Bill  
15 Travers. He's the Director of the Special Projects  
16 Office.

17 DR. TRAVERS: Thanks very much. I'm glad  
18 to be here tonight to participate in this meeting, which  
19 is really designed to provide the public with an update  
20 on our NRC activities at Millstone.

21 As many of you may know, the NRC is  
22 planning to continue to hold these types of public  
23 meetings from time to time as really one way of keeping  
24 the public informed of our regulatory oversight

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1 activities at Millstone. And my principal purpose at  
2 th point in the meeting is to characterize the new,  
3 re vely new, NRC organization which I head which has  
4 been created to oversee Northeast's efforts to restart  
5 the Millstone units.

6 Before I do that, let me just say a few  
7 words about myself. My background is science and  
8 engineering, specifically physics and nuclear  
9 engineering. And just before being appointed as the  
10 Director of the Millstone project, I was the Director of  
11 the Spent Fuel Project Office in our Office of Nuclear  
12 Material Safety and Safeguards.

13 In that position I was involved with  
14 directing NRC programs for the transportation and storage  
15 of radioactive materials, including spent nuclear fuel  
16 from nuclear power plants.

17 I've also held a number of other positions  
18 within the NRC, one of which for three and a half years  
19 had me at the Three Mile Island site near Harrisburg,  
20 Pennsylvania, where I directed NRC oversight of the  
21 clean-up activities at the damaged Unit 2 power reactor.

22 In that role and in addition to the many  
23 technical challenges that we faced, I had a significant  
24 opportunity, both working there and living in the

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1 community, to gain an understanding of the concerns of  
2 the people living in the vicinity of that plant.

3 A lesson learned at Three Mile Island and  
4 one which seems particularly applicable at Millstone is  
5 that once an organization's public credibility is  
6 damaged, it's a very difficult thing to regain it. It's  
7 clear to me that at Millstone -- that Millstone is  
8 probably the biggest embarrassment to both the nuclear  
9 industry and the NRC since Three Mile Island.

10 It's also clear that the principal  
11 responsibilities for the problems at Millstone lies with  
12 the utility. As the licensed operator, Northeast has the  
13 primary responsibility for its activities to both -- to  
14 comply with NRC requirements and to ensure public health  
15 and safety.

16 But, for its part, the NRC in its  
17 oversight role also has important responsibilities at  
18 Millstone. The NRC has recognized that its programs did  
19 not work as well as they should have. Optimally, our  
20 oversight processes should have resulted in earlier  
21 identification of problems and forced earlier corrective  
22 actions by the utility. Since they didn't achieve this  
23 result, it's obvious that our credibility with many of  
24 you here tonight has been damaged.

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1           The only way I know to restore or begin to  
2       restore credibility is through hard work, openness and  
3       results. For our part in the conduct of our continuing  
4       regulatory oversight at Millstone, that's exactly what we  
5       intend to do. It's really a very simple philosophy. I  
6       don't underestimate the complexity of implementing it,  
7       however.

8           To help do this, just last month the NRC  
9       created a new organization for the oversight of the  
10      Millstone units. The new organization, the Special  
11      Projects Office or SPO within the Office of Nuclear  
12      Reactor Regulation is the organization that I now head.  
13      The SPO includes NRC staff resources associated with both  
14      licensing and inspection functions. As a result, NRC  
15      staff located at the Millstone site, Region 1 and our  
16      Headquarters Office have all been integrated into one  
17      organization.

18           The principal managers have been  
19      introduced to you tonight. I'll just mention again that  
20      Wayne Lanning is the Deputy Director for Inspections.  
21      Phil McKee is the Deputy Director for Licensing. And  
22      Gene Imbro to my right here is the Deputy Director for  
23      our oversight of the ICAVP program.

24           The SPO was created to provide a much more

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1 efficient management focus for the many and varied  
2 activities that will need to be conducted prior to any  
3 restart consideration. I anticipate that the SPO  
4 organization, while temporary, will continue through some  
5 initial period of power operations.

6 The SPO will be responsible for  
7 essentially all NRC oversight activities at Millstone.  
8 Our focus will be forward-looking and designed to assess  
9 the adequacy of the utility's action to complete its  
10 identification of issues and its corrective actions.

11 Again, our program recognizes that it is  
12 the utility which has the fundamental responsibility to  
13 fix problems at Millstone and to ensure safety and  
14 compliance with our regulations.

15 We do, however, recognize our  
16 responsibility to carry out effective assessments of the  
17 utility's compliance with NRC requirements. The SPO has  
18 been established to put us in a good position to do this.

19 We are carefully planning and expect that  
20 our programs will be effective in evaluating whether or  
21 not Northeast's corrective actions have been successful.  
22 Importantly, our programs will be open. There will be  
23 significant opportunity for the public to evaluate our  
24 activities.

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1           In my view -- and it is one that is  
2           limited by having focused on the Millstone situation for  
3           only the past several weeks -- Northeast has a  
4           significant amount of work to accomplish before any  
5           restart consideration.

6           We heard some from the utility today about  
7           their plans for getting towards restart. And Wayne  
8           Lanning is going to summarize those towards the end of  
9           the meeting this evening.

10          The scope of problems ranging from  
11          failures to maintain the design and licensing bases of  
12          the units to the mistreatment of employees who raise  
13          safety concerns is daunting. While fixable, the  
14          resolution of these problems will require a fundamental  
15          and monumental effort by the utility. It will require a  
16          fundamental change in the way Northeast runs its nuclear  
17          business.

18          At two recent public meetings between the  
19          NRC staff and the utility, the new senior management team  
20          for the utility outlined its plans for turning the  
21          situation at Millstone around. While it's only a start,  
22          I think it's significant that the utility has  
23          acknowledged a broad range of failures and has targeted  
24          the need for wholesale change in management philosophy.

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1 Now they need to actually make these changes happen.

2 There is, however, some experience that  
3 effective management redirection can work. In fact, this  
4 has been accomplished at plants which were once on NRC's  
5 watch list, such as Brunswick, Turkey Point and Davis  
6 Bessie, which are now either good or superior performers.

7 We will be focused on carefully evaluating  
8 Northeast's implementation of planned corrective actions.  
9 To help ensure our evaluations are thorough, and as a  
10 result of our concerns about the effectiveness of the  
11 utility's management in correcting problems, the NRC has  
12 required two different independent third-party programs  
13 at Millstone. These are significant actions.

14 The Independent Corrective Action  
15 Verification Program which has been discussed in other  
16 public meetings is intended to help confirm whether or  
17 not Northeast has corrected extensive problems with the  
18 design and licensing bases of the plants. Gene Imbro is  
19 going to provide a short status on the ICAVP in a few  
20 minutes.

21 I am aware that there have been  
22 significant concerns raised about the independence of the  
23 third-party organization that will ultimately be  
24 chartered for this task. Rather than address those

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1 issues at this point in the meeting, we will plan to  
2 discuss and answer some of the questions you have about  
3 those topics later on towards the end of the meeting in  
4 the question-and-answer session.

5 In addition to the ICAVP, a third-party  
6 oversight of the utility's Employee Concerns Program was  
7 required by an NRC order issued in October. Phil McKee  
8 will be providing a discussion of that order later in  
9 this meeting. But let just say that this is a  
10 particularly significant NRC action which was taken as a  
11 result of concerns involving repetitive failures and the  
12 utility's treatment of employee concerns and of those  
13 employees, in fact, who raised such concerns.

14 The NRC will closely monitor these  
15 activities as part of our restart assessment. And,  
16 again, we intend that our programs will be open. We  
17 expect to continue to conduct public meetings like this  
18 one, public inspection exits. In a current agreement  
19 with the Nuclear Energy Advisory Council chartered by the  
20 State of Connecticut, members of that organization can  
21 observe in inspections at the plant.

22 For now, however, and due to the extent of  
23 the problems which have been identified, the Millstone  
24 units are shut down and they will remain shut down until

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1 the NRC Commissioners approve restart. I don't really  
2 know how long that's going to take. But schedules are  
3 not our primary concern. Much of the topics that we  
4 talked about this afternoon had to do with schedules.  
5 And when we concluded our remarks, we certainly indicated  
6 that our principal concern, while -- is not on the  
7 schedules that have been laid out, but, rather, on our  
8 continuing effort to assess the corrective actions that  
9 really need to take place before any restart  
10 consideration.

11 The message I'd like to leave with you  
12 tonight is that our program for evaluating restart  
13 readiness is being developed and it is mindful of both  
14 failures by the utility and the fact that our own  
15 regulatory oversight program did not work as well as it  
16 could or should have.

17 Before restart, which must ultimately be  
18 approved by the Commissioners, we plan to carry out a  
19 thorough evaluation of the utility's corrective actions  
20 and we plan to carry out our programs as openly as we  
21 possibly can.

22 Again, I'm glad to be here this evening  
23 and I look forward to some of your comments and questions  
24 later on in the program. Thanks.

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1 MR. LANNING: Jacque?

2 MR. DURR: The regulatory process which  
3 we've going through -- I'm sure there's some question in  
4 the public's mind about what's really transpiring here.  
5 We've been at this regulatory business with violations at  
6 Millstone for the past year and you haven't seen anything  
7 come out the other side except we had an enforcement  
8 conference. And everybody is wondering, "Where is this  
9 going?" So let me explain the process to you just a  
10 little bit.

11 First of all, it's obvious that for a  
12 violation to have occurred, the event had to take place.  
13 One of our inspectors had to identify it through some  
14 vehicle. The licensee identified it. We identified it.  
15 Once that's done by the inspector, he or she has to make  
16 a connection between a regulatory mandate that says you  
17 cannot do it that way. Those are embodied in our rules  
18 which we keep referring to as the Code of Federal  
19 Regulations. You'll hear us spout numbers sometimes and  
20 I'm sure nobody understands those numbers but us. And  
21 we'll say 10 CFR 50.54(f) or 10 CFR 50.46. Well, in the  
22 Code of Federal Regulations, that's a specific rule that  
23 is imposed on the utilities and they all must follow it  
24 or they must have an exemption from that rule.

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1           The other things that we can cite  
2 violations for are, as I said before, rules. We can cite  
3 violations against the technical specifications or the  
4 license that was issued. And that's embodied in a  
5 document called the license. And the technical  
6 specifications is an appendix to that license. Okay?

7           And then the only other things that we can  
8 cite against are orders. We've issued two orders against  
9 Millstone. If they don't follow those orders, we can  
10 issue a violation for that.

11           Now, that sets in process -- once a  
12 violation has been issued, that sets in process legal --  
13 it's a legal process wherein the utility has the right to  
14 respond to that violation and either refute or accept it  
15 and it can also lead on into a hearing process with the  
16 NRC procedure.

17           But right now, we have -- there's four  
18 levels of violation that we could issue, Levels 1 through  
19 4, which is kind of self-explanatory. Level 1's, 2's and  
20 3's are the highest levels of v. lations that we will  
21 issue. Level 4's are generally issued from the regional  
22 office and they usually come out under my signature or  
23 Mr. Lanning's signature. They're found by the inspector.  
24 Management agrees with the characterization of the

1 violation. And we send a Notice of Violation to the  
2 utility in our inspection reports.

3 So if you go through our inspection  
4 reports, you'll find that we've issued Notices of  
5 Violation. And these are generally Level 4's or less.

6 Now, the other thing we can have is a non-  
7 cited violation. And that is that it is so low in the  
8 spectrum of violations that it's really not a regulatory  
9 concern. The utility has identified it, noted it,  
10 corrected it, taken the proper corrective action and the  
11 NRC will issue a non-cited violation.

12 What we just went through was 60-some  
13 violations, nearly 65 violations, at the recent  
14 enforcement conference. Okay? They were all in the  
15 Level 1, 2 or 3 space. Whenever we hold a pre-decisional  
16 enforcement conference, it means that we're looking  
17 towards issuing escalated -- what we call escalated  
18 enforcement which will -- can have various sanctions  
19 attached to it. Primarily what you will see is it will  
20 be issued as a violation. It will require that they take  
21 certain corrective action. And there is a high  
22 possibility that there will be a civil penalty attached  
23 to that violation.

24 We are in that process today. We're in

1 the process. We've had the pre-decisional enforcement  
2 conference, which is the chance for the utility to  
3 present their case, to present their side of the story.  
4 We've got our facts. We want to hear their facts. We  
5 take that information back and it's under consideration  
6 today as we speak. From that will come a determination  
7 of severity levels for those violations. Okay? Whether  
8 they're Level 1's, 2's or 3's. It's possible, but highly  
9 unlikely in this particular case, that you could come out  
10 of a pre-decisional enforcement conference, have a caucus  
11 at the end and determine no violation occurred. Okay?  
12 That is a possibility, but it's very unlikely in  
13 Millstone's case because we had 65 of these. So some of  
14 them are bound to take.

15 Once we determine the severity level, we  
16 have a process through which we will assess some  
17 penalties, if appropriate. Once that determination is  
18 made, if it exceeds a certain value -- and the number  
19 escapes me. But I think it's like \$250,000.00 -- it will  
20 go to the Commission for approval. Okay?

21 So I would expect that the way it's going  
22 to progress from here is we've had the pre-decisional  
23 enforcement conference. The NRC is caucusing, if you  
24 will, to determine what severity levels and what



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1 appropriate civil penalties to assess. If it exceeds a  
2 certain amount, it will go to the Commission for  
3 approval. So it's in that decisional process we will  
4 again talk about what's going on in there other than the  
5 process itself. So that's where we are today.

6 Now, you'll see in our inspection reports  
7 where we issue violations right on the spot. I mean with  
8 the report, "Here's your violation." And you'll also see  
9 us characterize things as apparent violations. That's  
10 the key word that tells you we think there may be  
11 escalated enforcement here. Okay? So you'll hear me  
12 tonight talk about apparent violations. And you'll see  
13 in the letter we send to the utility it will say  
14 something to the effect that "You don't have to respond  
15 to this at this time. But we are characterizing these as  
16 apparent violations. And, oh, by the way, if there's  
17 corrective action that you need to take, for safety's  
18 sake, you need to do it now. Don't wait for the  
19 enforcement to come out." Okay?

20 So, given that as a backdrop, the last two  
21 inspection reports that we've done for Millstone -- the  
22 last time I talked to you a little bit about what we've  
23 been finding, the kinds of things that we've been  
24 finding.

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1           Inspection Report 96-06, which was through  
2     July, the July/August time frame, we had one cited  
3     violation for which we issued the violation with the  
4     inspection report. And that was failure to take  
5     effective corrective actions for safeguard of material.  
6     Okay? They hadn't -- and if you go back in time, you'll  
7     find that they had other instances where they had not  
8     effectively fixed the problem. And at this time we saw  
9     a repeat of that, so we issued a violation on the spot  
10    for that particular instance.

11           Below there you'll see six apparent  
12    violations across all three units. Okay? Now, these are  
13    the ones that we think may be escalated, may be Severity  
14    Level 1's, 2's or 3's, and eventually there will be an  
15    enforcement conference to address these issues, a pre-  
16    decisional enforcement conference with the utility.  
17    Okay?

18           I'll briefly run through these for you  
19    because -- the first one at Unit 1 was loss of control of  
20    the non-conformance reporting system and the failure to  
21    use the non-conformance reporting system in accordance  
22    with procedures. Every time they identified a non-  
23    conforming condition, which was something that wasn't the  
24    way it was supposed to be -- now this is separate from

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1 the adverse condition reporting system. I know you get  
2 these things confused. But a non-conformance reporting  
3 system will identify a piece of equipment that came to  
4 the plant that wasn't the way it was supposed to be.  
5 They will write a non-conformance report.

6 When we went to look at that non-  
7 conformance reporting system, we found that they -- where  
8 they kind of lost control of it. They couldn't tell us  
9 how many they had or what they were doing with them. So  
10 we think that's a severe -- has a significance to us in  
11 the severity level. So we will be considering that.

12 MS. SUSAN LUXTON: Mr. Durr, may I ask a  
13 question?

14 MR. DURR: Certainly.

15 MS. LUXTON: Now, clarify something for  
16 me. These six apparent violations, these are new, over  
17 and above the 60 that we talked about in enforcement --

18 MR. DURR: Yes.

19 MS. LUXTON: These are present that you  
20 have just identified in the last --

21 MR. DURR: July/August time frame.

22 MS. LUXTON: Okay.

23 MR. DURR: This is new stuff.

24 MS. LUXTON: All right.

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1 MR. DURR: Okay? The next one is Unit 2,  
2 control of reactor shutdown margin during the plant cool-  
3 downs and failure to conduct the associated safety  
4 evaluation. Now, that "conduct associated safety  
5 evaluation" should ring familiar to you from the 2.26  
6 thing that's out there, that they didn't obtain the FSAR  
7 and they didn't do the proper safety evaluations  
8 associated with that. This has similar connotations.

9 But this is where, when they shut down the  
10 reactor, they're supposed to borate the reactor to  
11 shutdown conditions and they weren't doing that. They  
12 were shutting down and borating as they were shutting  
13 down. And they should have taken it all the way up in---

14 MS. LUXTON: Do we have that in hard copy  
15 right now?

16 MR. DURR: Yes.

17 MS. LUXTON: Out here on the table?

18 MR. DURR: No, I don't think so.

19 MS. LUXTON: Oh, we don't?

20 MR. DURR: But it's in the inspection  
21 reports that we've issued.

22 MS. LUXTON: Okay.

23 MR. DURR: It should be in the public  
24 document. I'm assuming that 96-06 is in the local public

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1 document. You should have access to all that.

2 MS. LUXTON: Oh, that will probably be  
3 there next June.

4 MR. DURR: I would hope not. But if it's  
5 not there, let me know. We'll get one down there.

6 MS. LUXTON: Okay. Good.

7 MR. DURR: Okay?

8 MS. LUXTON: Mm-hmm.

9 MR. DURR: The fact is if you're really  
10 that interested, I'll give you my copy.

11 MS. LUXTON: Good. Thank you.

12 MR. DURR: We'll short-circuit that  
13 system.

14 Unit 2, containment sub-screens could  
15 allow debris to lurk within the -- that works core  
16 cooling system. Essentially what this is is there's a  
17 sump that they take water from during an accident and  
18 there are screens in there to make sure that debris  
19 doesn't go through. Well, the screen size and the  
20 openings weren't what they were supposed to be.

21 MR. CHARLIE LUXTON: Isn't that same as at  
22 CY? Same problem?

23 MR. DURR: Same as at CY?

24 MR. LUXTON: Yes. Same problem?



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1 MR. DURR: I don't know the answer to  
2 that. I don't --

3 MR. LUXTON: Problems with the same  
4 difficulty that they were having down there.

5 MR. DURR: Might have been.

6 MR. LANNING: Let me interrupt, Jacque.

7 MR. DURR: Sure.

8 MR. LANNING: The meeting is being  
9 transcribed. And if you're asking questions like this,  
10 she's going to have a very difficult time hearing what  
11 you say. So if I could just ask you to bear with us  
12 until we get to the question-and-answer session and walk  
13 up to the mike?

14 MR. DURR: We'll be glad to take the  
15 questions.

16 The next one, which you don't have -- Unit  
17 2, qualification of sediment tank isolation valves.  
18 Isolation valves in containment are supposed to be what  
19 we call environmentally qualified. I mean obviously if  
20 it's in containment and you have an accident, the  
21 environment inside the containment is really what we  
22 would call harsh. Body temperatures and pressures  
23 perceive radiation. So the equipment has to be able to  
24 function in that environment. And there's -- they

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1 identified seven containment isolation valves that didn't  
2 meet that.

3 The next one was Unit 3, improper design  
4 conditions for the recirculation spray and quench spray  
5 piping supports. This has been an ongoing thing for some  
6 time where they've identified that the piping supports in  
7 those systems were not designed for the temperatures that  
8 they will receive.

9 Lastly, Unit 3, improper application of  
10 the AS of E code for the letdown heat exchanger.  
11 Essentially what this was is they used faulty material in  
12 that heat exchanger that didn't fully comply with the  
13 allowables of the AS of E code, allowables for tense of  
14 stress.

15 And lastly, in the report, we identified  
16 where the -- and note that the utility had performed a  
17 joint utility management audit on their oversight and  
18 quality assurance program. And it found that that  
19 program was ineffective because it had lacked management  
20 support for years preceding that.

21 The next report that was issued -- and  
22 that covered the period August 27 through October 25 --  
23 was one cited violation again where the issue was  
24 technical specification violation, failure to include all

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1 the applicable valves for testing and failure to test the  
2 valves. And that was for Unit 2.

3 And there were six more apparent  
4 violations. So that's 12, six in the last one and six in  
5 this one. Six just in Unit 2. And three of these are  
6 failure to take adequate corrective action for  
7 identifying deficiencies. You'll see a recurring theme  
8 in Inspection Report 96-04. We sent them a letter. It  
9 says, "Your corrective action program is broken and it's  
10 not working. And here's three more examples of that kind  
11 of thing. So it's still not working."

12 The next one is a technical specification  
13 violation that both the -- and containment area hydrogen  
14 monitors were inoperable. Unable to meet the post-  
15 accident time to place the containment hydrogen monitors  
16 in service. They've done an analysis and they came up  
17 with a time and they really couldn't meet that time.

18 Failure to update the final safety  
19 analysis report. 4, 5 and 6 really all kind of run  
20 together. They're all the same -- stem from the same  
21 issue. Failure to update the final safety analysis  
22 report to reflect the time following an accident that the  
23 hydrogen monitors would be placed in service.

24 Then there were three apparent violations

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1 at Unit 1. Failure to provide a troubleshooting plan and  
2 guidelines for work order package. For those of you that  
3 don't know, Don is an expert at this. I know because  
4 he's done it before. Troubleshooting is your radio  
5 doesn't work well and so you start -- for us that came  
6 from the vacuum tube era, you used to pull the tubes and  
7 check them one at a time. Well, that's troubleshooting.  
8 When you pull the tube out to see what -- whether it's  
9 working or not, that's troubleshooting. Well, that's  
10 what they do in a nuclear power plant a lot of times with  
11 some equipment that's not operating. You kind of have to  
12 go in and start taking it apart piece by piece. And you  
13 need to do that by procedure. And they weren't following  
14 that procedure.

15 Failure to maintain the standby gas  
16 treatment system operable under certain conditions. This  
17 is really a kind of esoteric thing. They were having  
18 problems with the standby gas treatment system. They did  
19 an analysis that said it was good down to 20 degrees  
20 Fahrenheit when in reality it was only good down to 45  
21 degrees Fahrenheit. And we obviously had temperatures  
22 last winter of less than 45 degrees. So they're in  
23 violation of that requirement.

24 And lastly, we had an inspector come up to

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1 the look at the fire protection program. Now, we have --  
2 one of our rules is Appendix R, which requires that they  
3 have -- following the fire in Grounds Ferry -- and I  
4 think it was circa 1978 when it was a -- reactor fire and  
5 they really got into a lot of trouble. Some guy was  
6 using a candle to check for air leaks and he set the  
7 plant on fire.

8 We came out with a rule, Appendix R, that  
9 says nuclear power plants have to be designed to  
10 withstand fire. So we've taken a look at that fire  
11 protection program that we've focused on. And they're  
12 really not doing well on it right now. So we've  
13 identified weaknesses in it and they need to address  
14 that. This all is being --

15 A VOICE: Jacque, before you go to your  
16 conclusions, just to correct --

17 MR. DURR: Sure.

18 VOICE: -- a statement you made with Ms.  
19 Luxton. Some of these local reports require them  
20 (indiscernible).

21 MR. DURR: That's correct. That's  
22 correct. Some of these we picked up in -- we ran them  
23 through quickly to get them in that enforcement package.  
24 Thank you.

1           And, as I said before, the corrective  
2           action program remains ineffective and until the recovery  
3           team devotes significant attention to it, it's -- that we  
4           will continue to find similar deficiencies. We talked  
5           about that today at the meeting. They need to get a  
6           better program in place. They need to make sure that the  
7           corrections that we're looking for, corrective actions,  
8           they've done the best job they can do. Or they'll  
9           continue to end up with these kinds of violations.

10           We in the Licensing continue to find  
11           design deficiencies which reflect the need to perform the  
12           design review with the ICAVP process. The design  
13           deficiencies are still out there.

14           But it isn't all black. If you read some  
15           of our inspection reports, you'll find that successes  
16           have been noted in the shutdown -- that is, the plant is  
17           out there doing -- plants are vulnerable when they're  
18           shut down because they take a lot of equipment out of  
19           service. And so the plant for all features of use has  
20           what they call shutdown risk assessment and they go in  
21           and they evaluate what they're doing and what the risk is  
22           associated with that and make sure that they've done  
23           things properly. And we're starting to see some  
24           successes there, that they're really paying attention to



1       that. And that's the operational side. That's the  
2       operation of the plant. It's not the design and  
3       engineering stuff. This is the day-to-day operations  
4       kind of thing. Okay?

5               MR. LANNING: Okay. Mr. McKee will now  
6       talk to the status of the 2.206 petitions.

7               MR. MCKEE: And other things.

8               MR. LANNING: And other things.

9               MR. MCKEE: Good evening. This evening  
10      I'm mainly going to talk about the recent actions the NRC  
11      has taken with respect to resolution of issues associated  
12      with the handling of employee concerns at the Millstone  
13      station.

14              But, first, I would like to touch on the  
15      status of the 2.206 petition involving fuel off-loading  
16      practices at the Millstone station that did encompass  
17      also an issue at Seabrook.

18              There is still an aspect -- the wrongdoing  
19      aspects of that petition are still under investigation  
20      and follow-up by NRC and that is still ongoing. So those  
21      aspects of the petition are still -- are not going to be  
22      addressed in the near future.

23              We do have what the agency terms a partial  
24      decision. And we're looking at the technical aspects and

1 the other aspects involved with that petition. And our  
2 efforts were substantially along, in completing our  
3 petition, our goal is to get that aspect, that partial  
4 decision out in the near future. And what I mean by the  
5 near future, at least one of my goals is to try to get it  
6 out by the 1st of the year. So that's where we stand on  
7 that 2.206 petition.

8 As Dr. Travers mentioned and as I'm sure  
9 many of you are aware, the NRC issued Northeast Nuclear  
10 Energy Company an order on October 24, 1996. That order  
11 addressed past failures in the licensing/management  
12 processes and procedures for handling safety issues.

13 You might put up the first slide because  
14 I'm going to get into that pretty quick.

15 The NRC considers that the large number of  
16 recently-identified safety issues within the past year or  
17 so at all three Millstone plants is clear and serious  
18 evidence that some employees were reluctant to identify  
19 safety issues to the licensee. This failure to identify  
20 safety concerns is of significant concern to the NRC.

21 Before I cover some of the specifics of  
22 the order and how those elements are to be implemented,  
23 I'd like to talk a little bit about the bases for the  
24 order. On the view graph there, I've identified some.

1 And I do have some extra copies of my view graphs. I  
2 have three that are available. If somebody should want  
3 some, you can collect it during -- get them during the  
4 break.

5 Since about 1991, there have been numerous  
6 licensee assessments, audits and internal task group  
7 studies performed to assess Employee Safety Concern  
8 Programs at the Millstone station. And these have  
9 identified substantial issues and problems. Most notable  
10 are several task group reviews done by Northeast  
11 Utilities in 1991 that confirmed a wide variety of  
12 problems at the Millstone plants.

13 More recently, the licensee completed a  
14 review of the effectiveness of its Nuclear Safety  
15 Concerns Program which was reported in January, 1996.  
16 The report concluded that the Nuclear Safety Concerns  
17 Program had been and continued to be ineffective. The  
18 findings of the January, 1996 study were similar to those  
19 of the previous licensee assessments and studies.

20 In July 12, 1996, a report by the  
21 Fundamental Cause Assessment Team, a team assembled by  
22 Northeast Utilities, concluded that licensee top-level  
23 management did not consistently exercise effective  
24 leadership, articulate and implement appropriate vision

1 and direction. Further, the team's report concluded that  
2 the nuclear organization did not establish and maintain  
3 high standards and expectations, and the nuclear  
4 organization's leadership, management and interpersonal  
5 skills were found to be weak.

6 In September, 1996, the Millstone  
7 Independent Review Group regarding Millstone station and  
8 NRC handling of employee concerns on allegations -- this  
9 is a group headed by John Hannon of the NRC's -- of the  
10 NRC. They reported the results of their review.

11 The review group determined that in  
12 general an unhealthy work environment which did not  
13 tolerate dissenting views and did not welcome or promote  
14 a questioning attitude existed at Millstone plants for  
15 the past several years.

16 That review group further concluded that  
17 poor environment has resulted in repeated instances of  
18 discrimination and ineffective handling of employee  
19 concerns.

20 Well, the findings of the Millstone  
21 Independent Review Group -- that was the one done by the  
22 NRC -- were not new. The NRC in past studies and  
23 inspections had noted problems with licensee handling of  
24 employee concerns.

1           In addition, a number of inspections and  
2       investigations have substantiated many of the employee  
3       concerns and allegations for which the licensee's  
4       corrective actions have proven ineffective. As a result,  
5       the licensee has been cited a number of times for  
6       violations -- and these included several escalated  
7       enforcement actions -- for the issues related to concerns  
8       raised by employees.

9           Notwithstanding these actions, the  
10       licensee's handling of the safety concerns and  
11       implementation of corrective actions for problems  
12       identified by employees has remained ineffective.

13           For these reasons, the NRC issued the  
14       October 24, 1996 order. The order specifies two primary  
15       actions. Thanks. That's the second slide that I have.

16           First, the order directs the licensee,  
17       prior to the restart of any of the Millstone units, to  
18       develop, submit and -- submit for NRC review and begin to  
19       implement a comprehensive plan for reviewing and  
20       dispositioning safety issues issued by its -- raised by  
21       its employees and ensuring that employees who raise  
22       safety concerns can do so without the fear of  
23       retaliation.

24           The order also directs the comprehensive

1 plan to address the root causes of past performance  
2 failures as described in the licensee's July 12 report,  
3 which I mentioned earlier, and also the NRC's assessment  
4 team report.

5 Second, the second major element of the  
6 order, directs the licensee to retain an independent  
7 third party to oversee implementation of its  
8 comprehensive plan. The independent third party is to  
9 oversee implementation of the comprehensive plan by, one,  
10 observing and monitoring the licensee's activities; two,  
11 performing technical reviews; three, auditing and  
12 investigating, when necessary, cases of alleged  
13 harassment, intimidation and discrimination; four,  
14 auditing and reviewing the licensee's handling of safety  
15 concerns; and, finally, assessing and monitoring the  
16 licensee's performance.

17 So those are the two major elements. And  
18 on the next slide I'm going to talk about -- the order  
19 also contains or specifies certain elements regarding its  
20 implementation.

21 First, the comprehensive plan is to be  
22 provided to the NRC within 60 days from the date of the  
23 order. And this works out, according to the calendar, to  
24 December 24. As we heard discussed at the meeting today



1 with the licensee, it appears they're going to ask for an  
2 extension or relaxation of that time for an additional 30  
3 days to provide their comprehensive plan to the NRC. So  
4 that would be some time at the end of January.

5 With respect to the proposed independent  
6 third-party organization, it was to be provided to the  
7 NRC within 30 days from the date of the order. However,  
8 on this -- I think this was discussed at the meeting  
9 today. The licensee requested and the NRC granted a  
10 relaxation in that time frame, allowing submittal of the  
11 proposed third-party organization within 60 days of the  
12 date of the order. And this works out to Christmas Eve,  
13 the 24th, I believe.

14 As was discussed in the afternoon meeting,  
15 it was mentioned that they expect and they're looking for  
16 and they anticipate identifying that organization and  
17 providing that name of that organization to us on the  
18 time frame specified.

19 Approval of the third-party organization  
20 by the NRC is required. Within 30 days of the NRC's  
21 approval of the third-party organization -- and we'll  
22 provide that to them in writing -- an oversight plan for  
23 conduct of this third-party oversight is required to be  
24 developed by the third party and forwarded to the NRC for

1 review and approval.

2 After the NRC receives the licensee's  
3 comprehensive plan and the independent third-party  
4 oversight plan, a notice of availability of the plans is  
5 to be published in the Federal Register and one or more  
6 public meetings are to be held to allow members of the  
7 public -- and I assume those meetings will be -- that  
8 meeting will be in this area -- to comment on the  
9 comprehensive plan and the third-party oversight plan.

10 The results of the NRC review and public  
11 comments on the comprehensive plan and the third-party  
12 oversight plan will be forwarded to the licensee, then an  
13 independent third party -- and to the independent third  
14 party for evaluation and implementation as appropriate.

15 Final approval by the NRC of the third-  
16 party oversight plan is required. And this approval is  
17 required for the restart of any of the three Millstone  
18 units.

19 The third-party organization is to report  
20 concurrently to the NRC and the licensee on at least a  
21 quarterly basis the results of its oversight activities,  
22 including all findings and recommendations. And the  
23 licensee is required to respond to each of these  
24 recommendations.

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1           And we did receive some correspondence  
2           from the Connecticut State NEAC, the advisory council,  
3           and they requested that they receive or be a party to  
4           these reports. I anticipate these reports will be  
5           writing. And I think the letter went back saying that we  
6           would provide them, you know, that they would be on  
7           distribution or a copy of these reports.

8           Finally, the order specifies that the  
9           third-party oversight will continue to be implemented  
10          until the licensee demonstrates by its performance that  
11          the conditions which led to the requirement of the  
12          oversight have been corrected to the satisfaction of the  
13          NRC.

14          So that, in a nutshell, is the basis of  
15          the order, what the order contains and its implementation  
16          elements.

17               MR. LANNING: Cover them all?

18               MR. McKEE: I got them, I think.

19               MR. LANNING: Good.

20               Okay. Gene is going to talk to us about  
21          the Independent Corrective Action Verification Process.

22               MR. IMBRO: I have more handouts, if some  
23          people don't have any. Does anybody need a handout?

24               Well, let me talk a little bit about the

1 ICAVP. Not much has happened since I spoke to you last -  
2 - I think it was in September and then again in October,  
3 October 10 -- other than what we've -- what we heard  
4 today. But let me -- the first slide? I'll go through  
5 a little bit of an oversight again just to refresh your  
6 memory.

7 What I have here is a slide that tries to  
8 lay out in some graphic terms what the ICAVP or how the  
9 ICAVP relates to all the other programs. And you can  
10 look at these sort of overlapping triangles. That  
11 largest triangle is what the licensee is going to look  
12 at. The licensee stated that they were going -- and  
13 these are Unit 3 numbers. There's some 82 systems that  
14 are either Group 1 or Group 2. Those are essentially  
15 risk-significant or safety-related systems. The licensee  
16 is going to do a thorough review of all those.

17 The ICAVP contractor will come in and also  
18 perform, perform a review of what the licensee has done,  
19 to assure that the licensee has done a thorough. Now,  
20 again -- and I'll talk about this a little bit later.  
21 But the ICAVP contractor will be inspecting to a scope  
22 that we select, systems we select.

23 The NRC is going to oversee, to be an  
24 oversight of the ICAVP contractor. So I kind of like to

1 look at this as -- since the ICAVP contractor is doing  
2 essentially what we ask in terms of the scope that we ask  
3 to be reviewed, it's essentially multiplication of our  
4 resources. So we can, by controlling the ICAVP to the  
5 degree that we do, we can have a lot more comprehensive  
6 review and a lot more in-depth review than if we were to  
7 do the review ourselves with NRC people. So, in a sense,  
8 you might look at the ICAVP as keeping the licensee  
9 honest and we keep everybody honest, hopefully, through  
10 our oversight.

11 So, with this slide, the purpose of the  
12 ICAVP -- and, again, we issued an order on August 13  
13 basically that required that the licensee do this before  
14 -- complete this ICAVP before plant restart. And that's  
15 for each unit.

16 But it's to assist us in judging the  
17 effectiveness of the Northeast programs. One of the  
18 major findings -- and I guess as borne out by past  
19 inspections and history -- is that Northeast, when --  
20 well, one of the problems they had was when they knew  
21 about things, they really didn't implement corrective  
22 actions appropriately.

23 So the ICAVP was ordered by us to make  
24 sure, to provide additional assurance, that they really

1 did take the appropriate corrective actions, that they  
2 identified the problems that were out there and that they  
3 did an adequate job in correcting whatever problems that  
4 were found.

5 So the purpose of the ICAVP is not  
6 necessarily to provide additional discovery or additional  
7 identification of problems. We would expect that the  
8 licensee's reviews are comprehensive and that they would  
9 identify all the problems themselves and define some  
10 corrective action. So I guess from the licensee's point  
11 of view, I guess they would hope that the ICAVP doesn't  
12 find anything. Because the ICAVP is really to assess the  
13 effectiveness of their programs.

14 If the ICAVP starts finding problems,  
15 where they find that the licensee has missed some areas  
16 where they perhaps are in non-compliance with the  
17 regulations, then that would cause us to reflect on what  
18 or how effective the licensee's programs were. And if  
19 they start to find problems that the licensee missed, I  
20 mean certainly it's indicative that the licensee didn't  
21 do a good job. And at that point, we would assess the  
22 scope or magnitude of the problems and decide whether or  
23 not the licensee, in fact, had done a thorough review.  
24 And at that point, we would make some type of management



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1 decision as to whether or not the licensee needed to go  
2 back and needed to do further reviews or maybe needed to  
3 start over again. I mean, you know, if really the  
4 program is not -- if their, the licensee's, program has  
5 been that ineffective that the ICAVP comes up and finds  
6 a lot of things wrong, then obviously they didn't do a  
7 good job. The licensee didn't do a good job. And so  
8 they're back to square one, possibly.

9 And our oversight is essentially going to  
10 be a sample. So we'll get a sample of the ICAVP  
11 contractor. So we'll look at the same things they look  
12 at, we'll look at things that they don't look at, to  
13 assess how well they've done their job and how well the  
14 licensee has done its job.

15 Now, we understand that the public  
16 confidence regarding -- public concern regarding  
17 independence and the erosion of public confidence in NRC  
18 and NU. I mean an independent and credible review is as  
19 necessary for us as it is for you. We -- as you perhaps  
20 have lost confidence and faith in use, we have similarly  
21 lost confidence in the licensee. So in order for them to  
22 -- in order for us to allow them to restart, they need to  
23 rebuild their confidence with us, as we need to do with  
24 you all.

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1           But we think that the ICAVP is  
2 independent. And there's kind of three areas that we  
3 look at in terms of judging or trying to make the process  
4 independent. It would be, first of all, the independence  
5 of the reviewing organization, the independence of the  
6 reviewers themselves doing the reviews and, of course,  
7 the technical competence. But, also, the process needs  
8 to be set up to allow minimum interface and independence  
9 so that the contractor does not necessarily interface  
10 with the licensee.

11           So in terms of organizational  
12 independence, we have specified no financial involvement  
13 with NU. And I think this has been misinterpreted or  
14 perhaps misunderstood. Maybe I didn't explain it  
15 correctly the first time or whatever.

16           But when I say no financial involvement,  
17 I mean that the work of the reviewing organization,  
18 whoever the ICAVP contractor turns out to be -- and maybe  
19 it's going to be Sargent & Lundy for Unit 3 -- they  
20 should not have any ownership interest in NU. So there  
21 shouldn't be any conflict with Board members of Sargent  
22 & Lundy perhaps being on the Board of Directors or any  
23 ownership of Sargent & Lundy as a corporate entity in NU  
24 stock or that kind of thing.

1           It doesn't mean that they could never have  
2       worked for the licensee before. And the second bullet  
3       basically tries to get at that by saying they should have  
4       no current involvement with the licensee.

5           So it's -- unfortunately, it's a small  
6       industry and almost everybody has worked everyplace,  
7       especially with these types of organizations, at one  
8       point in time or another. So to say that the ICAVP  
9       contractor could have never worked with the licensee is  
10      being very restrictive and maybe there would be no one  
11      that's credible that could meet that criteria. So we had  
12      to allow some flexibility in that regard.

13           In terms of independence of team members,  
14      again, no financial involvement with NU. So it's  
15      basically saying that the team members cannot own NU  
16      stock, cannot be on any pensions or receiving any kind of  
17      remuneration or financial benefit from the performance of  
18      NU.

19           And again with the contractors, there  
20      should be no prior involvement with the unit being  
21      reviewed. So, essentially, if people are going to be on  
22      the Unit 3 ICAVP contractor team, they should have never  
23      worked at Unit 3 before.

24           In terms of program conduct, how we're

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1 going to try and ensure independence is to, first of all,  
2 we're going to select the systems. So we'll specify the  
3 scope and there won't be pre-noticed or advance  
4 information given. We have a process that we're laying  
5 out that's still sort of in the formative stages. But I  
6 think we'll address this further as we go on down the  
7 line. But we're sensitive to the public's concern about  
8 independence. And, again, it's a concern that we have as  
9 well.

10 In terms of the independent review and  
11 trying to keep an arms-length review, we want to have the  
12 ICAVP contractor located not on site. Understand, they  
13 have to have access to the site. They need to do, you  
14 know, walk-downs, et cetera. But we don't want them in  
15 the proximity with NU employees so they can exchange  
16 information, have conversations.

17 And, again, the next bullet here is in  
18 terms of communication protocol. NRC is going to control  
19 and monitor any interface between the contractor and NU.  
20 So we expect that the ICAVP contractor, in doing the  
21 design reviews, can -- will have questions. Those  
22 questions should be presented to the licensee in writing  
23 and there should be a written response. So there should  
24 be no face-to-face interaction or minimum face-to-face

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1 interaction. In some cases where perhaps they do need a  
2 face-to-face meeting because it's a complicated technical  
3 issue that maybe they need to sit down and explain, we  
4 want them -- we want the ICAVP contractor to advise us at  
5 some appropriate time in advance of the need for a  
6 meeting and we will -- we will monitor that. We will,  
7 you know, try and schedule it. We will make sure that  
8 the NEAC observers, to the extent they can participate,  
9 will participate. We'll either monitor via telephone.  
10 If we can be present at the site, we'll do that, too. So  
11 the idea is that there's not going to be working next to,  
12 you know, shoulder to shoulder with the licensee. The  
13 ICAVP contractor and NU are going to be as separate as  
14 possible.

15 Again, any findings that come out are  
16 going to be reported both to us and to the licensee  
17 simultaneously. And any findings that come out are also  
18 going to be made public as the process goes forward. So  
19 you'll be apprised of those either because they'll be in  
20 the -- if we're apprised via correspondence, we'll put  
21 that on the docket file and that's publicly available.  
22 We'll have briefings from time to time with the public to  
23 apprise them of the status of the ICAVP.

24 And, again, we've asked the State and NEAC

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1 to provide observers. NEAC has provided two observers  
2 and two alternates and they're going to -- and they're  
3 essentially your eyes and ears. They're local citizens.

4 In terms of ICAVP attributes, again, we  
5 will approve the team, also review the review plan. We  
6 want to make sure that the scope and depth of the review  
7 and the order plan are sufficiently broad to cover all of  
8 the technical disciplines, both design and on an  
9 operation side, and that the experience level of the  
10 reviewers is a high level. So we want -- you know, we  
11 want to have -- make sure the contractors are experienced  
12 people. We're going to interview the contractors, as  
13 well as look at their resumes. The resumes, I think,  
14 will be submitted with the -- when the licensee  
15 identifies to us the ICAVP contractor.

16 Again, it's going to -- we expect -- we  
17 require that the review be certainly a comprehensive  
18 review of the systems and look at both the design and the  
19 operational aspects.

20 And the program will begin, as was laid  
21 out in the order -- I believe it was laid out in the  
22 order -- approximately when Northeast is about half --  
23 has completed their review of half of the Group 1 of the  
24 risk-significant systems. So after -- and this is,

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1 again, Unit -- these are, again, Unit 3 numbers. So when  
2 the licensee has completed a review of approximately 20  
3 systems, give or take, and they have been reviewed  
4 internally by their own QA, nuclear oversight, and the  
5 licensee is willing to attest that "Hey, these systems,  
6 to the best of our knowledge, meet all the NRC  
7 regulations", then the ICAVP reviewer can start.

8 And we will select systems, maybe some  
9 from the first 20 and maybe not, depending on what the  
10 first 20 are. We want to make sure that the systems we  
11 look at are important in terms of risk, have, you know,  
12 have a significant amount of changes to them where the  
13 licensee would have more of an opportunity to have made  
14 mistakes so the things we can -- you know, we try to look  
15 where we will find problems.

16 Next slide. So in terms of the scope of  
17 the ICAVP, we're going to look at three things.

18 A VOICE: Would you please move that  
19 microphone? Move it towards you?

20 MR. IMBRO: Sure. Okay. Is there  
21 anything you want me to repeat that I've asked? No?  
22 Okay.

23 All right. Original -- we're going to  
24 look at the original design, as well as system

1 modifications. So for the unmodified portions of the  
2 system, we're going to look at -- we're going to make  
3 sure that the ICAVP looks at original design  
4 considerations. So they may need to, you know, relook at  
5 piping analyses, for example, or other design factors  
6 that were done by the AE.

7 Also, certainly we want to look at all the  
8 modifications to the system because there has been --  
9 we've found areas where, in making modifications, the  
10 licensee has made changes to the plant that put them in  
11 non-conformance with the licensing basis.

12 Also, the other bullet that's up there  
13 that I missed was we are also -- the ICAVP contractor is  
14 also going to look at and assess the corrective actions  
15 of Northeast Utilities. So for all the things that NU  
16 finds as a part of their system reviews or configuration  
17 management program, the ICAVP contractor will go in and  
18 assess the corrective actions both on a specific basis if  
19 it's a particular area, a very specific area, or also on  
20 a programmatic basis if there's repetitive mistakes of  
21 the same type. And they will need to make sure that the  
22 corrective actions are sufficiently broad to cover  
23 wherever that could occur in the plant.

24 Next slide. So again, in terms of our

1 oversight, to recap, we're going to look at a sample of  
2 what the ICAVP contractor looks at. We're going to  
3 look at things that the ICAVP contractor doesn't look at,  
4 things that are outside the scope. We're going to try  
5 and put together the best team we possibly can with NRC  
6 inspectors and contract support.

7 We want the public to be involved as much  
8 as they can. We're going to make this as visible a  
9 process as we can. We want you to regain confidence in  
10 us as well as the licensee. Of course, the licensee has  
11 a lot to do with that, too, in terms of their own part of  
12 the equation.

13 And the ICAVP is going to be a pretty  
14 significant input to the -- to NRC's restart assessment  
15 if and when that comes or however it comes out.

16 So that's essentially where we are with  
17 ICAVP. And, again, it's pretty much where we were a  
18 while back.

19 MR. LANNING: Good. Thank you, Gene.

20 I now want to talk to the NRC restart  
21 assessment plan and talk a little bit about -- try to  
22 summarize today's meeting with Northeast Utilities.

23 We had published for your review the first  
24 draft of the restart plan that we had developed. We got

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1 some comments from the public. And we issued that as the  
2 first draft of the restart assessment plan.

3 We have just made our first revision to  
4 that. And I'll have copies of the plan here on the table  
5 for you, if you'd like a copy during the break. But the  
6 changes to the restart assessment plan are primarily due  
7 to the creation of the Special Projects Office and also  
8 we're updating some of the significant issues list that  
9 we've both added and completed some of the activities on  
10 that list.

11 For example, Mr. Travers here has assumed  
12 all those responsibilities that had been delegated to the  
13 Regional Administrator. So he is assuming those  
14 responsibilities. In addition, he's assuming some of the  
15 NRR Associate Director responsibilities.

16 As you'll recall, in the back of that  
17 restart assessment plan there's a checklist back there  
18 and it identifies some of the responsibilities of various  
19 organizations. And so you'll see that Mr. Travers has  
20 now taken over those responsibilities.

21 The additions to the significant issues  
22 list are additions from the Bagillio team inspection, for  
23 example. There are additions from the 50.54 activities  
24 that NU has ongoing. They have identified some

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1 significant issues. There are also issues there that the  
2 residents and the Regional Inspectors have identified.  
3 And so those have been added to the list.

4 We've also completed our inspection of a  
5 small number that was on the original list and those will  
6 remain in the plan for you to see what we have completed.

7 So, again, I'll have a copy of that plan  
8 on the table here at the break.

9 Let me now talk a little bit about this  
10 afternoon's meeting. We had a little over a four-hour  
11 meeting with Northeast Utilities. In terms of  
12 background, if you recall, Mr. Kenyon became President in  
13 September. In October, he had established recovery teams  
14 for each of the units and these recovery teams were  
15 really loaned utility executives and experts from ---  
16 well, they're from Virginia Power & Light and they're  
17 from Philadelphia Electric. And so each of the recovery  
18 teams are responsible for one unit.

19 Our meeting today was, in essence, a  
20 discussion of the progress those recovery teams have made  
21 to date in formulating a recovery plan. As some of you  
22 remember, we were scheduled to have a meeting in November  
23 to talk about the status of the restart plan. NU was not  
24 able to support that because of this new organization it

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1 had just put in place. And that's okay.

2 So we met today and they provided us their  
3 recovery plans for all three units. Really what they  
4 have done is provided us the strategy for restarting each  
5 of the three units. That strategy concludes that two of  
6 the units will be restarted or ready to restart by the  
7 end of 1997 and the third unit will be restarted in early  
8 1998.

9 In essence, the elements of their  
10 readiness for restart really involves like five different  
11 attributes which they will prepare and conclude they're  
12 ready to restart. For example, they will talk to system  
13 readiness. This is talking to the systems in the power  
14 plan that are now ready to perform their intended  
15 function, for example.

16 They talk about organizational readiness.  
17 This where there are structures in place, procedures are  
18 in place and the organization is ready to operate.

19 They also talk about the operational  
20 readiness. This is where the operators are trained,  
21 operators are retrained, for example, to a point to where  
22 they're ready to operate the nuclear power plant.

23 They also talk about a regulatory  
24 readiness to restart. These include such things as



1 response to the orders, response to the 50.54 letters,  
2 fulfillment of commitments that NU has made to us that  
3 have not been fulfilled to date.

4 And, finally, they talk about  
5 communications readiness. This is where they're  
6 communicating with NRC, where they're communicating with  
7 the public, concerning their status and where they are in  
8 the big scheme of readiness to restart.

9 They recognize that it's important that  
10 they keep you informed of their progress. And so I  
11 expect them to really start having more formal sessions  
12 with the public to talk about these communications.

13 In addition, they will be developing what  
14 they call performance indicators. These are really  
15 nothing more than some of the more important things that  
16 they have to do. They will sort of track those as a  
17 function of time. They'll discuss those with us to  
18 review progress that has been made.

19 For each of those performance indicators,  
20 they will have established what the minimum requirement  
21 is for restart. And so that's their goal for restart.  
22 So we will have an opportunity to review those goals and  
23 agree that those are acceptable goals for that parameter  
24 for restart.

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1           Those have not been developed yet. In  
2 fact, most of the details concerning the recovery plans  
3 are yet to come. They gave us a very broad overview of  
4 what the plans will include. They seem to have included  
5 most of the important aspects, most of the important  
6 issues that need to be addressed before restart. But  
7 they are yet to provide the details of how they will  
8 achieve and satisfy many of those issues.

9           What's new about these plans? In my  
10 opinion, what's new is -- when I say what's new in the  
11 plans, this is really compared to our prior discussions  
12 concerning Unit 3. If you recall, in the past Unit 3 was  
13 the lead plant. All resources were being developed,  
14 devoted to Unit 3. They've taken resources from Units 1  
15 and 2 and even from Seabrook to help get Unit 3  
16 restarted.

17           This new strategy has changed that to  
18 where they are now proposing that all three units are in  
19 preparation for restart at the same time. In other  
20 words, they've taken back those loaned employees to Unit  
21 3 and put them back in Units 1 and 2. And so each of the  
22 recovery teams are progressing and developing a schedule  
23 for restarting a unit.

24           Now, that's also something new in this

1 recovery plan. It's the schedules. These schedules will  
2 -- which are yet to come. But it's my understanding that  
3 when we see these schedules, they will be staff-loaded.  
4 Now, what that means is they will take all these issues  
5 and deficiencies and programmatic issues that need to be  
6 resolved and they will have estimated the amount of  
7 effort necessary to fix that issue or fix that deficiency  
8 and they will be able to schedule that out in time. And  
9 that will be the schedule. And that needs to be done in  
10 order to really put some credence in the schedule.

11 In other words, they will be able to say,  
12 "These are the things that we're going to do. This is  
13 the people, the resources necessary to get those jobs  
14 done. And we can schedule those jobs and get it done by  
15 this date." And it certainly helps us, for example, to  
16 schedule our inspection resources to come along behind  
17 them and verify, validate, audit those activities that  
18 they think they have completed.

19 So there's still a lot of work to be done.  
20 There's still a lot of details to be developed for these  
21 recovery plans. They indicated that they think they'll  
22 be in a position to issue those by the end of December.  
23 And so we'll be looking forward to those.

24 It's very aggressive. It's sometimes in

1 some places, I think, very optimistic. But only time  
2 will tell. As you know, we're looking for results, some  
3 measure of progress that they're making. And so we'll be  
4 continuing to do that and inspect their activities.

5 That's about a summary of the meeting in  
6 a nutshell. So we're ready to talk about a 10-minute  
7 break, unless you've got anything else to add or anybody  
8 else has anything.

9 So we're right on schedule. So we'll take  
10 just a quick 10-minute nap -- nap? -- 10-minute break.

11 MR. MCKEE: Mention the sign-up sheet.

12 MR. LANNING: Oh, yes. The sign-up sheet.  
13 Good point. We'd ask you to put your name on the sign-up  
14 sheet if you'd like to ask a question or make a comment.  
15 And the sign-up sheet is up here next to the projector.

16 (RECESS)

17 MR. LANNING: Okay? Are you ready? All  
18 right. Here we go. I have 11 names on the list. So  
19 we'll start in the middle. No. We'll start the top.

20 Mr. Delcore? And you'll have to use the  
21 microphone please, sir.

22 MR. RON DELCORE: I understand.

23 Ron Delcore, Uncasville, Connecticut.  
24 I've got some comments about today's meeting which you

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1 alluded to and somehow we don't seem to agree. I don't  
2 find that strange. But, at any rate, you know, we talked  
3 about a recovery plan today for four or five hours over  
4 there at Millstone. Or I didn't, but you and NU did.  
5 And one of the things that I really feel kind of strange  
6 about is that we don't really have any real  
7 accountability yet complete from NU with regard to those  
8 that were involved in creating the problems with regard  
9 to whistleblowers and, also, accountability of two more  
10 206's, accountability of violations that have accumulated  
11 during that period. And I really kind of don't  
12 understand why we're discussing a recovery plan when we  
13 haven't really dealt with those issues. And I think that  
14 those need to be dealt with prior to any recovery plan  
15 discussions.

16 By the same token, there hasn't been a  
17 full accountability, as far as I'm concerned, with regard  
18 to the NRC. Yes, I understand that Mr. Taylor is going  
19 to leave after the first of the year. But if you look  
20 back at the way the whistleblowers were escorted out the  
21 door at Millstone and then you look at the pat on the  
22 back that Shirley gave Mr. Taylor and others that she  
23 asked to leave, there was a substantial difference in  
24 their treatment.

1           In addition, there are other people who  
2           are culpable, probably starting from the Assistant or the  
3           Deputy Regional Management on down to those in charge of  
4           the regional office that oversees Millstone's operations  
5           that allowed that to go on for 10 years.

6           Additionally, there are people within the  
7           NRR and other places that were charge, have been in  
8           charge and continue to be in charge who were involved in  
9           allowing that to take place for the last 10 years.

10          So there really hasn't been any  
11          accountability to speak of by the NRC. In fact, there's  
12          a token amount by the NRC and a token amount by NU. And,  
13          again, that needs to be addressed before we talk about  
14          recovery actions.

15          My distinct impression at that recovery  
16          meeting was that the recovery plan was very fractured,  
17          very preliminary and, for the most part, the first person  
18          to get up -- I think his name was Colin -- was absolutely  
19          confusing. And based on the questions that you guys  
20          asked, it looked like they had deferred many, many of the  
21          issues that you put forward to some other time, had not  
22          addressed it in terms of recovery and had no real plan  
23          established for those. And I thought that was kind of  
24          strange.



1 I also felt that it was extremely  
2 aggressive. And I could not see how they could get those  
3 three plants together. An opinion? I think they're  
4 looking to get Unit 1 and Unit 2 up before Unit 3 because  
5 it has much less regulatory constraints upon it. And, in  
6 fact, as they pointed out to you, they're going to have  
7 to develop some white paper issues for licensing and  
8 design bases for Unit 1 because there isn't going to be  
9 a whole lot of information around. So it will be much  
10 easier for them to get those two plants started from that  
11 aspect than it will be Unit 3. And let's face it. Unit  
12 2 puts out 900 megawatts. That own that 100 percent.  
13 Unit 3 is only owned 56 percent and the constraints on it  
14 will be very, very difficult compared to Unit 2 because  
15 it's a much newer plant, 16 years newer or something like  
16 that, 11 years newer just from its first production of  
17 power.

18 I still recognize a distinct communication  
19 problem with providing we, the public, with information  
20 from NU. And I recognize that in the form of their  
21 reluctance to provide discrepancy issues, ACR's, you name  
22 it. They were very reluctant to give us anything from  
23 Unit 2. And I think it precipitated discussion between  
24 you people and Mr. Kenyon today about that.

1           We need to have it. We have every right  
2           to have it. And it's the only way that we're going to  
3           determine whether they're deferring items to after the  
4           start-up that rightfully should be done before the start-  
5           up.

6           I've noticed on some of the OPR documents  
7           that I've looked at for Unit 3 that many of the items  
8           that they document in their list as completed -- there  
9           was like a 2400-item list. And many that they document  
10          as completed, if you actually read them, they're not  
11          completed. They've either deferred it to a trouble  
12          report or they've deferred it to a design engineer or  
13          they've referred it for accomplishment or something like  
14          that. But they're not completed. Yet, they're checked  
15          off on the list as being complete. You guys have got to  
16          look at those. You really need to take a look at those.  
17          I looked at them. I couldn't believe they were getting  
18          away with it.

19          I noted today that most of the problems  
20          that you guys discussed with them that they were going to  
21          fix in short order have been on the table since 1989.  
22          Many of them Mr. Durr addressed in his 1989 review, a  
23          two-week review that he did at Millstone with his review  
24          team. Procedure non-compliance, procedure updates, FSAR

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1 problems, PNID piping problems, electronic print problems  
2 being the latest revision, you name it. Publications  
3 that were uncontrolled. It's been going on since 1989,  
4 guys. Nothing's happening.

5 I viewed the information on the oversight  
6 program as being weak and identifiable. There wasn't  
7 anything in there that I heard about that program that  
8 seemed to be put in place or that had been established  
9 yet. And they're under an order that you gave them in  
10 October and they still haven't got it and they've known  
11 about it a lot longer than that.

12 The recovery VIP seemed to have a good  
13 handle on his plant, the oversight recovery guy. I have  
14 to say that. And I also have to say that if Mr. Kenyon  
15 had not interrupted as many times as he did, there  
16 probably would not have been a clear indication of what  
17 the hell they were talking about today for the most part  
18 because he seemed to save them about every time they got  
19 in trouble.

20 The only person, as I said before, that  
21 had a real handle on what he was doing seemed to Mike  
22 Brothers. He seemed to have a very clear plan. He  
23 conveyed that information to those of us that were  
24 sitting there in a fashion that at least made me feel

1       like he understood what was going and he was willing to  
2       give forth the information about the number of  
3       discrepancies. He provided information about his whole  
4       start-up plan and where he thought the problems were  
5       going to be and so forth. And I can't say that I gained  
6       that from anybody else that I listened to today.

7               They seem to have very poor communication  
8       with you guys over the last year. You guys seemed to be  
9       in the dark today about a lot of stuff, asking a lot of  
10      questions. So it would seem to me that the communication  
11      that's going on between you and NU isn't acceptable from  
12      my level sitting in the audience listening.

13             Every place I looked, the ICAVP process  
14      was cursorily thrown in the pile in all of the schedules.  
15      It didn't look like that really had a place. It didn't  
16      look like it really was the priority and important issue  
17      that it should be. And I don't think that was properly  
18      placed at all in the value, in the content, in the  
19      importance of that issue as described in the letter that  
20      CRC got from Commissioner -- Chairman of the NRC. It  
21      sure doesn't address an ICAVP process the way I heard it  
22      today. So I think you guys need to take a really close  
23      look at that.

24             I mentioned to you already that NU

1 identifying discrepancies and ACR's and that kind of  
2 stuff for Unit 2 was -- at least I think that's the issue  
3 we were talking about at the time was Unit 2. They just  
4 didn't seem to want to provide that information.

5 I think there's an enormous amount of  
6 discrepancies and ACR's and so forth in Unit 2 and Unit  
7 3. And I think that at least from my perspective I could  
8 read them and understand them. I've got 12 years working  
9 at Unit 2. I think I can understand better than most  
10 people, maybe better than Mr. Kenyon. I don't know.

11 There were a lot of issues that I heard  
12 both today and here tonight that seem to indicate that  
13 there would be some laxity in -- on behalf of the NRC in  
14 terms of dealing with the requirement that may have been  
15 established that then became lax as we got closer to  
16 start-up.

17 If I could give you an example, I think  
18 the last segment of Phil McKee's presentation, there was  
19 a paragraph with regards that you guys were going to have  
20 this oversight of the nuclear concerns program in place  
21 as long as it took. And it kind of lent credence to me  
22 that you're going to oversee this thing and then they're  
23 going to start up and a program isn't -- isn't maybe  
24 going to be all together, but we're still going to have

1       this oversight in place while they're running and watch  
2       it and make sure it's okay.     And to me, that's  
3       reminiscent of what's been going on for the last 10 years  
4       about their concerns program and I don't think that's  
5       acceptable.   So I think you need to modify or you need to  
6       look after that particular issue and issues like it that  
7       I heard today that I kind of got the indication that  
8       there are going to be a lot of things like that because  
9       there's going to be some relaxed -- to give you an  
10      example, I think when we -- at the onset of the ICAVP  
11      program, there was going to be no financial connection  
12      between Northeast Utilities and the group that was  
13      selected as -- Sargent & Lundy, I guess, in this case.  
14      Now there seems to be an indication that, you know, the  
15      guy could have worked for NU before now, but now he just  
16      can't have any stock and he can't have any retirement and  
17      he can't have any financial -- current financial  
18      dealings.

19                   And I'm concerned that the programs will  
20      be like that because that's what I saw when I reviewed  
21      the Unit 2 start-up report.   If you want to go back into  
22      your records, you'll find that there was a Unit 2 restart  
23      report that was issued by Tommy D. Martin, our old  
24      friend, that basically said we had this 350 plan and we



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1       laid out all these requirements for Northeast Utilities  
2       to meet to start up with Unit 2. And about 50 percent of  
3       it was relaxed and wasn't accomplished and we didn't meet  
4       all those requirements. So I'm real concerned right now  
5       by what I see and what I heard today that those things  
6       are going to slip again. And I don't think we want that.

7               There was some mention tonight about  
8       coming a long way and that NU had admitted to its  
9       problems and that that was a real good start towards  
10      getting back to recovery. And I'll agree with you that  
11      when somebody admits their problems, it is a good start.  
12      But I'll also say to you that NU didn't have much choice  
13      about admitting. I think it's -- I think it's been  
14      pretty straightforward and it's been pretty much in black  
15      and white both in investigations reviews, Time magazine  
16      and you name it, it has been there. And I think that it  
17      was pretty straightforward and they didn't have much  
18      choice.

19             I think we're waiting for a similar claim  
20      by you guys. And I think maybe we will be getting off to  
21      a good start.

22             With regard to the issues that Jacques Burr  
23      had up on there about repeat violations, I've got to tell  
24      you. I don't know how many non-conformances you're going

1 to find issues. If you go back and look at inspection  
2 reports, there's going to be a ton of them. So you may  
3 want to do up here right now and say, "Hey, we went back  
4 and we looked at that and that's going to be a problem."  
5 I think you better go back and dig into some more of  
6 those reports and you're going to find a whole lot of  
7 them.

8 There was a reactivity issue that you were  
9 dealing with also in that 96-06 report. I think if you  
10 go back in the last year or two, you're going to find  
11 some rod incident problems on Unit 2 which are the same  
12 issue. And they should be put together with the Gladys  
13 issue. They should be put together with these other  
14 issues and the fines adjusted accordingly. There's a lot  
15 of reactivity issues, not only with Unit 2, with Unit 3.  
16 I think with Unit 3 there was the occasion of the five  
17 times they failed to make sure that the borating valve,  
18 when shut, that they had a Caution tag hung on. There  
19 must be seven or eight violations of that particular  
20 issue, which, by the way, you guys only leveled a Level  
21 4 or Level 5 violation even though they did it seven  
22 times, I think.

23 So what I'm saying is I think if you went  
24 back and you looked at the issues, I think that you could

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1 maybe boost your fines a lot higher than you're probably  
2 talking about.

3 Containment isolation valves not being  
4 qualified to be there? I'll bet we could find 100 of  
5 them guys. I'll bet we could go back in the last two or  
6 three years and find 100 of them between Units 1, 2 and  
7 3 and Connecticut Yankee.

8 So when you talk about repeats, I think  
9 you've got a long way to go on those.

10 One issue that's been especially troubling  
11 to me -- and, by the way, the troubleshooting one that  
12 was on 96-08? It seemed to me that at Unit 2 -- that was  
13 a Unit 1 issue. But it seems to me in Unit 2 very  
14 recently there was a whistleblower complaint,  
15 confidential complaint, made to you people with regard to  
16 the company not performing a troubleshooting issue  
17 correctly. I believe it was in Unit 2. How come that  
18 isn't a part of this? I think that needs to be added to  
19 your -- and these are just ones that I'm pulling out of  
20 my mind, guys. You know what I mean? Stuff I'm  
21 remembering. I'm not the guys that's monitoring. I  
22 think you guys have a lot better records. If you don't,  
23 go back in and look at Tony Ross' 2.206 and you'll find  
24 a lot of that stuff right in there. Okay?

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1           The other item that's especially troubling  
2   to me and, also -- I'll try to knock this off very  
3   quickly here for you. There still seems to be an  
4   insistence on updating and having the final safety  
5   analysis report fixed before we start up. My concern is  
6   that the final safety analysis report contains many  
7   issues of shutdown items to protect the reactor, to  
8   protect from core meltdown, to protect many, many risk  
9   issues associated with being in a shutdown status which  
10   rely on a design basis and rely on the FSAR; that those  
11   items should be the first thing that we want to correct.

12           We shouldn't be letting NU get it done by  
13   the time they get the plant started. We should take that  
14   FSAR, dissect it, take the design basis requirements, the  
15   license requirements and the tech specs dealing with the  
16   shutdown conditions to protect the core, the shutdown  
17   conditions to protect containment and the public, and get  
18   them fixed now. And the PNID's -- you know, if we had a  
19   Three Mile Island accident right now, could we go grab  
20   the PNID's and know that this valve and this pipe were  
21   located in this room and they were, in fact,  
22   representative of what's on the PNID's? I don't know  
23   that we could do that.

24           And I'm very concerned from the shutdown

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1 aspect of losing total power and the problems that they  
2 have with their diesels and so forth, can we accomplish  
3 what we want to accomplish with the documents that  
4 supposedly are controlled and are in place right now?  
5 And I think that needs to be dealt with right now and  
6 they need to have a requirement to fix that before they  
7 fix anything else.

8 Thank you.

9 (Applause)

10 MR. LANNING: Okay. Mr. Blanch.

11 MR. PAUL BLANCH: Thank you. My name is  
12 Paul Blanch. I live in West Hartford. I think we just  
13 saw an example of the problems we're facing with Mr.  
14 Delcore getting up here.

15 What we have to remember is that for each  
16 of you sitting at the table and probably 40 other people  
17 in Washington and the region, we're paying you. We, the  
18 residents of Connecticut, are paying each one of you one-  
19 quarter of a million dollars per year to do a job.

20 And what do you do? You sit up here and  
21 you take all this information and you don't respond.  
22 You've got to remember who you're working for. You're  
23 working for us. You're not working for Northeast  
24 Utilities.

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1 (Applause)

2 MR. BLANCH: When have we ever had a  
3 dialogue with the NRC? And I don't call this a dialogue.  
4 You allow us to get up here and spend "X" amount of  
5 minutes. You allow Northeast Utilities to have a  
6 dialogue. I'm sure the session this afternoon was a  
7 dialogue. We don't have a dialogue right now. This is  
8 a monologue that Paul Blanch is putting on.

9 We, members of the public, need to hold  
10 the NRC accountable. You have to respond to us. It's  
11 our money. It's coming out of my pocketbook and everyone  
12 else's pocketbook who happens to be a rate payer or  
13 resident of Connecticut.

14 We've seen or heard about Northeast  
15 Utilities' recovery plan. We haven't seen the NRC's  
16 recovery plan. They don't have one. We don't know and  
17 are not aware of any procedures the NRC has for the  
18 recovery. Northeast Utilities has been cited for the  
19 failure of the Quality Assurance Plan. I think the  
20 public ought to cite the NRC for the failure to even have  
21 a Quality Assurance Plan. They don't have one. But,  
22 yet, they require the utilities to have one, although  
23 they have the responsibility for approximately 109 power  
24 plants and they do analyses. But, yet, no procedures, no



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1 accountability, no quality assurance.

2 (Applause)

3 MR. BLANCH: I do have a couple of  
4 questions. And maybe we can get a dialogue here. First  
5 of all, we saw a cited violation or an apparent  
6 violation. It has to do with the Millstone 2 containment  
7 sump may have not functioned properly. Well, that sounds  
8 innocuous enough. I'd like Mr. Durr without using the  
9 words "beyond design basis, perfectly safe. Redundant  
10 system, backup systems" to explain to the general public  
11 in a language the general public can understand what  
12 would happen if we had either a small break loss of  
13 coolant accident or a large break loss of coolant  
14 accident and that containment sump didn't function. I'm  
15 asking you to provide that to the general public after I  
16 sit down, which will be in about 30 seconds.

17 And the second thing I've been asking the  
18 NRC and Mr. Lanning -- and I got a flip answer the last  
19 we were in this room. And that was the consequences of  
20 a loss of inventory of the spent fuel pool. The NRC now  
21 has acknowledged that the probability of that occurring,  
22 a loss of inventory of greater than one foot in the spent  
23 fuel pool, occurs historically about one in every 100  
24 reactor years. It's happened here at Millstone. It's

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1 happened at Connecticut Yankee.

2 What they don't want to tell us is the  
3 consequences of that accident. Mr. Lanning said, "Well,  
4 maybe it's three times what our new Reg 13-53 previously  
5 stated and that was permanent evacuation of 254 square  
6 miles." It's -- Mr. Lanning, it's more than three times  
7 because that new Reg 13-53 assumes a time period of 45  
8 days after start-up from refueling. I would venture to  
9 say it's probably 50 to 100 times. And, again, I don't  
10 know how many times we have to request the analysis, what  
11 are the consequences, of a loss of spent fuel pool  
12 inventory.

13 Mr. Durr, I'd like you to explain now --  
14 I'll go sit down -- the consequences of a failure to a  
15 sump given a small break or a large break loss of coolant  
16 accident on Millstone 2. You can use that for an  
17 example.

18 Thank you.

19 MR. DURR: Well, let me --

20 (Applause)

21 MR. DURR: Let me tell you what I can do  
22 ad hoc, extemporaneously, unprepared. The purpose of the  
23 sump, for the public's benefit -- and I would have  
24 answered this question if you'd asked it while I had it

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1 up on the board. That's why we put them up there. If  
2 anybody had any questions, we'd be happy to discuss it.

3 The purpose of the sump -- if you have an  
4 accident, as he's indicated, a large break loss of  
5 coolant accident, where the pipe, one of the pipes  
6 associated with the reactor breaks and you empty the  
7 inventory or the water in the reactor into the  
8 containment, initially water is taken from a tank outside  
9 containment and is pumped back into the reactor to cool  
10 the core. Once that water is exhausted or nearly  
11 exhausted, you have enough water in the containment sump  
12 now that you take suction off of that sump and you put  
13 the water through a cooler and back into the reactor  
14 again to keep the reactor cool. Are we going okay so  
15 far?

16 Now, what happens if the debris in the  
17 containment associated with the loss of coolant accident,  
18 the pipe breaks, there's going to be some high energy in  
19 there, and if there's debris generated and it catches on  
20 the screens of that sump, the screens are there to take  
21 out debris, obviously, so that it doesn't go through the  
22 pumps. And there are some valves associated with that  
23 recirculation that throttle it. The problem results when  
24 debris clogs those valves because the -- if the debris

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1 gets through there and it's too large to go through the  
2 valve, if it's small enough to fit through the screen,  
3 then you end up plugging those valves. Then you end up  
4 with -- assuming that -- if you assume that all of them  
5 are clogged, then you have no way to put water back in  
6 the reactor to cool it. And then have a meltdown. And  
7 that's where you -- that's where it takes you.

8 So that's the consequences of not having  
9 properly engineered the screen mesh size of that sump.

10 MR. BLANCH: You left out one thing, that  
11 there's a high probability of containment rupture also  
12 due to --

13 MR. DURR: Well, you keep going on and on  
14 and on with this. But you end up with a meltdown and  
15 then you extrapolate it from there. Yes.

16 MR. BLANCH: The consequences of that?

17 MR. DURR: The consequences of a meltdown?

18 MR. BLANCH: A meltdown where the  
19 containment ruptured to the loss of the reserve.

20 MR. DURR: It would be beyond design  
21 basis. You asked me not to use that term. That's why I  
22 didn't go that far, because you said don't go beyond  
23 design basis. But that's where you end up. You're  
24 beyond the design basis.

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1 MS. LUXTON: Well, what does that mean?

2 MR. DURR: It means --

3 MR. BLANCH: Don't --

4 MR. DURR: It means that -- the NRC, back  
5 when they designed these power plants in the early 60's  
6 and 70's, they deterministically said, "What's the worst  
7 thing that can happen? What's credible? What is a  
8 credible accident?" A credible accident is a large break  
9 loss of coolant accident. We call it LOCA, loss of  
10 coolant accident. And so they were required to design  
11 for that accident because that's the worst credible  
12 accident that we could conceive.

13 Now, you could conceive incredible things.  
14 But we didn't require the design for those things. We  
15 required the design for credible accidents. And the  
16 break of the largest pipe in the reactor was the credible  
17 accident, the largest or worst case. And that's what  
18 they designed for. So that's why you have these backup  
19 systems that put water into a reactor to cool it. That's  
20 why you have a containment to contain it. That's what  
21 these plants were designed for.

22 So what Mr. Blanch keeps coming back to  
23 is, "Well, we don't think that's the worst thing that can  
24 happen. Let's extrapolate beyond what at that time was

1 considered credible."

2 MR. BLANCH: But you're now saying that  
3 this is a credible accident because you acknowledge that  
4 the reserve system may not function or has a high  
5 probability of not functioning. So now that is a  
6 credible accident.

7 MR. DELCORE: And if --

8 MR. BLANCH: And your five barrels of  
9 trash that you take out of that sump twice in a row, you  
10 need to start questioning, you know, why are you letting  
11 that trash get in there? And that's what happened at CY.

12 MR. DURR: And now I have to result to  
13 you're beyond my technical expertise to answer that  
14 question. I'm outside my area of expertise. I really  
15 can't answer that.

16 MR. BLANCH: Then maybe people in -- could  
17 provide it.

18 MR. DURR: Maybe somebody can. But I'm  
19 not the guy to answer the question because I'm not  
20 technically competent to answer that question. Okay?

21 MR. LANNING: Okay. I'm next. The answer  
22 I gave you before was not flip. It was a deliberate  
23 answer. It was well thought out. And just for the  
24 benefit of the folks here, I'll repeat the answer.



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1           Your request was to do a calculation of a  
2   beyond design basis event involving total loss of  
3   inventory from the spent fuel pool. As you point out,  
4   that event which is beyond the design basis and analyzed  
5   in new Reg 13-53 -- and as you point out, it assumes a  
6   certain decay time for that event to take place.

7           But it doesn't matter -- even -- that  
8   event with that decay time, the consequences are  
9   unacceptable. It's already beyond what's acceptable,  
10   what's reasonable and what we're willing to accept.

11          So, to do that calculation, by increasing  
12   the inventory in the spent fuel pool to do that analysis,  
13   just makes those consequences more severe. There's no  
14   point in wasting the taxpayers' money, your money, to re-  
15   analyze that when we already know the consequences are  
16   unacceptable. That was my point. And that was the  
17   decision that the agency has made regarding your  
18   question.

19          MR. BLANCH: But here we are again with an  
20   accident acknowledged by the NRC that has a probability  
21   of one in 100 reactor operating years --

22          MR. LANNING: No, sir. I have to correct  
23   you. The agency has not acknowledged a failure -- a  
24   total loss of inventory from the spent fuel pool as

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1 credible. That's not true. What has been analyzed is a  
2 depletion of inventory in the spent fuel pool which you  
3 pointed out was like a foot. This is -- I guess you  
4 pointed out the AEOD study.

5 MR. BLANCH: That's correct.

6 MR. LANNING: That's exactly right. Now,  
7 that's much different than a total loss of inventory from  
8 the spent fuel pool. There are numerous feet of water  
9 above the core that's in that pool. 14 feet, I guess,  
10 something like that.

11 MR. BLANCH: Higher than that.

12 MR. LANNING: Yes. So there's still a lot  
13 of margin, even with that loss of inventory. And the  
14 report also points out that -- I think there was no  
15 examples of where it got below there without being  
16 recognized by the operators.

17 And, by the way, we're going to have AEOD  
18 come and talk to that report. You know? If you recall,  
19 some time ago when I mentioned that they were doing this  
20 study, that we would have them here to discuss the  
21 results of that study with the public. And we're going  
22 to still do that.

23 So, I think I answered your question.

24 Mr. Dolan.

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1 MR. JIM DOLAN: I wanted to address the  
2 micro issues and slightly touch on macro issues. You  
3 know, micro issues is Northeast Utilities, Millstone.  
4 I'd like to read a letter that I sent to the Day which I  
5 hope gets published.

6 "After attending the recent NRC  
7 enforcement hearings for Connecticut Yankee and Millstone  
8 station, I came away with one overwhelming belief.  
9 Northeast Utilities is moving forward. What was most  
10 impressive to me was the candor with which Bruce Kenyon  
11 and Ted Feigenbaum acknowledged past deficiencies and  
12 outlined what to me was an impressive leadership  
13 philosophy to no longer tolerate low standards. Kenyon  
14 and Feigenbaum stood up and told the difficult truth  
15 about Northeast Utilities' past performance. They  
16 admitted that mistakes were made by previous management  
17 teams, but pledged a new corporate attitude that will no  
18 longer accept second-rate performance, especially when it  
19 comes to safety. There was no alibis, excuses or  
20 evasions, just the unvarnished truth."

21 "Given that they faced a potential hostile  
22 audience of regulators, reporters and anti-nuclear  
23 activists, it was a remarkable presentation. Bruce  
24 Kenyon's no-nonsense management style and the impressive

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1 team he assembled will help ensure Northeast Utilities  
2 take the necessary steps to correct past problems and get  
3 the plants back on line. The economic well-being of  
4 Northeast Utilities and the people of New England depend  
5 on that. Make no mistake about it. Northeast Utilities  
6 Nuclear has taken great strides towards the future under  
7 Mr. Kenyon's leadership."

8 Now, another micro issue I'm concerned  
9 with is I'm concerned about the value of my house. I  
10 want reliable, cheap electric energy. That is very  
11 important to the viability of this community. And we  
12 don't -- we want Northeast Utilities to be profitable.  
13 We know what's going on over in Shoreham where there's a  
14 billion dollars that has to be paid by the schools.

15 Now I want to talk about the macro issues.  
16 The macro issues, in my op-ed to the Current -- and one  
17 must conjure some changes in that. I said at that time  
18 the United States was consuming 18.2 million barrels a  
19 day. The Northeast, with the Oil and Gas Journal I have  
20 today shows we're now consuming 19 million barrels a day.  
21 The strategic patrolling reserve which is supposed to be  
22 750 million barrels has only got -- has never gotten more  
23 than 590 million barrels. When I made my calculation  
24 then, it had a 32-day supply if we had an interruption.

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1 Right now it's 31 days.

2 Now, another thing. Did the -- I talk  
3 about the international situation. Surely everybody  
4 reads what's going on in Hebron, an intractable situation  
5 that everybody is scared that may break down. We know  
6 Saddam Hussein now has started with his oil and he's all  
7 rebuilt.

8 And people talk about accidents. Has  
9 everybody forgotten what happened in Tokyo where those  
10 idiots put that tub of nerve gas loose and killed 100  
11 people and injured 5,000? That's a macro issue.

12 Did you hear General Leben when he said  
13 we're out of control? We haven't paid our soldiers for  
14 eight months. The New York Times had an article that  
15 showed that right now there's a bazaar selling nuclear  
16 material over there. I'm not worried about something --  
17 trying to do here. I'm worried about whether it happened  
18 in New York City or Washington.

19 But there's another problem here. And in  
20 -- to get back to the consumption, here's what the -- I  
21 want to reflect what the Oil and Gas Journal, November  
22 25. The U.S. trade deficit increased sharply for  
23 September from the latest replying period with crude oil  
24 imports costs a major contributor. Imports of all types

1 of petroleum products rose more than nine percent in  
2 September to 5.97 billion, overall a deficit find of 10.1  
3 percent to 11.3 billion from a revised August figure.

4 Now, in today -- in Saturday's -- in  
5 Saturday's Barrons, Robert Hormat -- Robert Hormat, he's  
6 at Goldman-Sachs International. He points out that the  
7 second quarter balance of payment deficit was supposed to  
8 be 39 billion. It's been jumped up to 48 billion,  
9 refigured. The third figure -- the third quarter has  
10 gone from 48 to almost 52 billion.

11 Now, what does this mean? This means that  
12 we need -- we need every one of those 109 nuclear power  
13 plants back on the line just as fast as we can get them.  
14 That's my macro issues.

15 MR. LANNING: Thank you.

16 (Applause)

17 MR. LANNING: Rosemary Bassilakis.

18 MS. ROSEMARY BASSILAKIS: I'm Rosemary  
19 Bassilakis. I live one mile from the defunct Haddam Neck  
20 nuclear reactor.

21 My organization, the Citizens Awareness  
22 Network, together with the Nuclear Information and  
23 Resource Service, submitted a petition to the Nuclear  
24 Regulatory Commission to revoke Northeast Utilities'



1 license to operate the Millstone reactors.

2 I'll just read one quick paragraph from  
3 here. "The petitioners request that the NRC immediately  
4 suspend or revoke Northeast Utilities' license to operate  
5 Connecticut Yankee and the Millstone nuclear reactors due  
6 to chronic negligent management of the reactors which for  
7 over a decade has endangered and continues to endanger  
8 occupational and public health and safety and the  
9 environment due to resultant and cumulative maintenance  
10 safety problems and violations of NRC regulations."

11 I think that it's time that the Nuclear  
12 Regulatory Commission sends a message to utilities  
13 throughout the country that this kind of operations will  
14 not be tolerated. Nothing short of revocation of a  
15 license should be handed down.

16 And I add that Rome wasn't built in a day.  
17 And Northeast Utilities didn't get into this dilapidated  
18 state of their reactors overnight. It happened over many  
19 years, perhaps 10 or even 20 years. It took years of  
20 blatant arrogance, years of disregard to NRC license  
21 requirements, years of possible misrepresentation of  
22 information to the Nuclear Regulatory Commission and  
23 years of the termination of concerned employees who tried  
24 to make a change.

1           You know, the state that the Millstone  
2 reactors are in right now and the Haddam Neck reactor has  
3 really rocked the country. People are buzzing with the  
4 talk of nuclear reactors. And I think that revocation of  
5 their license is necessary to send the message home. And  
6 just like they didn't get into this state overnight,  
7 they're not going to change overnight. It takes years to  
8 bring about change. Years.

9           So, by thinking that they're capable of  
10 making the changes necessary to operate their reactors  
11 safely might be a grave mistake and you may be  
12 endangering the public.

13           I would also like some guarantee that  
14 we'll examine the Department of Justice investigations.  
15 And you might say that you're not following them. But  
16 since Northeast Utilities is a license holder of yours,  
17 you should be paying very close attention to the  
18 Department of Justice investigations and you should let  
19 us know what's going on with them.

20           And I guess I would like to point out that  
21 it's not easy to get on a Department of Justice  
22 investigation list. It takes big-time crime and big-time  
23 wrongdoing. This is a Federal investigation. So I'd  
24 like for you to fill us in. And at the very least, at

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1 the very, very least, before restart of those reactors,  
2 the Department of Justice investigation should be  
3 completed, you should have implemented their  
4 recommendation and you have removed any responsible  
5 employees at Northeast Utilities who had a hand in this  
6 type of sub-operation.

7 That's about it. But just to close, I  
8 would like to mention that also in our petition we asked  
9 for the investigation of Region 1 inspectors and to just  
10 get a good handle on exactly what did they know over the  
11 past 10 years. Where were they? How come it wasn't  
12 found out years ago that there were holes in sump screens  
13 and holes in containment walls -- not containment -- fuel  
14 pool walls the size of doggie doors and things like that?  
15 So -- that's all.

16 Thanks.

17 (Applause)

18 MR. LANNING: All right. I'll talk to --  
19 response to the DOJ attorney issues. There's not much I  
20 can say about it. We have been directed, not asked, but  
21 directed by the U.S. Attorney that this is something that  
22 cannot really be discussed. I don't really know that  
23 much about it. But that's -- that is where we are.

24 I agree with you; this takes years to

1 change. It's going to be years before they're able to  
2 absolutely fix all their problems. But there is -- there  
3 will come a time which they will be able or should be  
4 able to -- must be able to demonstrate they've made  
5 sufficient progress to restart.

6 Concerning your petition -- Phil, do you  
7 want to address the status of that?

8 MR. McKEE: Well, your petition just came  
9 in. And our processes on petitions are that they go  
10 through our Legal Office and we develop an  
11 acknowledgement letter. And the petition has been  
12 received and it's going through those initial processes  
13 where we're looking at the issues and preparing an  
14 acknowledgement of the petition and it will go in.

15 Just based -- and I'm probably speaking  
16 ahead of things. The issues, the petition issues, will  
17 generally address the issues that you mentioned for  
18 actions against the licensee. We can't in the 2.206  
19 process, at least as far I understand, address any  
20 requests for actions against the NRC. So it's likely  
21 that in our acknowledgement letter we will define how  
22 those will be dealt with. And they'll probably be dealt  
23 with on separate paths. But we have received it and we  
24 should be getting back and responding with an

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1 acknowledgement letter on it.

2 MR. LANNING: Okay.

3 A VOICE: Is there any precedence for --  
4 she had talked about the Department of Justice  
5 investigation being a prereq to restart. Is there a  
6 precedence for that or -- you didn't address that. I  
7 don't think you did.

8 MR. LANNING: I can't answer that because  
9 -- let me answer it this way. The technical issues  
10 associated with the scope of their investigation will  
11 become clear to us and it will become hopefully clear to  
12 us before restart. We made that request. We will ensure  
13 that those technical issues are resolved. If there are  
14 criminal sanctions imposed, that's something that I  
15 really can't comment on or speculate about.

16 Charlie Luxton.

17 MR. LUXTON: Okay. My name is Charlie  
18 Luxton. I live in Waterford and I'm a member of the  
19 Citizens Regulatory Commission. And I guess I really  
20 feel like saying that, you know, every time I get up here  
21 I hammer the NRC. It's nothing personal. I look down  
22 this table and I suppose I would probably like you guys  
23 if I got to know you. But as a group, as this agency,  
24 the NRC, you know, I still don't trust you guys. After

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1        tonight's presentation, I don't know. It just didn't --  
2        it didn't do it for me.

3                    Anyway -- you know, I don't even like  
4        being here. I want this issue done and gone and out of  
5        my life. But I'm here because my family was put at risk,  
6        at greater risk than it needed to be. And I think you're  
7        partly to blame in that. So that's why I'm here  
8        hammering away at you.

9                    So let's start with the ICAVP program  
10       which I think I'd rather you rename it the Independent  
11       Corrective Restart Action Program. Then you could call  
12       it ICRAP.

13                   I think the problem you have regarding the  
14       objectivity of this team has -- we made that known to  
15       you. Our own plan was submitted to the NRC and to the  
16       Nuclear Energy Advisory Council. And we received no  
17       answer per se to our plan, but NEAC seemed to find it  
18       reasonable. Mr. Kenyon also stated that he would  
19       entertain other reasonable options. So, you know, the  
20       NRC's failure to entertain our ideas only serves to  
21       undermine our trust in you.

22                   You know, the dialogue I think has been  
23       one-sided, that the NRC has even failed to respond to  
24       several suggestions from the incumbents from NEAC. And



1 your charter states that NRC business is the public's  
2 business. Yet, your actions defy this claim. And,  
3 therefore, again, no credibility.

4 I think any contractor in the nuclear  
5 business has a built-in bias. And for the NRC not to  
6 seek out and demonstrate its desire for objectivity is a  
7 clear case of hypocrisy. You claim to place public  
8 safety above all else. Yet, your history does not bear  
9 this out. Promoting the industry is and always has been,  
10 it seems, your primary function. And this fact is  
11 documented.

12 In short, we have no guarantee that the  
13 NRC will work on our behalf and we fear that the NRC  
14 itself will tell the utility in advance which systems  
15 will be looked at. Thus, we find the entire ICRAP  
16 business useless.

17 So let me suggest a method that's also  
18 simple, I suppose, but one that I would consider -- it  
19 seems to be used everywhere. They should place the names  
20 of the systems in a hat and you let six individuals with  
21 no connection to the utility, the industry or the NRC  
22 draw out the names. It's simple, it's cost effective and  
23 it's fair and nobody knows until it's done.

24 Now, I was going to ask for an update on

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1 the George Gladys 2.206. But, such as it was, it was  
2 given. I understand there's even an older 2.206 -- Ross  
3 out there that was part of a 1994 -- you know, these  
4 unanswered questions and unresolved issues demonstrate  
5 the means by which the NRC hides issues under the guise  
6 of pending investigation. Dr. Jackson has promised a  
7 resolution or had promised a resolution on Mr. Gladys'  
8 petition by September or October this year. And here's  
9 yet another way in which the NRC protects the industry.  
10 Once under the cloak of the legal process, all  
11 information becomes unavailable. No comment is  
12 appropriate. And the issue can remain unresolved  
13 indefinitely.

14 Now, for an individual depending on  
15 expedient due process, for speedy resolution of important  
16 safety matters and for a host of other just common-sense  
17 issues, reasons, the NRC again failed miserably.

18 Now, during the past 16 months, the  
19 Citizens Regulatory Commission has discovered really what  
20 a pitifully inept and ineffective regulator the NRC has  
21 been since day one. And due to this neglect, you have  
22 allowed Northeast Utilities to place my family and every  
23 family in Southeastern Connecticut at greater risk. And  
24 in my opinion, these actions are criminal. Can you

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1        imagine the outrage that I felt when I read Dr. Jackson's  
2        words of praise for the empty-suit bureaucrats under  
3        whose leadership the NRC left at Haddam Neck? James  
4        Taylor, William Russell, James Milone and Stuart Eknar.  
5        They should each be reeling with a kick in the ass and an  
6        indictment, not kudos.

7                    And what changes really occurred? Dr.  
8        Jackson barely reached outside the NRC in choosing new  
9        personnel. Further, the Nuclear Navy remains a strong  
10       presence in the agency, as does an unhealthy, permanent  
11       bias? Individuals with lengthy NRC careers are biased  
12       and they should be highly suspect. A prior career in the  
13       Nuclear Navy is absolutely worth praise, yet all service  
14       careers may not always transfer well to civilian  
15       democratic responsibilities. This military monostat  
16       seems to be part of the problem with the utility as well.

17                   The NRC's primary function, that of  
18       protecting the health and welfare of citizens, has not  
19       been well-served in the past. And in light of Dr.  
20       Jackson's recent reorganization effort -- and she may  
21       simply be following Northeast Utilities -- forming of  
22       reorganize, scapegoat a few individuals, claim you failed  
23       and learned your lessons and move on, but, at all costs,  
24       don't look back.

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1           In my opinion, accountability has not  
2 taken place at the NRC. Public trust can never be  
3 restored until this happens. You've got to clean house  
4 first. Hold those responsible to account for their  
5 misdeeds. And then we can talk about reorganizing and  
6 restart efforts. This time, include the public in the  
7 process. We demand the right to be involved as equals in  
8 decision-making that bears directly on the well-being of  
9 our families, our homes and our neighborhoods and the  
10 nation. We couldn't possibly do worse than you already  
11 have.

12           Thank you very much.

13           (Applause)

14           MR. LANNING: Charlie, I'd like to invite  
15 you to dinner so you can get to know me.

16           MR. LUXTON: Good. I accept.

17           MR. LANNING: All right. We'll do it.

18           B. Reynolds.

19           MR. BILL REYNOLDS: I just have a small  
20 statement. And, Jacque, try not to fall asleep. I  
21 noticed when Charlie was talking, that you were going to  
22 fall asleep on us.

23           MR. DURR: No. I was right on the edge of  
24 my chair.

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1 MR. REYNOLDS: I noticed.

2 I had a couple of items, questions more  
3 than anything else about the credibility of the NRC and  
4 the Northeast Utilities. We started this process several  
5 months ago, almost a year now. And we were told that the  
6 public was going to be well informed. The NRC said that  
7 they would have frequent meetings with us. And they have  
8 been infrequent lately. And Northeast Utilities said  
9 they would keep us informed. Everything would be up  
10 front. And they refused to come to any of our meetings  
11 we've requested them to. So, to me, it's still an  
12 indication that things are still being covered up or you  
13 just don't want to hear the truth.

14 And one of the questions that leads to a  
15 question about the decommissioning of Haddam Neck -- from  
16 what I understand, the NRC recently incorporated in their  
17 policy that there will be no public meetings concerning  
18 decommissioning of nuclear plants because of what  
19 happened at the Rowe plant, the problems that they had.  
20 That's not true?

21 MR. DURR: I'm not the guy to address  
22 that. You're outside my area --

23 DR. TRAVERS: Excuse me, Jacque. Let me  
24 take a shot of that. I'm not aware of any such policy.

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1 In fact, I'm aware to the contrary; that there is, in  
2 fact, a plan to have a public meeting in the vicinity of  
3 Haddam Neck.

4 MS. BASSILAKIS: But the meeting is not --  
5 the public does not -- they don't have any input on the  
6 decommissioning process. It's just to vent --

7 DR. TRAVERS: Well, I thought -- maybe I  
8 misinterpreted your question. I thought you had said  
9 meetings. And maybe you meant public hearings. Well, in  
10 any w.y., it's my understanding that in the not too  
11 distant future, the NRC plans to -- and it won't be our  
12 organization because Haddam -- Haddam Yankee is not part  
13 of this. But there is intended to be a public meeting in  
14 the vicinity of that plant to refer for the public the  
15 process that NRC uses in its regulatory oversight of the  
16 decommissioning. So if that's what you're referring to,  
17 I think it's not true that we don't intend to have such  
18 public meeting. In fact, they do plan to have that.

19 MR. REYNOLDS: But the way you're  
20 explaining it, there's a difference between a public  
21 hearing and a public meeting.

22 DR. TRAVERS: Yes.

23 MR. REYNOLDS: We won't have a public  
24 meeting where we can get up and bitch like we're doing



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1 now and they'll go home and say, "Well, we heard what  
2 they had to say. We'll just go about the business."  
3 What we need is a public hearing on exactly how things  
4 are being done, the responsibilities of it and how it's  
5 going to affect our pocketbooks, because it will. Did I  
6 make that clear? Okay.

7 The second thing is I was watching a  
8 slide. It seemed like there's been more violations over  
9 the past couple of months and the violations haven't  
10 stopped. They still continue. And, to me, that's an  
11 indication that things haven't changed. It's -- you're  
12 talking about the QA, the quality assurance of the NRC  
13 and the quality assurance of Northeast Utilities.

14 Well, I had a boss when I worked there,  
15 he's here in this room right now, that don't know the  
16 difference between taking care of QA material and sloppy  
17 housekeeping. And I think that mentality still exists in  
18 Northeast Utilities. You have the same people that  
19 created the problems in the past are still there.  
20 They've gotten rid of a few people, some big names, I  
21 might add. They paid them off. But the mentality of the  
22 people there, they still think that they didn't do  
23 anything wrong. And which they did. So this, too, has  
24 got to be addressed. That kind of comes under

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1 accountability. And that was my third thing.

2 Nobody has been held accountable. Bellucci  
3 hasn't been held accountable. The company admitted that  
4 he was one of the big problems because he was the leader.  
5 So they give him a million dollars to go home and sit for  
6 a couple of years until things cool down. People forget  
7 things. Then he can re-enter the nuclear industry field  
8 someplace else, maybe even Carolina Light & Power where -  
9 - where new administrative --

10 And this is what I've seen in the past.  
11 The people that screwed up at Millstone, Jack Keenen, a  
12 few other ones, were responsible for harassment. They've  
13 been promoted in other plants. And the same thing has  
14 happened with the NRC. You've got a new Director for  
15 Region 1 that came from I think Region 4, which is the  
16 Texas region. It isn't? Region 3 is Texas?

17 MR. McKEE: Chicago.

18 MR. DURR: Chicago.

19 MR. REYNOLDS: Chicago? Okay. Well, I'm  
20 glad it wasn't from Texas because they had the same  
21 problems that we have with Millstone concerning  
22 especially unit whistleblowers.

23 So, all you're doing is switching people  
24 around. And that doesn't impress us. And we still want

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1 to know the truthful answers. We've heard from the past  
2 probably about six months what the intentions of  
3 Northeast is and of the NRC to get these plants back on  
4 line. And you said that you wanted results. We, the  
5 public, haven't seen any results, either. All we've seen  
6 is people change, positions change. Mr. Kenyon related  
7 to the newspapers, you know, that "We did this and we did  
8 that." We haven't seen any results.

9 I still get phone calls. Things haven't  
10 changed. They're just doing it in a different way. When  
11 are we going to know? And these plants shouldn't be even  
12 considered for start-up without a track record. Just  
13 like the track record that took them down, they have to  
14 build a same track record to take them back up.

15 That's about it.

16 MR. LANNING: Okay.

17 MR. REYNOLDS: Thanks for staying awake,  
18 Jacque.

19 MR. DURR: Let the record reflect that not  
20 only was I awake through Mr. Luxton's presentation, but  
21 I thought it was articulate and well-prepared.

22 (Applause)

23 MR. LANNING: But, also, Mr. Reynolds, I  
24 think your perception of the types of violations that

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1 were issued, they are indicative of historical problems.  
2 They continue to be examples of inadequate corrective  
3 actions, et cetera. So what we're finding is just more  
4 examples of violations that we've known for some time.  
5 So we're -- like you, we're looking for results. And as  
6 new recovery plans are starting to be implemented, we'll  
7 continue our inspection activities. And as we've said  
8 before, that we'll discuss those results with you as NU  
9 makes progress.

10 MR. REYNOLDS: In other words, you're  
11 saying that all of the violations that you found now have  
12 been old violations? They have been --

13 MR. LANNING: Well, they're more examples  
14 of the same types of violations.

15 MR. REYNOLDS: That's been going on for  
16 years.

17 MR. LANNING: Corrective actions, for  
18 example. Yes.

19 MR. REYNOLDS: Okay. In other words, they  
20 haven't did anything wrong for the past couple of months,  
21 you know, as far as the violations? You're reviewing old  
22 violations that you're just now catching up on?

23 MR. LANNING: No. We're reviewing current  
24 activities. But the violations that we're identifying as

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1 inspectors are the types of violations we've identified  
2 previously.

3 MR. REYNOLDS: Right.

4 MR. LANNING: And it has more to do with  
5 the --

6 MR. REYNOLDS: So it's repeated  
7 violations.

8 MR. DURR: No. Let me --

9 MR. LANNING: Their mentality hasn't  
10 changed. It's still the same thing.

11 MR. DURR: No. Let me explain. I think  
12 a better characterization is, for example, at Unit 2, we  
13 closed out a series of licensee event reports that were  
14 historical, that had occurred previously, that they  
15 reported to us by regulation where we went in to close  
16 out the licensee event reports because they said they had  
17 done X, Y and Z. When we looked, they did X and Y but  
18 they didn't do Z. They missed pieces of it, which is  
19 really reflected on their corrective action program that  
20 should have captured all of that and made sure it was  
21 done. Well, that's what we told them in 96-04, an  
22 inspection report, that "Your corrective action program  
23 doesn't work. And this is just more examples of it  
24 doesn't work. And we won't let you restart until you get

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1       it fixed."

2                       So, yes, when we go out to close, there's  
3       a lot of things that we call open items, things that the  
4       NRC has on their list that the utility -- we've -- either  
5       the utility has identified or we've identified, such as  
6       violations. They go on our open items list. They need  
7       to take corrective actions for those violations. We go  
8       in and verify that they did, indeed, do exactly what they  
9       said. Same with licensee event reports. They send us a  
10      licensee event report and it will say Corrective Action,  
11      what they did to fix the problem. We go in and some of  
12      those we verify that down to the last thing to make sure  
13      that they did what they said.

14                     When we looked at some of these things,  
15      they hadn't done what they said they were supposed to do.

16                     MR. REYNOLDS: That includes the mental  
17      capacity of the person doing the evaluation or the  
18      corrective action. Human error.

19                     MR. DURR: If it's human error or the  
20      process -- I don't know what it is. They need to  
21      identify it and then go and correct it.

22                     MR. REYNOLDS: So you're trying to get a  
23      corrective action program that if a person makes a  
24      mistake, then --



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1 MR. DURR: Somebody fixes it.

2 MR. REYNOLDS: -- they either -- they  
3 either send them to school so it don't happen again or  
4 somebody fixes it and corrects it.

5 MR. DURR: Yes. Yes.

6 MR. REYNOLDS: And this keeps happening?

7 MR. DURR: That's correct. It's a chronic  
8 problem and it has been for some time. That's why we  
9 sent them that letter that "You won't restart until you  
10 get this fixed" because it affects all three units, not  
11 just one unit.

12 MR. REYNOLDS: So the result is that the  
13 mentality of the people are still there that caused the  
14 problem in the first place that they did no wrong. So if  
15 they did no wrong, you can't do anything to make it  
16 right.

17 MR. DURR: I can't explain it.

18 MR. DELCORE: The question in my mind is  
19 why do we talk to them about restart and recovery if  
20 they're still doing it? Why don't we tell them, "When  
21 you can show us a couple, three months of continuous  
22 inspection reports with no problems, hey, then we'll talk  
23 to you about a recovery plan"? If they're still doing  
24 that, then that's --

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1 MR. DURR: The letter --

2 MR. DELCORE: That's the public's  
3 position.

4 MR. DURR: The letter that we sent the  
5 utility said, "You must have demonstrated that the  
6 corrective action process is fixed." And that means that  
7 we can go in and inspect these things and we don't find  
8 stuff wrong. That's what we're looking for. We need  
9 some kind of a trend. We some indication over time that  
10 they've got it right.

11 MR. DELCORE: But that's for restarting  
12 the units. I'm talking about even sitting down and  
13 talking to them --

14 MR. DURR: Well --

15 MR. DELCORE: -- before restart begins,  
16 when they're not -- it's obvious they're not ready if  
17 they're still having problems.

18 MR. DURR: Yes. And what I would argue is  
19 that for something as complex and as widespread as this  
20 is for three nuclear power plants, the sooner you get a  
21 plan to get it fixed, the better. That doesn't mean that  
22 you're going to restart. That means that you've got to  
23 implement the plan and it's got to show some success over  
24 some period of time to demonstrate that you've got it

1 right this time. That's what we're talking about.

2 So they need a plan today. They just  
3 can't mill around for the next six months. They need a  
4 plan to strike out in a direction that looks like it has  
5 some reason for -- or some chance for success. That's  
6 what we're talking about today. That's what we were  
7 discussing with them today. It was a plan that's  
8 reasonable, that's going to take them long-term and get  
9 them some success. If we think that there's something  
10 wrong with the plan, we'd obviously make note of that.  
11 But it's their plan to get it right. And we'll watch the  
12 implementation of it over a period of time.

13 And if it -- if they -- that's why we want  
14 performance indicators. We want more than them coming in  
15 and waving their arms, "It's okay." I want something  
16 quantitative and qualitative that says, "This is why we  
17 know it's okay because here's the demonstration. Here's  
18 the things that we used as a measure, as a barometer of  
19 how things are coming." So that's what the plan was  
20 today. It's just let's start off in a direction that we  
21 can all more or less agree to that has some chance for  
22 success.

23 MR. LANNING: Okay. Mr. Halloway.

24 MR. MARK HALLOWAY: Mark Halloway from

1 Niantic. I have a number of questions and I prefer to  
2 have each of them answered separately because they are --  
3 probably touch upon different areas of expertise.

4 The first one I sort of blurted out as I  
5 was sitting here during the presentation. And that was  
6 this sump issue regarding Unit 2. Is this the same  
7 problem that has been discovered at CY? Does anybody  
8 have an answer to that?

9 MR. DURR: See, I'm only aware of one  
10 issue at Haddam Neck. And it's not my plant. But I keep  
11 my ear to the ground for other plants. But the problem  
12 that I knew of at Haddam Neck was the net positive  
13 suction head.

14 MR. HALLOWAY: Well, that was one of the  
15 problems.

16 MR. DURR: That's the one I'm aware of.  
17 I'm not sure that Haddam had the same problem.

18 MR. HALLOWAY: But another problem --

19 MR. LANNING: It's the same issue, Mr.  
20 Halloway. It has to do with the ability of the sump  
21 screens to preclude debris from coming inside the --

22 MR. HALLOWAY: I'm familiar with the  
23 plant. I was just verifying it. Well, it seems to me  
24 that of the four plants we have in Connecticut, at least

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1 two of them have the same problem. Has there been any  
2 bulletin put out to the industries asking others to  
3 respond? Because --

4 MR. LANNING: That generic communication  
5 was put out years ago, talking to this specific concern  
6 and requiring them to make sure that the sump was  
7 designed as described and credit taking for the safety  
8 analysis.

9 MR. HALLOWAY: But, you know, there was  
10 nothing done years ago about correcting the problem. Now  
11 the problem is out there in the open where everybody can  
12 see it, without it having been corrected and --

13 MR. LANNING: Nothing appears to have been  
14 done at Haddam or Millstone. Other utilities did take  
15 positive action.

16 MR. HALLOWAY: Okay. That takes care of  
17 that one.

18 MR. DURR: Yes. And the other thing -- is  
19 we're not talking big holes. We're talking -- I think  
20 the screen mesh size was, what, .187 inches?

21 MR. IMBRO: Three-eighths of an inch,  
22 Jacque.

23 MR. DURR: I'm sorry?

24 MR. IMBRO: Three-eighths of an inch.

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1 MR. DURR: Okay. But, you know, it's not  
2 like it's baseball size holes.

3 MR. HALLOWAY: But it's big enough where  
4 it can accumulate six 55-gallon drums of debris over a  
5 period of time, thereby rendering the system useless.

6 MS. BASSILAKIS: How does that kind of  
7 hole, literally a three-inch by three-foot gaping hole --  
8 I just want to clear the record up. You're not talking  
9 about Haddam.

10 MR. DURR: I'm talking about Millstone.

11 MS. BASSILAKIS: Okay.

12 MR. DURR: Yes. You're right. Where  
13 these screens match up on the corners, there was a gap at  
14 CY.

15 MR. HALLOWAY: My next question concerns  
16 the restart plan. And hearing about it, that's a very  
17 aggressive schedule. I think that's probably putting it  
18 mildly. Mr. Lanning, you could probably answer this  
19 question. Does the NRC feel they have the resources to  
20 look at these various restarts almost concurrently?

21 MR. LANNING: It's going to be a  
22 challenge.

23 MR. HALLOWAY: Do you have any means of  
24 being able to tell the utility "Hey, we're looking at



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1 this. Slow down. We're not going to deal with the other  
2 one right now because we want to look at this one first"?

3 MR. LANNING: We will try our best to  
4 obtain the resources necessary to do the inspections.  
5 But in the event for some reason we're not able to do it,  
6 they'd have to wait on us. And that's what we mean by  
7 being a critical path.

8 MR. HALLOWAY: So you do have the ability  
9 to prioritize which one that you would like to look at  
10 first and put the others on the back burner?

11 MR. LANNING: That's a possibility. You  
12 know, we prioritize what we inspect. And that's a  
13 possibility.

14 MR. HALLOWAY: Okay. General strategy  
15 about restart plans. There was some talk about that  
16 earlier and how NU was getting into some of their general  
17 strategies. But you said they were a little short on  
18 specifics. Are they going to actually come out with a  
19 specific plan of action with some milestones in the next  
20 -- in the foreseeable future so that you have a  
21 timetable?

22 MR. LANNING: It's my understanding that  
23 they will come out with a specific recovery plan with  
24 details and schedules. And I believe I heard it was the

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1 end of this month. Is that what everybody else heard?  
2 Okay. But it will be forthcoming.

3 MR. HALLOWAY: In regard to the  
4 Independent Corrective Action Verification Program, I was  
5 led to believe when the NEAC Council was first looking  
6 into it that that -- that it was being looked at from a  
7 Unit 3 standpoint. And I hear some talk now that the  
8 ICAVP contractor, Sargent & Lundy, is now being  
9 considered to look at all three units. I guess this  
10 would be because all three units are being dealt with  
11 simultaneously. Is this true?

12 MR. IMBRO: Well, all the units need to  
13 have an ICAVP. That was specified in the order. As long  
14 as the contractor, whoever it turns out, meets the  
15 criteria that I articulated before, then it could be the  
16 same contractor, as long as they don't have a conflict  
17 and they have sufficient resources to do the job.

18 MR. HALLOWAY: Yes. But the guidelines  
19 that were presented in selection of this contractor were  
20 geared specifically for Unit 3. And now we're hearing  
21 talk that --

22 MR. IMBRO: It doesn't make any  
23 difference.

24 MR. HALLOWAY: It doesn't?

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1 MR. IMBRO: No. It shouldn't make any  
2 difference. What would be the difference? I mean in  
3 your mind -- I mean explain it to me because I can try to  
4 explain it.

5 MR. HALLOWAY: Well, if you're looking at  
6 prior work at a particular unit, you're going to look at  
7 all three units as being under the same type of  
8 guideline.

9 MR. IMBRO: Right.

10 MR. HALLOWAY: Okay. So --

11 MR. IMBRO: But I mean -- but what's your  
12 problem with it? I mean because I -- let me understand  
13 what your question is.

14 MR. HALLOWAY: Well, I think that changes  
15 -- that certainly changes the scope of Sargent & Lundy's  
16 work in this area. Don't you think?

17 MR. IMBRO: Sure. Sure. It will expand  
18 it greatly.

19 MR. HALLOWAY: And it would -- it would  
20 certainly -- because it was being done almost  
21 concurrently, you can't -- you can't tell me that you'll  
22 have knowledge of whether they've done a good job on one  
23 unit before you put them in for the next since it's all  
24 being done --

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1 MR. IMBRO: Well, that's --

2 DR. TRAVERS: I think -- I think the  
3 answer to your question is the use of any contractor,  
4 whether it's Sargent & Lundy or another use, in this case  
5 your question is whether or not they might be used,  
6 Sargent & Lundy, on additional units, is one that I think  
7 they're thinking about. I think they've indicated it.  
8 Whether or not they ultimately see an advantage in  
9 utilizing that contractor or another one will be an issue  
10 that we'll ultimately have to judge in reviewing the  
11 proposal that they have to make to us. So I think all of  
12 the elements that you're talking about would come into  
13 consideration.

14 MR. HALLOWAY: My issue would have to do  
15 with performance on one unit being able to be utilized as  
16 a basis for performance on another unit.

17 DR. TRAVERS: Oh, you mean holding up a  
18 decision on whether or not they're --

19 MR. HALLOWAY: And obviously you can't do  
20 that if they're all going in a row like that.

21 DR. TRAVERS: Right. Yes. I understand  
22 the point.

23 MR. IMBRO: But, still, the licensee is at  
24 risk because if they don't do a good job and we judge

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1 that they don't do a good job, then all three units are  
2 impacted.

3 DR. TRAVERS: Well, ultimately the ICAVP  
4 is just one link in a series of oversight tiers, if you  
5 will, NRC being the final one. And the extent to which  
6 an ICAVP organization demonstrates that it's doing a good  
7 job, we're going to force that issue out wherever it  
8 occurs.

9 MR. HALLOWAY: But my point --

10 DR. TRAVERS: Your point is well-taken.  
11 I understand it. Yes.

12 MR. HALLOWAY: All right. Next question.  
13 2.206 petition -- and Mr. McKee talked about that  
14 briefly. I think it was mentioned earlier by one of the  
15 other questioners. You're separating a technical issue  
16 from an issue of wrongdoing in this? Is that what you're  
17 saying? The decision that you're going to be issuing in  
18 the near future will be on the technical aspect, yet, the  
19 issue of wrongdoing is going to be some time --

20 MR. MCKEE: That's correct. I mean we are  
21 separating the issues. We can't, you know, because of  
22 the ongoing investigations, address the wrongdoings. So  
23 we're addressing other aspects of the petition and some  
24 of the technical areas, yes.

1 MR. HALLOWAY: Will your decision -- and  
2 I know this is calling for a little --

3 MR. MCKEE: Pre-decision --

4 MR. HALLOWAY: But will your decision on  
5 technical aspects of it affect wrongdoing aspects? In  
6 other words, that one has to be made before people can  
7 look at the wrongdoing?

8 MR. MCKEE: To a certain extent, some of  
9 the technical aspects -- not -- some of the technical  
10 aspects that are associated with wrongdoing, we may not  
11 be able to address. Other technical aspects, we can  
12 address.

13 MR. HALLOWAY: So you're able to isolate  
14 some of those?

15 MR. MCKEE: And it's a partial decision to  
16 be followed up with the remainder of the decision --

17 DR. TRAVERS: Maybe I can just add -- and  
18 I think this is right. To the extent that we can't  
19 divorce it, to the extent that the potential is there for  
20 the technical issue to influence the wrongdoing issue, we  
21 won't make the call on technical. It's going to have to  
22 await the resolution of the wrongdoing issue. But, as  
23 far as I know, we've been able to separate the issues  
24 thus far for the most part. So the partial initial



1 decision has to do with the technical issues.

2 MR. HALLOWAY: Is there any statute of  
3 limitations that any of you gentlemen are aware of in  
4 this petition?

5 MR. McKEE: I don't know. None of that  
6 I'm aware of, no.

7 MR. HALLOWAY: Now, the other thing  
8 concerns some correspondence that was sent to the NRC.  
9 And since we don't seem to be able to get a response from  
10 the NRC office and since I have at least five NRC people  
11 here, maybe we can address that.

12 There's a letter from the Nuclear Energy  
13 Advisory Council that was sent in October addressing some  
14 concerns about the Independent Corrective Action  
15 Verification Program which has not been responded to yet.  
16 Now, it's over 300 months old.

17 DR. TRAVERS: As timing would have it --  
18 and it's been a while in coming, admittedly -- the  
19 Chairman did sign out a response to that yesterday. I  
20 have a few copies of it. I gave Representative Concannon  
21 a copy of it today and Senator Peters and others. And  
22 I've got a few with me that I can share with anybody who  
23 is interested in looking at it.

24 MR. HALLOWAY: Okay.

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1 DR. TRAVERS: But your point that it took  
2 a while to get that response is noted.

3 MR. HALLOWAY: Well, there was another  
4 letter that was sent out in October from the Citizens  
5 Regulatory Commission.

6 DR. TRAVERS: That was responded to  
7 several days earlier than this one.

8 MR. LANNING: It was signed out December  
9 9.

10 DR. TRAVERS: Yes.

11 MR. HALLOWAY: Okay. So that is a recent  
12 -- and there was another one which probably doesn't go  
13 directly to your office. But in July there was a  
14 criteria for changes in evacuation procedures, that was  
15 issued for public comment. And the CRC also issued a  
16 letter commenting on that to the NRC Director of  
17 Regulations, I believe. And that was sent out in  
18 October, too. And although there was an acknowledgement  
19 received, there has never been any formal response to the  
20 questions raised in that.

21 DR. TRAVERS: I'm not directly familiar  
22 with that one. But --

23 MR. MCKEE: I'm not aware of it. I know  
24 there were some issues of that. I wasn't aware -- and it

1       may have gone to another office.

2               MR. HALLOWAY:       Well, in the NRC  
3 publication it asked that the comments be sent to the  
4 Director of Regulations.

5               MR. McKEE:   Oh. Okay. So that --

6               MR. HALLOWAY:   And that was, you know,  
7 because they were requesting comments --

8               MR. McKEE:   Comments.

9               MR. HALLOWAY:   -- and criteria at that  
10 time. And that was, again, sent out several months ago  
11 and there's been no formal response, although there was  
12 an acknowledgement that was received.

13               MR. McKEE:   Okay. If you might give me  
14 the date of that letter, I might -- I'll follow that up  
15 for you.

16               MR. HALLOWAY:   Okay.

17               DR. TRAVERS:   Very often -- and I don't  
18 know if it's the case here. But I'll just make note of  
19 it. Very often when comments are solicited on a draft  
20 document or on a position, rather than send detailed  
21 responses, the comments are sometimes addressed in the  
22 finalization of that document. I don't -- again, I don't  
23 know if that's the case here. But we can look into it  
24 and get back to you.

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1 MR. McKEE: And the summaries are provided  
2 in the Federal Register. So it may have been -- if there  
3 were several other comments, it may have been addressed  
4 that way in the Federal Register notes.

5 MR. HALLOWAY: Okay. Thank you for your  
6 time.

7 MR. LANNING: Al Cizek.

8 MR. AL CIZEK: My name is Al Cizek. I  
9 work in the Nuclear Oversight Organization. Currently I  
10 work in the Employee Concerns Program. I've been there  
11 for about four months now. Prior to moving over to that  
12 group, I worked in Engineering for the last fifteen  
13 years, five of which were as a technical staff person and  
14 ten of which were in a supervisory capacity.

15 I have put together several prepared  
16 statements, generally brief, regarding the Nuclear  
17 Oversight Organization which I'd like to --

18 MS. BASSILAKIS: Could you move a little  
19 closer to the mike? We can't hear you very well.

20 MR. CIZEK: Do it all over or --

21 MS. BASSILAKIS: No, no, no.

22 MR. CIZEK: Okay. The first statement  
23 generally goes as follows. Oversight functions at other  
24 organizations report to an independent body to avoid the

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1 obvious conflict of interest and ensure success. For  
2 example, the NRC Office of Inspector General, IG, reports  
3 to Congress, not NRC Office of Nuclear Reactor  
4 Regulations, NRR, NRC Office of Investigation, OI, or in  
5 some fashion itself. With independence, NU Nuclear can  
6 expedite its credibility to demonstrating the right  
7 thing. Without independence, NU Nuclear is back to  
8 business as usual by saying, "Trust me."

9 Currently, the Vice President of Nuclear  
10 Oversight, Dave Goebel, reports directly to the Chief  
11 Nuclear Officer, Bruce Kenyon. A recent audit released  
12 by the Connecticut Department of Public Utility Control  
13 stated the following as an aid or highest priority  
14 recommendation. "Determine if NU has reconstituted the  
15 Nuclear Oversight Organization to be an independent group  
16 consistent with preferred practices for an oversight  
17 organization." The benefit was stated as improved  
18 internal control. Furthermore, the same audit stated as  
19 a finding, "NU and its Board has sufficient information  
20 to realize that decisive action was necessary to address  
21 deteriorating performance of NU's nuclear operation."

22 This Nuclear Oversight Operation reported  
23 to the Board complete independence would be achieved and  
24 the Board would have no choice but to act prudently.

1 This would benefit NU's -- excuse me -- this would  
2 benefit nuclear safety, the rate payer and the  
3 stockholder by avoiding a relapse of performance.

4 This recommendation was brought to the  
5 attention of Dave Goebel for a portion of the Nuclear  
6 Oversight Organization, but it was rejected. The basis  
7 for rejection was the NRC would not allow it. The  
8 portion being considered was the Employee Concerns  
9 Program. So, clearly, my point is I think we need to  
10 look at the oversight organization to see if we can truly  
11 make that independent so they can exercise itself  
12 orderly.

13 The Employee Concerns Program plan is  
14 being developed by a group of volunteers using a  
15 combination facilitator/consultant. However, the group  
16 of volunteers does not reflect a representative cross-  
17 section of employees. In addition, a large portion of  
18 employees are reluctant to participate since the new  
19 leadership is not yet proven; that is, it remains  
20 unknown. So right now I have quite a few reservations  
21 whether or not this plan will really reflect the  
22 employees as has been stated by NU leadership.

23 And the last three were pretty quick here.  
24 Performance indicators for the Employee Concerns Program



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1       were absent in the recovery plan. That's just an  
2       observation based on what I saw this afternoon.  
3       Performance indicators for a positive environment which  
4       nurtures the identification and resolution of problems  
5       are absent in the recovery plan, also.

6               And, finally, this essentially leads into  
7       a question. As an introduction to that question, the NRC  
8       inspection on the handling of employee concerns conducted  
9       September, 1995 and released December, 1995 was generally  
10      positive, while the NU assessment conducted late in 1995,  
11      released January, 1996, was highly critical.

12             How does the NRC explain this and what  
13      changed your mind? Bear in mind at least four  
14      individuals interviewed by the NRC were highly critical  
15      of such matters as spent fuel, containment and debris.

16             So within a very short period of time, NRC  
17      had basically put out an inspection report by  
18      interviewing anyone who was interested to participate and  
19      some selected individuals. I believe -- spot-checking,  
20      so to speak. Concluded that the program was working  
21      okay. It had some problems, but it was generally meeting  
22      the mark. That was issued in December, while in January,  
23      the licensee did its own self-assessment and found it  
24      basically in a deplorable state. And it just doesn't

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1       seem to make sense how that can come about.

2               Can you offer any answers to that?

3               MR. DURR: Yes. Let me address that. I  
4       think the basis for the conclusions were based on  
5       interviews of employees. We've gone in there at least a  
6       couple of times and interviewed employees. Now, for  
7       whatever reason -- and all we can do is go with the  
8       answers that we get. Whether employees felt coerced,  
9       intimidated, whatever the case may be, what they told us  
10      was that everything seemed to be okay and that if they --  
11      if they had a problem, they had no reservations about  
12      reporting it through their management chain. So I think  
13      that's the kind of feedback that we were getting.

14              Now, we can't -- we can't fabricate  
15      answers other than what the people give us. Now, you're  
16      correct -- and I think that's the report that essentially  
17      said that there were still pockets --

18              MR. CIZEK: Yes.

19              MR. DURR: -- of intimidation out there.  
20      And we recognized that there were people out there who  
21      voiced that opinion. But the propensity of people that  
22      talked to us during that inspection were fairly positive.  
23      So we have to reflect that we see. I mean otherwise we'd  
24      be fabricating information that we didn't have a basis to

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1 make a judgment on. So all we can do is report the  
2 facts. And the facts at that time were that's what the  
3 people reported to us.

4 MR. CIZEK: Well, I can assure you that  
5 myself and -- although he's not here, I can speak for him  
6 -- George Palanis was highly critical. I was highly  
7 critical. Surely, it was not directed at particular  
8 pockets of the organization. My recent experiences  
9 within Millstone 1 Engineering were -- were totally  
10 indicative of something which is pervasive. And clearly  
11 I said that to Mr. Bigassio, I believe it was. Bigassio?  
12 It's just -- well, it's more than an observation on my  
13 part. It makes me highly suspicious.

14 MR. DURR: Well, in -- well, we did, in  
15 fact, report what you told us. I mean what we did is  
16 report what you said, that you had reservations. And we  
17 noted that there were people in the plant who had  
18 reservations. It's not like we denied it. It's just  
19 that if you take a sample and there's four out of "X"  
20 that say they have a problem and the rest of them say  
21 they don't have a problem, what do you report? You  
22 report that the majority would indicate that everything  
23 was as acceptable, that there were still pockets out  
24 there that indicated that they had reservations about the

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1 Employee Concerns Program. And that's what we reported.

2 MR. CIZEK: But, clearly, if you go back,  
3 your inspection findings missed the mark. I mean you  
4 really got the -- your responses to those findings, to  
5 me, were in error substantially.

6 MR. DURR: No. The findings, we reported  
7 what the people told us. That's what it was. It was a  
8 survey of the people. That's what they found. Plus,  
9 they found -- we looked at other aspects besides just  
10 that. I mean we looked at how employees' concerns were  
11 closed out and we found that they were, in fact -- once  
12 they were identified, they were being addressed.

13 MR. CIZEK: Well, just another --

14 MR. DURR: Was that not true?

15 MR. CIZEK: Pardon?

16 MR. DURR: Was that not true? That once  
17 the utility had an employee's concern in hand -- now, how  
18 they got it, whether they got it from us or from somebody  
19 else -- did they not address the concerns?

20 MR. CIZEK: They did not.

21 MR. DURR: Well, we --

22 MR. CIZEK: I've been through my process  
23 myself in 1995. Others did. What had happened with that  
24 program is that most technical people, most of

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1 Engineering, was not interested in going through the  
2 Employee Concerns Program. Basically, the people there  
3 were more interested in dragging it on and not bringing  
4 it to closure.

5 MR. LANNING: I think you're right. I  
6 think that inspection had a number of problems. The way  
7 it went about its inspection -- in fact, that was one of  
8 the reasons that resulted in the Hannon task force to  
9 come back and get a different set of eyes and ears, a  
10 different charter and having the benefit of prior  
11 evaluations of employee concerns, and redo that. So I  
12 think you're right. I think that inspection had its  
13 weaknesses. It served as a learning point for the Hannon  
14 inspection which, I think, did a better job.

15 MR. CIZEK: Okay. All right. Thank you.

16 I might just -- I'll just close and state  
17 that please do a very good job when you look at Millstone  
18 and give it the go to start because we surely can't  
19 afford a misfiring, as we did on that inspection.

20 Thank you.

21 (Applause)

22 MR. LANNING: Jerry Reardon.

23 MR. JERRY REARDON: Good evening, ladies  
24 and gentlemen. My name is Jerry Reardon. I reside in

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1 Newington, Connecticut. It's located approximately 50  
2 miles upwind of Millstone nuclear power station.

3 I empathize with Mr. Luxton whose family  
4 lives in the shadow of Millstone. And this is the first  
5 time out for me. I understand you or some other agency  
6 was tired of seeing the same old faces. And I see two  
7 new faces at the NRC Board. Mr. Imbro, Mr. Travers,  
8 welcome aboard. I wish you a lot of luck.

9 I'm a 25-year employee with Northeast  
10 Utilities. I also work in the oversight group, a  
11 different branch than my predecessor. And first off, I'd  
12 like to make a recommendation about the conduct of your  
13 meetings.

14 You require people to sign in at the  
15 beginning of your sessions who plan to have questions or  
16 comments. And that seems a bit ridiculous to me since we  
17 haven't heard what you have to say yet. And I feel that  
18 it acts as a disincentive to people to want to ask  
19 questions or comment. So, if you could, I'd like you to  
20 wait until later on in your session to have people sign  
21 in, if that's necessary at all.

22 MR. LANNING: Let me respond to that. It  
23 just tries to add some order to this. But even after we  
24 go through the list, I always ask if there's others in



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1 the audience who did not sign up who would like to make  
2 a statement or a question.

3 MR. REARDON: Yes. But, Wayne, you're  
4 missing the point. The point is that it's an initial  
5 disincentive right from the beginning of the meeting for  
6 people to really think hard about questions and comments,  
7 requiring them to sign in before they've even given it  
8 serious consideration.

9 So, Mr. Travers, if you can take some  
10 action on that, I'd appreciate it.

11 The second part of that process on the  
12 conduct of the meetings is -- gee, I've forgotten. Let's  
13 see. Let me think. You -- oh. Okay. You covered a lot  
14 of material tonight. And I've been going to these  
15 meetings since last December, '95. And I've noticed that  
16 you wait and hold off for questions and comments until  
17 the very end. And I think you're missing out on a  
18 wonderful opportunity here for dialogue by presenting an  
19 agenda item and then asking for questions. Okay? And  
20 save the comments until the end of the meeting. But get  
21 the questions and get the dialogue established while all  
22 of the information is fresh in everybody's minds so we're  
23 not all searching and trying to recollect and fumbling  
24 through notes and just generally fumbling in general.

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1 That is something, Mr. Travers, if you would seriously  
2 consider taking some action on that, I think it would  
3 really benefit the flow of the meeting.

4 DR. TRAVERS: Thanks.

5 MR. REARDON: I have a series of questions  
6 and I'd like a response to each one of them, if you can.  
7 They're short questions and I'd appreciate short answers,  
8 if you can. All right?

9 You talked about the status of the Gladys  
10 petition and you talked about the wrongdoing  
11 investigation. But I failed to hear who is doing that.  
12 Why is it taking so long? Is there a statute of  
13 limitations of some sort on this petition? And if NRC is  
14 doing this, why can't it be shifted to the FBI or some  
15 other investigative organization who has the hutzpah to  
16 get these things done in a more timely fashion?

17 (Applause)

18 MR. McKEE: All I can comment -- and I  
19 think Wayne talked somewhat about just investigations of  
20 wrongdoing of that are -- and I'm speaking out of my  
21 knowledge of what they consist of. I'm not an  
22 investigator in that area. They do take time. They take  
23 interviewing people and investigating evidence. It's the  
24 nature of anything, I think even things done by the FBI

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1 in certain investigation aspects when you get into that  
2 take a while. I'm not sure if I can say much more than  
3 that. They do require time. And that's what --

4 MR. REARDON: Who is the lead  
5 investigator? What agency? NRC?

6 MR. McKEE: Well, NRC has an investigative  
7 -- you know, Office of Investigations which do certain  
8 investigations. But my understanding is they can't do  
9 certain criminal aspects. They recommend when an  
10 investigation gets to that point to various other offices  
11 like DOJ and they carry on the aspects of --

12 MR. REARDON: It's still not clear in my  
13 mind. Who is doing the wrongdoing investigation of the  
14 Gladys petition right now?

15 MR. McKEE: Of the Gladys petition?

16 MR. REARDON: Right. You mentioned in  
17 your presentation that the wrongdoing investigation is  
18 ongoing.

19 MR. McKEE: There's ongoing aspects within  
20 the NRC, but that is one element possibly of a larger  
21 investigation. That's one element that we're restricted  
22 really to give much knowledge or to talk about that may  
23 have been referred to the Department of Justice.

24 MR. REARDON: Is there a statute of

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1 limitations of any type involved in that?

2 MR. McKEE: I think on certain criminal --  
3 there is statutes of limitations. I don't know on any  
4 aspects there if there are or are not. So I just don't  
5 know.

6 MR. REARDON: Can you folks check that out  
7 so the next meeting you can give us an understanding of  
8 that, if there is some potential impact down the road on  
9 that investigation?

10 MR. LUXTON: I believe I asked that  
11 question earlier about a statute of limitations. The  
12 response I got was that, as far as you gentlemen knew,  
13 there wasn't any.

14 MR. McKEE: I thought -- I thought when  
15 you were talking you were speaking statutes of  
16 limitations on the 2.206. I didn't make -- I didn't at  
17 the time think of -- for 2.206's there's no statute of  
18 limitations. Any criminal aspects -- and I don't know a  
19 2.206 might get into that.

20 A VOICE: This would be tied into this.

21 MR. REARDON: Yes.

22 MR. McKEE: Then I stand corrected. You  
23 know, maybe I gave you -- you know --

24 DR. TRAVERS: I think we don't know. We

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1 don't know about a statute of limitations. To the extent  
2 we can find out and answer the question, we'll do it.

3 MR. REARDON: And next meeting give us a  
4 re-status?

5 DR. TRAVERS: We'll look into it and see  
6 what we can find out and what we can say.

7 MR. REARDON: Yes. Thank you.

8 MR. DURR: There is a statute of  
9 limitations that we impose on violations, if that's at  
10 all of interest to you.

11 MR. REARDON: No, it isn't.

12 MR. DURR: Okay.

13 MR. REARDON: Thank you, sir.

14 This question was already asked, but I  
15 think I need to follow up at this point. How much  
16 pressure does this new all-plant review approach by NU  
17 place on your inspection arm to do the follow-up  
18 inspections? The reason I ask is over the years I've had  
19 some dealings with NRC and time after time it's almost  
20 automatic, some of the responses I would get is "We have  
21 limited resources. And we can't look at everything. And  
22 sometimes we can't look at anything." But the message  
23 came clear to me over the years. You have limited  
24 resources. So I'm really concerned that this switch to

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1 an all-plant review is really going to put you folks in  
2 a pressure situation that may cause you to capitulate on  
3 some serious concern areas.

4 So one solution I see is that you folks  
5 develop a plan, a schedule, with manpower to convince the  
6 public that you're capable of doing that follow-up  
7 inspection work for all plants simultaneously. That's a  
8 comment.

9 MR. DURR: Can we respond to that?

10 MR. REARDON: Certainly.

11 MR. DURR: For the Millstone Unit 3, you  
12 know, we issued a restart assessment plan and for the  
13 restart assessment plan the significant issues were  
14 enclosed in there. It has been resource-loaded. Yes.  
15 We're doing that as we speak and we're doing it for the  
16 other two units, also, because we want to know the answer  
17 to that question, also.

18 MR. REARDON: Sure. We all do. A word of  
19 caution. I think the gentlemen previously -- I think it  
20 was Ron Delcore who previously mentioned that he had a  
21 look at the issues list and some of those show Closed but  
22 they were deferred to another tracking mechanism. So  
23 what you folks think you're going to inspect may just be  
24 a small fraction of what you should be inspecting. So a



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1 word of caution because Mr. Delcore's concern is now --

2 MR. DURR: That's a good comment.

3 MR. REARDON: His point that he's raising.

4 MR. DURR: Good comment. The fact is I  
5 wrote that down. I've got a little mark by it. You were  
6 talking about the oversight -- or the restart plan for  
7 the utility. And I wrote down "Deferred items not done."

8 MR. DELCORE: ORP. Right?

9 MR. DURR: Yes. ORP. That's what I --

10 MR. DELCORE: I looked at Unit 3's ORP.  
11 I haven't seen any other ones.

12 MR. DURR: Yes.

13 MR. DELCORE: There aren't any others that  
14 I know --

15 MR. DURR: I wrote it down and put a star  
16 beside it.

17 MR. DELCORE: All right.

18 MR. DURR: See? We're paying attention.  
19 And he thought I was asleep.

20 A VOICE: We can always count on you,  
21 Jacque.

22 MR. REARDON: You gave a summary about the  
23 fact that NU since 1991 onward has repeatedly issued  
24 reports about their Concerns Program and identified known

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1 problems since 1991. And to the best of my recollection,  
2 that's factual. However, my experience in late '95  
3 showed me that when you people inspected that program,  
4 you came up with a report that showed it to be squeaky  
5 clean. Now, I know you've already spoken about this  
6 previously. But I'm bothered by the fact that the NRC  
7 ignored, that I know of, at least three or four  
8 employees' input that told you that that program was  
9 faulty. And my personal experience was the NRC  
10 inspectors purposely ignored those comments from those  
11 employees. And that still bothers me. I guess it gets  
12 back to the accountability issue.

13 And even though you say the Hannon report  
14 did a follow-up or a follow-on to that, I take exception  
15 to that because the Hannon report interviewed a select  
16 group of whistleblowers, but I don't think they  
17 interviewed any one of the employees who provided input  
18 to that NRC inspection back in '85.

19 MR. DURR: This is the Employee Concerns  
20 inspection?

21 MR. REARDON: Yes.

22 MR. DURR: Well --

23 MR. LANNING: Yes. Okay. Let me comment  
24 on that.

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1 MR. REARDON: Okay.

2 MR. LANNING: If we ignored input and  
3 didn't include it in our inspection report, that's not  
4 acceptable. We need to go back and find out why. I  
5 don't know exactly who or what current NU employees were  
6 interviewed by the Hannon team. I know there were some.

7 MR. REARDON: It must be a matter of  
8 record at NRC. I'm certainly of that, sir.

9 MR. LANNING: I would guess it is, yes.

10 MR. REARDON: As a result of the Hannon  
11 report and our own report showing that our Employees  
12 Concerns Program is virtually -- or has been virtually  
13 non-existent over the years, you mentioned tonight that  
14 you now have an order and you really emphasized this  
15 order, that order requiring NU to develop a program plan,  
16 a comprehensive plan for employee concerns, and amongst  
17 other items you ticked off.

18 My question is what force does the order  
19 have over just the Code of Federal Regulations, which  
20 over the years had we been abiding by we would have  
21 addressed our own employee concerns? What's the  
22 difference between an order and the Code of Federal  
23 Regulations as far as power?

24 MR. MCKEE: That's probably a -- as far as

1 power, the order and the Federal Regulations are both  
2 requirements that the licensee has to respond to. I  
3 don't know if I can get into distinguishing the  
4 difference in that. But I might add that, you know, that  
5 the order was issued and it does have the impact and  
6 requirements and it does require, you know, the issue and  
7 it does require resolution or a certain action, you know,  
8 prior to plant restart.

9 MR. REARDON: Makes me dream about  
10 accountability. That keeps tracking back in all of this.  
11 Now, you want to issue an order. You want to do this.  
12 You want to require this. You want us to develop that.  
13 Had we had accountability 20 years ago, had the  
14 accountability two years ago, that's really all that's  
15 needed.

16 MR. MCKEE: Well, I might add the  
17 regulations -- and that was one area in the order --  
18 don't -- or don't specifically address a lot of elements  
19 for Employee Concerns Programs. The NRC issue was that  
20 safety issues were being raised and weren't being  
21 corrected. And that is a regulatory concern. And that  
22 was really, as I mentioned in my talk, was one of the --  
23 really the primary emphasis and basis for that order to  
24 have that program, you know, in effect and the elements

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1 that we specified in requiring the licensee to take  
2 action on it.

3 MR. REARDON: Yes. But my point is had  
4 the people been held accountable for not addressing those  
5 concerns in previous years, that would have done the job  
6 more effectively.

7 MR. McKEE: Okay. I understand your  
8 comment.

9 MR. REARDON: And that echoes a previous  
10 statement by someone that we're putting the cart before  
11 the horse. We're making all these great plans to recover  
12 and to ensure the future, but we're not holding people  
13 from the past accountable. So that there's really a  
14 false message there.

15 Last question, folks. You mentioned about  
16 the program that the ICARP --

17 A VOICE: ICAVP.

18 MR. REARDON: Okay.

19 MR. LUXTON: ICRAP.

20 MR. REARDON: Right. ICRAP. Okay. You  
21 know, if I was allowed to ask these questions right after  
22 the presentation, I would -- but you say that once NECO  
23 completes the problem identification for half the list  
24 systems --

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1 MR. IMBRO: Yes. That's right.

2 MR. REARDON: -- that the IC --

3 MR. IMBRO: AVP.

4 MR. REARDON: -- AVP will come in and  
5 select their systems --

6 MR. IMBRO: No. We will select the  
7 systems.

8 MR. REARDON: Okay.

9 MR. IMBRO: We will select the systems.

10 MR. REARDON: For them. Okay. Okay.

11 MR. IMBRO: But, again, it won't be  
12 confined to those 20 systems. I mean -- we're using Unit  
13 3 numbers again, which are the only ones that I have on  
14 the tip of my tongue. The licensee is going to look at  
15 82 systems. Okay?

16 MR. REARDON: Right.

17 MR. IMBRO: Okay. And the ICAVP will look  
18 at some set of those. But they're not necessarily --  
19 they won't be chosen from the first 20 that the licensee  
20 looks at. If we did that, then we have no assurance that  
21 they're going to do anything with the other 62.

22 MR. REARDON: Yes. You know where I'm  
23 going.

24 MR. IMBRO: Right.



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1 MR. REARDON: So there's some kind of  
2 delay factor here --

3 MR. IMBRO: Yes.

4 MR. REARDON: -- that once they finish  
5 half, they're still subject to the entire --

6 MR. IMBRO: That's right. And in addition  
7 to that, we're going to look at systems that they don't  
8 look at or at least a system they don't look at.

9 MR. REARDON: Okay. Thanks for  
10 clarification. Thanks for your patience, sir.

11 MR. IMBRO: Thank you.

12 (Applause)

13 MR. LANNING: Joe Besade.

14 MR. JOE BESADE: We meet again, Wayne. I  
15 didn't think it was going to be this soon.

16 MR. LANNING: It's a pleasure, I'm sure.

17 MR. REARDON: I sure hope so.

18 I'd like the public to know that a while  
19 back Mr. Lanning was able to get me on site of Unit 3 and  
20 I was able to show on the term of the building a waste  
21 line that was held together with duct tape for 17 years,  
22 and despite all this involvement with Northeast  
23 Utilities, contractor, QC, et cetera.

24 When I showed -- oh, when I showed both

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1 the NRC and Northeast a three-inch waste line, they both  
2 diagnosed the system wrong and called it a roof drain and  
3 tied in with a plastic spool piece and no danger to the  
4 public. After I insisted it was a sanitary drain because  
5 it had a T-trap in the photo I asked for and was  
6 furnished by Northeast Utilities, the first ACR said it  
7 was to be held in a control room. When I told them by  
8 State law this system had to be tied in solid, they were  
9 agreed and said "Pipe it in according to State code."  
10 They sent me another photo showing the completed job, now  
11 calling it an air vent drain. I can furnish copies of  
12 the above, if necessary.

13 Before Unit 1 restart, I would like to see  
14 for myself if the rusted-out system has been replaced, as  
15 I have been verbally told by the NRC from Maryland by  
16 phone. Most of the Unit 1 remedies has been cleaned up  
17 and painted due to vintage and neglect. From the metal  
18 piping and vessels I believe it is like putting a new  
19 suit on an old man. This plant should not be allowed to  
20 start up and should stay closed down like Connecticut  
21 Yankee.

22 (Applause)

23 MR. BESADE: We are told the NRC  
24 inspectors change nuclear sites every five years, just

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1 about the time that they get educated to the site and  
2 their responsibilities. The NRC has said the inspectors  
3 come here with 30 percent knowledge and 70 percent on-  
4 the-job training. Isn't that a good reason for the local  
5 residents to be concerned?

6 Thank you.

7 (Applause)

8 MR. LANNING: Susan Perry Luxton.

9 MS. LUXTON: I'm Susan Perry Luxton from  
10 Waterford, Connecticut. Mr. Travers, welcome to our  
11 community.

12 DR. TRAVERS: Thank you.

13 MS. LUXTON: So how do you feel about the  
14 meetings so far? Do you feel like you -- aren't you  
15 wearing a lot of hear or what? Was it like you expected  
16 or what?

17 DR. TRAVERS: I didn't have an  
18 expectation. But I've certainly learned a lot about the  
19 concerns that people have about this project.

20 MS. LUXTON: I must tell you, you had --  
21 we've gone very easy on you. We haven't gone as easy on  
22 Mr. Imbro. He's really gotten the flak on one of -- we  
23 know Mr. Lanning and Mr. Durr. So you've really -- we're  
24 starting off easy with you.

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1 MR. DURR: Believe her, too.

2 MS. LUXTON: Pardon?

3 DR. TRAVERS: I said, "Believe her, too."

4 MS. LUXTON: Mmm. I have made a  
5 suggestion about the questions after your presentations  
6 in the past. That's why I must jump in out of order and  
7 ask questions because I'm the kind of person that has to  
8 have a question immediately while it's on the screen. I  
9 can't wait an hour later and then come up with my  
10 questions. So I second that man's motion to have  
11 questions following each overhead.

12 I'm just going to go through my list and  
13 they probably won't be very organized. But I want to  
14 start off saying I went to the last two enforcement  
15 meetings. I didn't go to today's meeting. But I  
16 definitely think any -- I'll go on record saying that I  
17 feel any talk about restart is definitely premature at  
18 this point in time. I don't care about plans or  
19 anything. Definitely premature until the criminal  
20 investigations are solved, the Gladys petition has been  
21 solved and any of the other issues.

22 But I came away from the CY enforcement  
23 conference with -- was that I recommend that NU hire an  
24 outside contractor to decommission Connecticut Yankee

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1 because after hearing about NU's mismanagement, CY  
2 mismanagement for all those years, I don't feel that  
3 they're capable of decommissioning that plant themselves.

4 (Applause)

5 MS. LUXTON: Now, let's see. I also am  
6 not satisfied with some of the answers that you have been  
7 giving the public tonight. Totally unacceptable. And I  
8 guess I'll start with Mr. McKee. The two points you told  
9 us in your answers are totally unacceptable. You may not  
10 be able to give us any more on certain issues tonight,  
11 but we have been asking since September, 1995 for  
12 resolution of the issue and then you told us it would be  
13 in April. And then we had a hearing in April and then  
14 you told us it would be a couple of months later. And  
15 then you told us it would be in August and there was  
16 ongoing investigations. Then you said it would be in the  
17 fall and it's still ongoing investigation. And now  
18 you're saying the first of the year. It won't be just  
19 the technical decision. This is totally, totally  
20 unacceptable. We are not going to buy this stuff. And  
21 so go back to the boss, whoever it is, and tell him that  
22 the public, or me -- I'm just saying myself and no one  
23 else -- this is absolutely ridiculous because we cannot  
24 investigate this in a much, far more timely manner. And

1 if there is a statute of limitations and that statute of  
2 limitations runs out before this -- before the public  
3 gets a resolution on this, it will be appalling. It will  
4 be an absolute crime. And that will entail an  
5 enforcement meeting on the NRC by us. We'll have our own  
6 enforcement meeting and you'll all be invited to come.

7 (Applause)

8 MS. BASSILAKIS: We're serious.

9 MR. LANNING: I understood that.

10 MS. LUXTON: Now, we were here that night  
11 I gave the pink slips in New London to Mr. Russell, to  
12 Mr. Taylor. Nobody -- hasn't listened to me.

13 MR. LANNING: I thank you for not having  
14 any tonight.

15 MS. LUXTON: You weren't on the pink slip  
16 that night.

17 Okay. So let's get back to what we're  
18 talking about. Apparent violations. Now, I'm still not  
19 clear. Have all those apparent violations been addressed  
20 or are they still pending? Are those 60 violations that  
21 we heard on -- have they been addressed?

22 MR. DURR: When you say have they been  
23 addressed, do you mean --

24 MS. LUXTON: Resolved. Fixed.



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1 MR. DURR: Has the utility fixed them?

2 MS. LUXTON: Right.

3 MR. DURR: I don't know the answer to  
4 that. I really don't know the answer.

5 MS. LUXTON: Now --

6 MR. DURR: Anything I told you would be  
7 speculation on my part at this time.

8 MS. LUXTON: Now, should we be concerned,  
9 if they are not fixed and they're in this shutdown mode--

10 MR. DURR: No. Let me -- let me explain  
11 to you.

12 MS. LUXTON: Don't make it too long.

13 MR. DURR: It won't only take a second.

14 MS. LUXTON: Okay.

15 MR. DURR: As soon as an inspector finds  
16 an issue that even looks like it's a violation, the first  
17 thing we do is a safety assessment of it. What does it  
18 mean to the operation of the plant at that point in time?  
19 And is it safe? Do they need to take immediate  
20 corrective action? That's why in the letter we say,  
21 "These are apparent violations. But if corrective  
22 actions are warranted, don't wait for any more. Go fix  
23 it." So the --

24 MS. LUXTON: Mr. Durr, please. How can

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1 you sit there and say things like that after the history  
2 that we've uncovered about the way the NRC has enforced  
3 their rules in the last 10 years? How can you really say  
4 that?

5 MR. DURR: Because I have resident  
6 inspectors there that are watching this whole thing.  
7 They're watching it, just those kind of things.

8 MS. LUXTON: And so you're telling me that  
9 they've changed from the way they've operated in the last  
10 10 years?

11 MR. DURR: Who is they?

12 MS. LUXTON: Anybody. Anybody at the NRC  
13 that does -- that issues violations or that --

14 MR. DURR: Well, all of these resident  
15 inspectors save one are brand-new. You've got a brand-  
16 new crop of residents and senior resident inspectors.

17 MS. LUXTON: How many? Four?

18 MR. DURR: Five. Five out of the six.

19 MS. LUXTON: At Millstone? Brand-new?  
20 Not for Region 1?

21 MR. DURR: Four. Four out of the six.  
22 One is missing right now. We're down to five people  
23 right now.

24 MS. LUXTON: So they were not at Region 1

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1 at any time in the past 15 years?

2 MR. DURR: Oh, sure.

3 MS. LUXTON: Oh, they were at Region 1?

4 MR. DURR: Certainly. But they weren't at  
5 Millstone.

6 MS. LUXTON: They weren't at Millstone.

7 MR. DURR: That's correct.

8 MS. LUXTON: They were never at Millstone.  
9 Okay.

10 MR. DURR: Well, don't say they were never  
11 at Millstone. They were never assigned to Millstone.  
12 That's true.

13 MS. LUXTON: Okay. All right. So if they  
14 -- is it -- if they haven't fixed these apparent  
15 violations, in the shutdown mode that it's presently in -  
16 -

17 MR. DURR: Yes?

18 MS. LUXTON: -- is this any issue to us  
19 that these violations are not fixed?

20 MR. LANNING: The safety-significant  
21 violations have been corrected.

22 MS. LUXTON: They have been?

23 MR. LANNING: Yes.

24 MS. LUXTON: Good.

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1 MR. LANNING: There are some of those that  
2 have not been corrected.

3 MS. LUXTON: Okay. Now -- okay. Well,  
4 this brings me to talk about the FSAR resolution that Mr.  
5 Delcore was talking about, fixed now before restart. I  
6 thought that was a very good point. You didn't respond  
7 to it. What's your response to that?

8 MR. LANNING: Okay. Good. I'm glad you  
9 brought that up because we should have responded to it.  
10 For example, before -- you know, Unit 2 is trying to off-  
11 load the core as we speak. They would have done that  
12 some months ago if we had agreed. But we insisted that  
13 they evaluate and correct all those deficiencies that  
14 they identified.

15 MS. LUXTON: Why didn't they --

16 MR. LANNING: They're off-loading the core  
17 because they need to take some valves that they have to  
18 off-load the core for.

19 MS. LUXTON: All right.

20 MR. LANNING: We required them to address  
21 a large number of deficiencies related to the spent fuel  
22 pool and the transfer of fuel prior to going into that  
23 mode of operation. So --

24 MS. LUXTON: So what you're saying is they

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1 have their -- they have updated or fixed their FSAR  
2 before they could unload the --

3 MR. LANNING: Exactly.

4 MS. LUXTON: All right. What about --

5 MR. LANNING: But not updated the FSAR  
6 yet. But they're fixed the systems where there were  
7 identified deficiencies. For example, those coming out  
8 of the 50.54(f) activities where they identified design  
9 discrepancies. It's those that they had to address prior  
10 to moving it to the spent fuel pool.

11 MS. LUXTON: Okay. That's one example.  
12 So get to the rest of the units. What about them? Are  
13 they going to have to have their FSAR's completely  
14 whatever you call it, updated, fixed, whatever now, soon  
15 or before restart?

16 MR. LANNING: They're going to have --  
17 they will update their FSAR before restart. Unit 3, as  
18 far as I know, will not be off-loading the core.

19 MR. DURR: Let me explain something.  
20 Maybe it will help. Every day the resident inspectors  
21 call me in Region 1 and they report plant status. One of  
22 the things that they report is shutdown risk. And it  
23 evaluates the systems that are needed at that point in  
24 time for each one of the units.

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1 MS. LUXTON: Okay. Do they have it coded?

2 MR. DURR: Yes.

3 MS. LUXTON: Yellow, red and all that?

4 MR. DURR: Yes.

5 MS. LUXTON: Well, I've seen some of those  
6 and I don't like the way some of them are --

7 MR. DURR: Well, what -- and we don't like  
8 some of them, either. But -- and we've mentioned that to  
9 them. But the thing is that the shutdown risk is  
10 evaluated almost every day by the senior resident or the  
11 resident inspectors. And we look at what systems are in  
12 service and out of service and what they intend to take  
13 out of service and so that we're sure the plant is safe  
14 for the mode that it's in.

15 MS. LUXTON: So the plant is safe for the  
16 mode it's in. All right. So what does the yellow and  
17 the red and all that mean? I've forgotten now.

18 MR. DURR: Well, if -- for instance, if  
19 you need two systems to support shutdown cooling, let's  
20 say --

21 MS. LUXTON: Right.

22 MR. DURR: -- and you take one out of  
23 service --

24 MS. LUXTON: Right. Because you're fixing



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1 it.

2 MR. DURR: Yes. Because you're going to  
3 do something with it.

4 MS. LUXTON: Okay.

5 MR. DURR: That may -- that may impact the  
6 color. And it goes from green to yellow.

7 MS. LUXTON: Right. Yellow is the worst?

8 MR. DURR: No. Red.

9 MS. LUXTON: Oh, red is the worst.

10 MR. DURR: Red is --

11 MS. LUXTON: All right. So when is it in  
12 red? How long can it be in red? Can it be in red a  
13 couple of days or can it only be in red two hours?

14 MR. DURR: Well, most of the systems are  
15 defined by the technical specifications and it tells you  
16 how long a system can be out.

17 MS. LUXTON: Okay. All right.

18 MR. DURR: Before you have to do something  
19 else. So that part of it, though, is under continuous  
20 evaluation by the resident inspectors on a daily basis.

21 MS. LUXTON: Okay. So is that supposed to  
22 be an answer to my question about the FSAR and not  
23 needing to complete it now?

24 MR. DURR: No. That's the answer to

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1       should they -- should they be doing something now?

2               MS. LUXTON: Right.

3               MR. DURR: Mr. Delcore's statement that --

4               MS. LUXTON: And you're saying the  
5       resident inspectors are keeping you daily --

6               MR. DURR: We're watching plant safety  
7       every day.

8               MS. LUXTON: Oh, I feel so comfortable.

9               MR. DELCORE: And are you saying that the  
10      PNID's and all the associated documents and all the  
11      license stuff is applicable to that particular system are  
12      all correct?

13              MR. DURR: No, that's not what I'm saying.

14              MR. DELCORE: That's what I'm telling you  
15      they should be doing before they do anything else.

16              MR. DURR: I understand that. But what  
17      I'm trying to point out to you is --

18              MR. DELCORE: Because when they're moving fuel,  
19      if they have an accident, they go to a PNID and look to  
20      see if this valve is there and if it isn't there or it's  
21      a different modification than what they have. I don't  
22      know how they're going to be able to protect their  
23      ventures to make sure they don't have any problem.

24              MS. LUXTON: That is a good point. You

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1 have to admit. That's a good point, isn't it? Tell me.  
2 Do you think that's a good point, what he just said? If  
3 they go and the modification -- because we've seen that  
4 their modifications haven't -- the paperwork hasn't kept  
5 up with the modifications. If they go and try to find it  
6 and it's not in the paperwork or whatever, then there  
7 could be a problem. Now, that seems like a valid  
8 concern. Can you address that? But don't let -- any  
9 more. What do you think about that?

10 MR. LANNING: Well, I think it's a good  
11 point. I think that was a part of our looking at the  
12 discrepancies and the adequacy of procedures prior to  
13 unloading of fuel at Unit 2. Right?

14 MS. LUXTON: Okay. Good. Thank you. Now  
15 -- okay. The corrective action not working. The  
16 corrective action program not working concerns me. It's  
17 still not working. But I don't know -- if you have to go  
18 into a long-winded answer, then I don't want you to do  
19 it. But how did we get them to get their corrective  
20 action program working? I was under the impression by  
21 them at their meetings that that's what this ACR business  
22 is. The ACR's. They assume -- as soon as something  
23 comes up, they immediately identify it and this is what  
24 the ACR -- and they sounded so good at the meetings with

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1 the public. You know? But obviously it's not working.

2 MR. LANNING: It's not working.

3 MS. LUXTON: So how are you going to make  
4 this --

5 MR. LANNING: We're going to put it on the  
6 restart list and we're not going to let them start up  
7 until they demonstrate that it's working.

8 MS. LUXTON: Okay. Now, Mr. Imbro --

9 MR. IMBRO: Let me respond to the other  
10 question because, you know, part of our restart decision  
11 is going to be based not only on their correcting  
12 specific issues, but they need to demonstrate to us that  
13 they can maintain some -- you know, sustain a reasonable  
14 level of performance and that they have programs in place  
15 that continue to keep them in compliance with the  
16 license.

17 MS. LUXTON: Right. So you're talking  
18 about over a period of time.

19 MR. IMBRO: Yes.

20 MS. LUXTON: Right?

21 MR. IMBRO: Yes.

22 MS. LUXTON: I would think. Okay. Mr.  
23 Imbro, now, selection of systems --

24 MR. IMBRO: Right?

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1 MS. LUXTON: How are you going to select  
2 a system? Randomly? Do you know yet?

3 MR. IMBRO: Well, we probably -- well,  
4 we're going to use a couple of things. Let me first back  
5 up and say that we have a plan that's going to go through  
6 the Commission soon and so I can't really talk too much  
7 about that until it's approved. However, we're going to  
8 use risk insights. We're going to look at the systems  
9 that we feel are the largest contributor of risk, some  
10 systems. We're going to look at systems that have been  
11 modified by the licensee over the years or -- maybe  
12 perhaps complex modifications where the licensee has had  
13 ample opportunity to fall on their face. We're going to  
14 pick those things up. And in some cases we might look at  
15 systems that are neither risk-significant -- just pick a  
16 system that people wouldn't expect we would look at, just  
17 as a kind of a sanity check to make sure that they  
18 haven't looked at the -- you know, we don't want to  
19 profile what we're going to look at, you know, totally.  
20 I mean obviously we want to look at the things that are  
21 risk-significant because those are the things we need to  
22 give ourselves assurance that the plan is safe. But we'd  
23 also like to, just as a verification of the process, look  
24 at things that maybe are not so important but, hey, we

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1       need to look at that to make sure that they've done a  
2       comprehensive review.

3               MS. LUXTON: Sounds like a good plan. I  
4       like it. It sounds like a good plan. Some little random  
5       thing that they wouldn't think you were going to look at.

6               MR. IMBRO: Yes. Right.

7               MS. LUXTON: Now, the question is they're  
8       not supposed to know which system you're looking at.  
9       Right?

10              MR. IMBRO: That's right.

11              MS. LUXTON: I see this as the key  
12       problem.

13              MR. IMBRO: Well, that's part of it. Yes.

14              MS. LUXTON: You know why?

15              MR. IMBRO: Yes, I know why.

16              MS. LUXTON: Why? Go ahead. Tell me.  
17       Because your history is you always tell them.

18              MR. IMBRO: That's right.

19              MS. LUXTON: That's right. We all know  
20       it. We've read it in every single document, every single  
21       piece of paper. You can't not tell them. There's  
22       something about -- you always leak everything to them.  
23       Right? We know that. You know that. So we don't trust  
24       the --



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1 MR. IMBRO: I don't even know what the  
2 systems are right now. So I mean -- so there's no chance  
3 --

4 MS. LUXTON: But you will know. And I bet  
5 you anything --

6 MR. IMBRO: Yes, at some point we will.  
7 But we're not going to really make those decisions until  
8 after they've identified at least the 20 systems.

9 MS. LUXTON: Right. So how are we going  
10 to make sure they don't find out? How are we going to  
11 trust you to not tell them? I bet you can't tell me how.  
12 Can you tell me how, Dr. Travers? And this is --

13 MR. IMBRO: I can't tell you. But if I  
14 told you, you wouldn't believe me anyway.

15 DR. TRAVERS: The best we can do -- and it  
16 may not be good enough for you tonight -- is to give you  
17 an indication of our intentions. And our intentions are  
18 clear on this matter. Our intent is that the systems  
19 that are identified by us for inclusion in the ICAVP, no  
20 matter how it ultimately turns out that we select them,  
21 are going to be kept close.

22 MS. LUXTON: Kept close?

23 DR. TRAVERS: Kept close. And if they're  
24 not, you can look to me for someone who might be

1 considered to be someone who should be accountable for  
2 that kind of thing.

3 MS. LUXTON: Mm-hmm. Okay. You know, I'm  
4 not -- I like the idea of picking them out of a hat.

5 DR. TRAVERS: But there's still -- I mean  
6 you could do that. I mean that's one --

7 MS. LUXTON: Why can't you do that?

8 DR. TRAVERS: But that --

9 MS. LUXTON: Then you wouldn't even know  
10 what they are.

11 DR. TRAVERS: Oh, I see what you're  
12 saying. But somebody has got to know.

13 MS. LUXTON: Well, that's all right.

14 A VOICE: Let the CRC do it.

15 MS. LUXTON: No. Let any -- let somebody  
16 in the bull pit go and choose a system, say, that you  
17 chose and we pick them out and then they would be given  
18 to the contractor. But -- that's interesting to work on,  
19 something. I don't know. All right.

20 I'll try to be brief. But you know that  
21 it's difficult for me. Let's see. Okay. Oh, yes. Now,  
22 this is a problem I find, this minimum inter'face between  
23 the ICAVP contractor and NU, because we know that NRC  
24 inspectors and NU don't have minimum interface. Over the

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1 years historically, NRC inspectors and NU people that  
2 work there become very friendly. I mean I'm not -- you  
3 know, it's just the way it has become. They're like  
4 buddies. I see them at the enforcement meetings. I  
5 mean, you know, it's "Hey" -- you know. They're just  
6 very friendly. Okay? So you are no one to talk about  
7 communication protocol. Ha, ha. Or minimum interface.  
8 Because you're guilty of serious interface, which is a  
9 silly word. But, you know --

10 MR. IMBRO: I might take issue with that  
11 because I think we try and maintain our independence. I  
12 mean I think these fellows are on the site every day.  
13 They have to interface with the licensee on a  
14 professional level. I don't think they're buddy-buddy.  
15 I don't think they go out and drink beer with the guys at  
16 night. I mean they do their job.

17 MR. DURR: I know they don't.

18 MR. IMBRO: No. I mean, you know, there's  
19 very -- we have very strict policies on that. I mean  
20 there's no fraternization. They're not allowed to  
21 participate in any of the licensee programs, the licensee  
22 selling, you know, whatever, you know, camping equipment  
23 or something like that. They can't buy that kind of  
24 stuff. So I mean there are --

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1 MS. LUXTON: That's interesting because I  
2 heard differently. And I've heard from people that  
3 worked at the plant that's different.

4 MR. IMBRO: Well, tell us.

5 MS. LUXTON: And I heard --

6 MR. IMBRO: Give us the examples.

7 MS. LUXTON: Pardon?

8 MR. IMBRO: Give us examples.

9 MS. LUXTON: Specific examples?

10 MR. IMBRO: Yes. Because that's not  
11 supposed to happen.

12 MR. DURR: Well, whatever you've got.  
13 Just --

14 MS. LUXTON: Well, the other day at the  
15 enforcement conference, I was standing around and one of  
16 the local NU people came on and started -- well, I don't  
17 know. Because then it's going to sound like I was  
18 eavesdropping and I really wasn't eavesdropping. But it  
19 was -- it had to do with -- I think it was Mr. Durr and  
20 somebody from NU and he was talking about, if I remember,  
21 something about how can he find a tractor or a lawn  
22 mower.

23 MR. DURR: Not me. Not a tractor.

24 MS. LUXTON: But I mean it was very cozy.

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1       like they were really buddies and that they were -- maybe  
2       it wasn't you. But it was somebody.

3               MR. DURR: Yes.

4               MS. LUXTON: And it struck me that -- as  
5       a matter of fact, not only did it strike me, but it  
6       struck somebody else who came up to me later and said  
7       that should not have happened.

8               MR. DURR: I agree.

9               MS. LUXTON: There should not be that kind  
10      of close connection between the regulator and the  
11      regulated. And you know what? I didn't -- it didn't  
12      even really hit me until this other person came up and  
13      mentioned it, an employee. And that's why I decided I  
14      should mention it tonight, because he picked it up. I  
15      was naive enough to not even really pick it up. I was  
16      kind of standing within earshot. It didn't really hit  
17      it. But --

18              MR. LUXTON: Excuse me, Sue. I might cite  
19      one example. Wasn't there a case of a resident inspector  
20      who purchased a home from an NU employee?

21              MR. IMBRO: Yes. But that's -- why is  
22      that a problem?

23              MR. LUXTON: Is that --

24              MR. IMBRO: I mean did he get it for

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1 nothing?

2 MR. LUXTON: No.

3 MR. IMBRO: He paid fair market value. I  
4 mean --

5 DR. TRAVERS: Yes. I mean let's not get  
6 into --

7 MR. LUXTON: It's just a coincidence. I  
8 can't really --

9 DR. TRAVERS: I think we've tried to  
10 explain what is the general policy on fraternization.  
11 And it is simply that we try to maintain an arm's  
12 distance because of several reasons and not the least of  
13 which can simply be the perceived problem associated with  
14 it. So it really is a responsibility of ours and we take  
15 it seriously. And it goes further than suggestions that  
16 if you're acting friendly with someone, that you're going  
17 to do them a favor that goes against the regulatory  
18 grain. There is a problem of perception and we try to  
19 avoid that as well.

20 MS. LUXTON: Mm-hmm. Good. Thank you.  
21 Okay. Now, I'm concerned about Mr. Kenyon's race to  
22 restart with the three plants. Because when he came in  
23 in September, he was very adamant about he was going to  
24 take as much time as he needs to to get Millstone 3



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1 started and he was going to put all the resources into it  
2 and do it right, do it right no matter how long it took.  
3 That's the impression I got in the public. And now all  
4 of a sudden, the impression that we've gotten is that --  
5 this actually was said in the paper, "race to restart."  
6 Race to restart. I'm uncomfortable with racing to  
7 restart. Okay?

8 Now, what I'm uncomfortable about is they  
9 were forthcoming with the list of deficiencies for Unit  
10 3. We haven't heard a thing about anything on Millstone  
11 2 or even Millstone 1 except that Millstone 1 had 16,000  
12 deficiencies or whatever. We haven't heard a word about  
13 Millstone 2. Now all of a sudden we're racing to  
14 restart. We don't even have any deficiencies. We don't  
15 know whether they're completed or whatever. Are we going  
16 to get that, like we did for Millstone 3, or what? Or is  
17 this just going to be behind the scenes and all of a  
18 sudden in May they're going to come out and say Millstone  
19 1 is ready to restart? So are they going to come forward  
20 with that? Do you know?

21 MR. LANNING: You weren't at the meeting  
22 this afternoon.

23 MS. LUXTON: No, I wasn't.

24 MR. LANNING: Okay. I raised that issue

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1 with them today and made a point that the public had a  
2 need to know what those -- that list of deferred issues  
3 were.

4 MS. LUXTON: Mm-hmm.

5 MR. LANNING: And we do have the list on  
6 Unit 3. And I thought that worked well. And we'll have  
7 a similar list on the other two units. We haven't  
8 received the list.

9 MS. LUXTON: Great. Thank you so much for  
10 asking that question. Okay.

11 I'm almost finished. Now, generic  
12 communications. I don't think they work because we've  
13 seen with the screening the generic communications don't  
14 work. You send out a letter. You trust the licensee.  
15 You say, "There's a problem with a plant in New Orleans  
16 or whatever. There's a problem in Texas. You better  
17 check this in New England." It doesn't seem like generic  
18 communications work, especially with the utilities like  
19 NU who probably ignore them, where -- because you trust  
20 the entity, the utility, to do the right thing. But  
21 sometimes they don't. So I think that's something that  
22 you should write down, the questioning of generic --  
23 because they don't have any power. It's just "This is a  
24 problem. Why don't you check into it?" They go, "Okay.

1 Fine." They put it in the wastebasket and that's it.

2 Why wasn't CY ever on the watch list? I  
3 think it should be after-the-fact on the watch list.

4 MS. BASSILAKIS: They've been on the watch  
5 list for decommissioning.

6 MS. LUXTON: Right. For decommissioning.  
7 That's the -- I'm going to go on the record in saying  
8 that I think that CY should be on the watch list while  
9 they're being decommissioned, even though they shouldn't  
10 be decommissioned by them. They should be decommissioned  
11 by an independent contractor.

12 Now -- I'm going to finish. This is my  
13 ending. Listen to this. This is what I got off of  
14 documents since OIG reports. I want you to hear this.  
15 It will only take a minute. NRC -- this is in black and  
16 white. "NRC did not realize this practice was  
17 inconsistent with the normal discharge scenario outlined  
18 in Millstone 1 FSAR. OIG found that many NRC resident  
19 inspectors were not familiar with the Millstone 1 FSAR.  
20 Resident inspectors did not question the licensee's  
21 practice. NRS Headquarters staff did not conduct a fully  
22 adequate evaluation." That was from Case 95-771-12-21-  
23 95, NRC failure to adequately regulate Millstone 1.

24 Here's another one. "In spite of

1 increased NRC inspections and evaluations, deficiencies  
2 that had been identified at Millstone in 1991, NU's self-  
3 assessment has persisted. NRC should have taken more  
4 aggressive action." Case 96-02(S), May 31, 1996.

5           DRP directing NRR, CU-29, it should have  
6 been handled differently. NRC did not obtain an NSJ for  
7 lines from 1973 to -- until 1995. In 1988, NRC denied  
8 NU's request to exempt CU-29 from testing requirements of  
9 NSJ. However, NRC did not achieve NSJ compliance until  
10 1995. So from 1993 to 1995, they did not request  
11 compliance.

12           Do you wonder why we, the public, are  
13 skeptical of your good intentions? This is what we've  
14 received in reports. The last two reports, these did not  
15 involve an issue in 1995. You know, I hope -- you know,  
16 I trust that you individuals are doing the right thing  
17 and that you're sincere in doing it.

18           I just want you to understand where we in  
19 the public are coming from on this side of the table.

20           DR. TRAVERS: I appreciate that. And I  
21 think we do. And I think you're right. It's up to us to  
22 demonstrate. And we're going to try to do the best job  
23 we can.

24           MS. LUXTON: No, not just words.

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1 DR. TRAVERS: That's right.

2 MS. LUXTON: But results. And it takes  
3 time.

4 A VOICE: And accountability.

5 MS. LUXTON: Right. And that's what we  
6 want, accountability.

7 Thank you.

8 (Applause)

9 MR. LANNING: Okay. That concludes our  
10 list. And we've been told by our good friends here at  
11 East Lyme that we've got to vacate the building here very  
12 quickly.

13 A VOICE: Mr. Markowicz has a question.

14 MR. LANNING: So -- certainly.

15 MR. JOHN MARKOWICZ: My name is John  
16 Markowicz. I'm a resident of Waterford. I'm also on the  
17 Nuclear Energy Advisory Committee. I need to clarify  
18 some things that were said at Millstone plants for  
19 the past several years.

20 That review group further concluded that  
21 poor environment has resulted in repeated instances of  
22 discrimination and ineffective handling of employee  
23 concerns.

24 Well, the findings of the Millstone

1 Independent Review Group -- that was the one done by the  
2 NRC -- were not new. The NRC in past studies and  
3 inspections had noted problems with licensee handling of  
4 employee concerns.

5 In addition, a number of inspections and  
6 investigations have substantiated many of the employee  
7 concerns and allegations for which the licensee's  
8 corrective actions have proven ineffective. As a result,  
9 the licensee has been cited a number of times for  
10 violations -- and these included several escalated  
11 enforcement actions -- for the issues related to concerns  
12 raised by employees.

13 Notwithstanding these actions, the  
14 licensee's handling of the safety concerns and  
15 implementation of corrective actions for problems  
16 identified by employees has remained ineffective.

17 For these reasons, the NRC issued the  
18 October 24, 1996 order. The order specifies two primary  
19 actions. Thanks. That's the second slide that I have.

20 First, the order directs the licensee,  
21 prior to the restart of any of the Millstone units, to  
22 develop, submit and -- submit for NRC review and begin to  
23 implement a comprehensive plan for reviewing and  
24 dispositioning safety issues issued by its -- raised by



1 its employees and ensuring that employees who raise  
2 safety concerns can do so without the fear of  
3 retaliation.

4 The order also directs the comprehensive  
5 plan to address the root causes of past performance  
6 failures as described in the licensee's July 12 report,  
7 which I mentioned earlier, and also the NRC's assessment  
8 team report.

9 Second, the second major element of the  
10 order, directs the licensee to retain an independent  
11 third party to oversee implementation of its  
12 comprehensive plan. The independent third party is to  
13 oversee implementation of the comprehensive plan by, one,  
14 observing and monitoring the licensee's activities; two,  
15 performing technical reviews; three, auditing and  
16 investigating, when necessary, cases of alleged  
17 harassment, intimidation and discrimination; four,  
18 auditing and reviewing the licensee's handling of safety  
19 concerns; and, finally, assessing and monitoring the  
20 licensee's performance.

21 So those are the two major elements. And  
22 on the next slide I'm going to talk about -- the order  
23 also contains or specifies certain elements regarding its  
24 implementation.

1 First, the comprehensive plan is to be  
2 provided to the NRC within 60 days from the date of the  
3 order. And this works out, according to the calendar, to  
4 December 24. As we heard discussed at the meeting today  
5 with the licensee, it appears they're going to ask for an  
6 extension or relaxation of that time for an additional 30  
7 days to provide their comprehensive plan to the NRC. So  
8 that would be some time at the end of January.

9 With respect to the proposed independent  
10 third-party organization, it was to be provided to the  
11 NRC within 30 days from the date of the order. However,  
12 on this -- I think this was discussed at the meeting  
13 today. The licensee requested and the NRC granted a  
14 relaxation in that time frame, allowing submittal of the  
15 proposed third-party organization within 60 days of the  
16 date of the order. And this works out to Christmas Eve,  
17 the 24th, I believe.

18 As was discussed in the afternoon meeting,  
19 it was mentioned that they expect and they're looking for  
20 and they anticipate identifying that organization and  
21 providing that name of that organization to us on the  
22 time frame specified.

23 Approval of the third-party organization  
24 by the NRC is required. Within 30 days of the NRC's

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1 approval of the third-party organization -- and we'll  
2 provide that to them in writing -- an oversight plan for  
3 conduct of this third-party oversight is required to be  
4 developed by the third party and forwarded to the NRC for  
5 review and approval.

6 After the NRC receives the licensee's  
7 comprehensive plan and the independent third-party  
8 oversight plan, a notice of availability of the plans is  
9 to be published in the Federal Register and one or more  
10 public meetings are to be held to allow members of the  
11 public -- and I assume those meetings will be -- that  
12 meeting will be in this area -- to comment on the  
13 comprehensive plan and the third-party oversight plan.

14 The results of the NRC review and public  
15 comments on the comprehensive plan and the third-party  
16 oversight plan will be forwarded to the licensee, then an  
17 independent third party -- and to the independent third  
18 party for evaluation and implementation as appropriate.

19 Final approval by the NRC of the third-  
20 party oversight plan is required. And this approval is  
21 required for the restart of any of the three Millstone  
22 units.

23 The third-party organization is to report  
24 concurrently to the NRC and the licensee on at least a

1       quarterly basis the results of its oversight activities,  
2       including all findings and recommendations. And the  
3       licensee is required to respond to each of these  
4       recommendations.

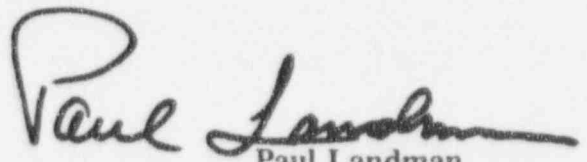
5                       And we did receive some correspondence  
6       from the Connecticut State NEAC, the advisory council,  
7       and they requested that they receive or be a party to  
8       these reports.

## CERTIFICATE

I, Paul Landman, a Notary Public in and for the State of Connecticut, and President of Post Reporting Service, Inc., do hereby certify that, to the best of my knowledge, the foregoing record is a correct and verbatim transcription of the audio recording made of the proceeding hereinbefore set forth.

I further certify that neither the audio operator nor I are attorney or counsel for, nor directly related to or employed by any of the parties to the action and/or proceeding in which this action is taken; and further, that neither the audio operator nor I are a relative or employee of any attorney or counsel employed by the parties thereto, or financially interested in any way in the outcome of this action or proceeding.

In witness whereof I have hereunto set my hand and do so attest to the above, this 8th day of January 1997.

  
Paul Landman,

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