

VERBATIM PROCEEDINGS

PDR

NUCLEAR REGULATORY COMMISSION

PUBLIC FORUM IN THE MATTER OF NORTHEAST UTILITIES,
MILLSTONE UNITS 1, 2 AND 3

MARCH 18, 1997

WATERFORD TOWN HALL
15 ROPE FERRY ROAD
WATERFORD, CONNECTICUT

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1 . . . Verbatim Proceedings of the Public
2 Forum of the United States Nuclear Regulatory
3 Commission in the matter of Northeast Utilities,
4 Millstone Units 1, 2 and 3, held March 18, 1997, at
5 7:00 P.M., at the Waterford Town Hall, 15 Rope Ferry
6 Road, Waterford, Connecticut. . .
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12 MR. WAYNE LANNING: Good evening, ladies
13 and gentlemen. Welcome. My name is Wayne Lanning.
14 I'm Deputy Director for Inspections in the Special
15 Projects Office.

16 This is a meeting between the NRC and
17 you, the members of the public. This meeting is a
18 continuation of our efforts to keep you informed about
19 what NRC is doing at Millstone and some results that
20 were achieved and also to solicit your participation in
21 some of the process. Tonight we're looking for your
22 input on the selection of the Independent Corrective
23 Action Verification contract at Unit 2. I'll say more
24 about that later.

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1 We have a very simple agenda tonight.
2 I'll ask the directors for comments. Jacque Durr, who
3 is Branch Chief, will talk about leasing inspection
4 activities. Then Gene Imbro will talk about the
5 selection of the ICAVP contract at Unit 2, give you the
6 status of the ICAVP activities. And Phil McKee will
7 talk to us a little bit about what we heard today
8 concerning NU's Employee Concerns Program and the
9 selection of the contractor and some relief from the
10 order. Then, finally, we'll have our general question-
11 and-answer session.

12 Before I introduce the NRC staff
13 tonight, I want to talk a little bit about -- I've got
14 one administrative item I want to talk about. In
15 response to a request, I'm going to take questions, as
16 we did in the last meeting, after each topic or each
17 agenda item. But I need to ask you to help us out and
18 try to keep focused on the agenda topic.

19 It's important to those of us -- those
20 of you who have come here tonight who want to talk
21 about a specific topic, that we make that time
22 available for you to answer -- to ask questions about
23 that topic.

24 So we're going to once again limit the

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1 discussions just to that topic and really ask for your
2 cooperation until the end. And then if -- after we've
3 covered the agenda topics, we'll then have the general
4 question-and-answer session at the end and there's no
5 holds barred. You can ask any question or provide any
6 comment that you like.

7 Okay. To my immediate left is Dr. Bill
8 Travers. He's the Director of the Special Projects
9 Office. To his left is Gene Imbro, who is the Deputy
10 Director for Independent Corrective Action Process
11 oversight. Next to him is Jacque Durr, the Branch
12 Chief for Inspections. On my immediate right is Phil
13 McKee, who is the Deputy Director for Licensing. Next
14 to him is Ellen Pastis, who is overseeing the Employee
15 Concerns oversight activities.

16 This meeting is being recorded, for your
17 information, and that's why you need to speak into a
18 microphone at the appropriate time.

19 Let me share with you some of the
20 highlights from the meeting we had this afternoon with
21 Northeast Utilities. I'll just summarize what I think
22 are the important items that came out of that meeting.

23 First, there's another change to the
24 schedule and the approach. NU informed us today that

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1 they have identified Unit 3 as a lead plant for
2 restart. They are also the lead plant for doing the
3 Independent Corrective Action Verification Process.

4 And the schedules for the other two
5 units are being evaluated. And they expect to be in a
6 position to share those with us in a couple of weeks.
7 But it is a change and it says something about schedule
8 slippage there.

9 Each unit provided us status of their
10 activities toward recovery and toward restart. Unit 3
11 appeared to be meeting most of their schedule
12 milestones. And as I mentioned, they're the first to
13 be ready for the Independent Corrective Action
14 Verification Process.

15 Unit 2, in addition, gave us a status.
16 They talked about the selection of their contractor.
17 And as I mentioned, Gene Imbro will talk more about
18 that today.

19 Unit 1, they appear to be ahead of the
20 other two units in terms of modifications that have to
21 be done prior to restart.

22 Overall, we talked a little bit about
23 the corrective action program process. I think it's
24 fair to summarize that in a single word, broken. They

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1 have just instituted a procedure to improve the
2 corrective action process. They still have a lot of
3 work to do to demonstrate that they have affected some
4 corrective action processes there.

5 Mr. Gable gave us a discussion of the
6 Northeast Employee Concerns Program and the contractor
7 today. And Phil McKee will talk more about that this
8 evening.

9 With that, do we have anything else?
10 Okay. With that, we'll let Jacque Durr talk about the
11 inspection activities.

12 MR. JACQUE DURR: Good evening. I see
13 some new faces here. Let me give you a brief overview
14 of our inspection program because I'm sure not
15 everybody is familiar with it.

16 The NRC has assigned Millstone normally
17 six inspectors, two for each unit, a Senior Resident
18 Inspector and a Resident Inspector. And if I can draw
19 an analogy between our inspectors and the medical
20 profession, our Senior Residents and Resident
21 Inspectors are general practitioners, if you will. And
22 in the region we have to support them specialists in
23 specific areas of mechanical engineering or electrical
24 engineering, that kind of thing.

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1 So the six inspectors that are normally
2 at Millstone 1, 2 and 3 do inspections and write
3 inspections reports normally every six to eight weeks.
4 And I'm sure that most of you haven't had the
5 opportunity to read the reports because they generally
6 run the length of 80 to 90 pages and they're probably
7 dry as dust to the uninitiated.

8 But let me give you a brief overview of
9 what came out of our last set of inspections. The
10 cover letter -- for those of you that are not familiar,
11 when we find an issue that does not meet a regulatory
12 requirement -- and regulatory requirements are things
13 like the license that we issue. The things that are in
14 that license and the technical specifications which is
15 appended to that are requirements. They have to comply
16 with those. The Code of Federal Regulations are
17 requirements.

18 And in the case of Millstone, we've
19 issued two sets, two orders, one for the Employees
20 Concerns Program and one for the Independent
21 Verification Program. Those are requirements. So, by
22 law, they must comply and, if they don't, then we can
23 take legal action.

24 So this report discusses several

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1 violations. We note that in this report most of those
2 violations are not of recent vintage. That is they
3 were things that occurred in the past, have just been
4 identified and brought to light. So they're not recent
5 events.

6 And I would also say are issues that
7 appear to be recurrent, significant challenge to
8 management is the resolution of identified deficiencies
9 in a timely manner. And that is essentially they have
10 found things -- they found a lot of things. And
11 because they found so many things, they haven't been
12 able to properly disposition in a timely manner.

13 They are required to report to us
14 certain things under the Code of Federal Regulations.
15 And so that's what we're really telling them; is that
16 they need to disposition those things in a timely
17 fashion so they can ensure that they meet the reporting
18 requirements because there's a time clock on those
19 things.

20 And it also mentioned a little progress
21 in implementing corrective actions for the enforcement
22 actions listed on our 11/13/96 letter.

23 I want to give you a brief overview of
24 what these violations are. And if you have any

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1 questions, I'll be happy to answer them.

2 First of all, we issued in this report
3 three violations. We issued a violation concerning
4 security. It was unauthorized entry into the technical
5 area. What really occurred was somebody was -- that
6 worked at the site was laid off, came back. They
7 thought their badge was still good, tried to enter the
8 area. One of her co-workers assisted her to enter on
9 her badge, which is illegal. And consequently, they
10 were cited for that because it's an unauthorized entry.

11 A technical specification violation
12 dealing with organizational changes. Because of the
13 major management changes that have taken place within
14 Northeast Utilities in the last year, they have made
15 assignments to the site and restructured the
16 organization. And there are certain positions within
17 the organization that are defined in this license that
18 we're talking about, like the Executive Vice President,
19 which is the Chief Nuclear Officer, and then the Senior
20 Vice President for the site. Those positions were not
21 either filled or they were more or less abolished for
22 some period of time. And they are listed in the
23 technical specifications. They must comply or change -
24 - get an amendment to the license.

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1 And lastly, violations identified
2 associated with failure to calibrate an ionization
3 chamber used to monitor vermiluminescent dosimeter dose
4 rates.

5 Then we also issued what we call
6 apparent violations. And the reason we call them
7 apparent violations is they rise to a level that
8 potentially has what we call escalated enforcement.
9 And the escalated enforcement means sanctions from the
10 NRC, such as civil penalties, may be associated with
11 them.

12 So we call these apparent violations
13 because generally what we do is have an enforcement
14 conference such as we had back in December with the
15 utility where some 60 to 70 violations were discussed
16 and were in the current process for issue. So these
17 were also called apparent violations.

18 And one of them was Unit 1, failure to
19 report issues to the NRC promptly. And that's what the
20 reporting requirements that we were talking about
21 earlier where they have to report within a timely
22 fashion. And we found at least five instances where
23 that did not occur.

24 Unit 1 again, failed to staff the

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1 Millstone Unit 1 Director's position with a qualified
2 individual, contrary to technical specifications. The
3 Unit Director has to have certain qualifications. And
4 we found in this particular case that that -- that he
5 didn't have it.

6 Unit 1 again, failed to perform a 50.59
7 evaluation for the emergency -- air start system, check
8 valves that had the internals removed. Now, 50.59 is
9 kind of what this Independent Corrective Action
10 Verification Program is all about.

11 The utility -- the regulations say that
12 you can make changes to the facility as long as it
13 doesn't violate certain things. As long as it doesn't
14 require a change to the technical specification, they
15 can do it and it doesn't involve an under-review safety
16 questions. They can make changes and they don't have
17 to tell us, except once a year when they send in a
18 listing of these changes that they've made.

19 What we found was they had made a change
20 and they didn't do it with this 50.59 review. They
21 didn't do the safety evaluation to determine whether
22 they could make the change or not.

23 And, lastly, at Unit 1, inaccurate
24 information regarding the completion of --8913 issues.

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1 We found in locations -- in fact, it's in the
2 enforcement conference that we had back in December.
3 There have been numerous occasions where we've found
4 that the utility had provided us with inaccurate
5 information.

6 One of the cornerstones of the
7 regulatory process is you have to be able to trust the
8 utility and you have to be able to trust the
9 information that they provide you because, as we've
10 said in the past and still remains true, we have -- we
11 don't have enough resources to inspect everything.
12 Ergo, there has to be a certain amount of trust.

13 And so any time that we find that
14 they've provided us with inaccurate information, we're
15 going to issue a violation.

16 We found that at Unit 2 corrective
17 actions were incomplete for a flash main bearing on the
18 emergency diesel generator because of insufficient
19 lubrication. Flash, for those of you who are
20 mechanics, it's a light bearing. The bearing had
21 insufficient lubrication because of the way they
22 initially started the engine. And it would start up
23 without proper lubrication and it caused the bearings
24 to whiten this piece.

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1 They knew about it before and didn't
2 really take the appropriate corrective actions. And
3 they started the engine a month later and almost
4 totally destroyed it. So we've given them a violation
5 for that.

6 Unit 3 had inadequate response to the
7 NRC in Information Note CD-24, generic letter 9150, and
8 that resulted -- we sent out information notices
9 telling the utilities that we've identified what we
10 call generic issues that apply to more than one plant.
11 It's kind of like a recall notice for your car.
12 General Motors figures out that the air bags are
13 deficient and they'll send out a recall notice.

14 Well, we send out these notices to the
15 utility to put them -- to advise that there are
16 deficient conditions and they need to take a look at
17 these things to make sure it doesn't apply to their
18 plant.

19 Well, we told them about these air
20 valves and a potential deficiency with them and they
21 didn't take the proper corrective action, to put the
22 proper corrective actions. And this resulted in 48
23 solar -- operated valves being potentially subjected to
24 air pressure greater than their design rating.

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1 Unit 1 violation again, apparent
2 violation, and it's the event response team performed
3 in response to quality assessment services audit was
4 narrowly focused and lacked substance. When they --
5 the Code of Federal Regulations requires that you
6 identify -- if you identify a deficient condition,
7 something that's not appropriate, it requires that you
8 evaluate it and take appropriate action to ensure that
9 it doesn't recur. The root cause analyses and these
10 kinds of things. We found that they really didn't do a
11 good job on that.

12 Another Unit 1 apparent violation was --
13 we use acronyms left and right. IGSCC. Because it's a
14 mouthful. It's inner granular stress corrosion
15 cracking. The reactor coolant pressure boundary piping
16 is made out of stainless steel in some cases.
17 Stainless steel, contrary to popular belief, is not
18 impervious to everything and it will develop a crack
19 mechanism that can drive all the way through the pipe
20 wall. And these are very thick pipe walls, up to an
21 inch thick. And the piping in Millstone Unit 1 is said
22 to hold inner granule stress corrosion cracking.

23 The NRC and the industry identified this
24 back in the 70's. And most reactors in the United

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1 States have replaced that piping. Millstone is one of
2 the few, two -- one of two that I know of that has not
3 replaced that piping and they're on an accelerated
4 program to do examinations to that piping.

5 We found that they have done the
6 examinations as they were directed to and they
7 identified what we call indications in that piping.
8 And they talked themselves out of the fact that it was
9 cracked and they thought it was what we call john-drew
10 or some other condition by doing an additional
11 examination when, in reality, it was cracking. So
12 we've cited them for that.

13 And, lastly, Unit 1, more inaccurate
14 information regarding the status of the ratlace
15 facility. They told -- they sent us a letter and they
16 said, "We did a root cause analysis back in December"
17 and we found out that they really hadn't done a root
18 cause analysis until January. But they sent us a
19 letter in December that said that they'd done it. So
20 it's obvious that it couldn't have been true at the
21 time.

22 Now, lastly, let me discuss -- we've
23 issued a confirmatory action letter, among the list of
24 things that we have. But a confirmatory action letter

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1 is one notch below kind of issuing an order which has
2 status.

3 A confirmatory action letter is where
4 you've identified a situation that doesn't -- hasn't
5 quite risen to a level where we can issue an order.
6 But we send a letter back to the utility to establish
7 on the docket commitments that they make that we will
8 hold them to.

9 Now, behind every confirmatory action
10 letter, if they don't comply with that, there's the
11 potential that we would issue an order. So -- and the
12 confirmatory action letter back in December -- the
13 utility periodically sends their licensed operators
14 through training and they also send them through for an
15 operator to become a Senior Reactor Operator. He has
16 to go take an examination. And the NRC monitors these
17 examinations.

18 Back in December, the Unit 1 sent seven,
19 I think it was, operators for upgrade to Senior Reactor
20 Operator and six of the seven failed the examination.
21 And that -- the utility did an event response team to
22 find out what happened. What went wrong? And in doing
23 so, that event response team identified that the
24 information that was supplied to the agency on the

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1 applications was incomplete and, in some cases,
2 inaccurate.

3 Now, what had happened -- let me give
4 you an example. You're supposed to have 512 hours of
5 on-the-job training under the supervision as part of
6 that upgrade training. Well, some people had 504
7 hours. They'd miscounted the hours. They're supposed
8 to have five manipulations of reactivity. That's
9 actually manipulating the reactor itself.

10 There was some question about how they
11 counted each one of those manipulations and whether
12 some of them were double-counted, if you will.

13 So there's questions concerning just how
14 accurate that information was and are these people
15 truly qualified. So the utilities expanded their
16 investigation of this to see how widespread it was.
17 They've also identified it not only affected Millstone
18 1, 2 and 3, but Haddam Neck because it's all part of
19 the same training program. And they withdrew the
20 applications for the seven reactor operators that were
21 to be upgraded.

22 Now in that confirmatory action letter
23 there are nine stated commitments that we essentially
24 wrote back to them. One, they will submit a complete

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1 corrective action plan, including a schedule for
2 addressing each of the identified IRT, inspection
3 response team, witnesses and a review of the extent of
4 the problems and root causes for the training area to
5 the NRC staff by April 2, 1997 as part of the
6 corrective action plan, clearly defining roles and
7 responsibilities for completing NRC 398. That's the
8 form that they supplied the inaccurate information on.

9 Complete corrective actions for the
10 Millstone 1 LOIT, which is the license to operator
11 initial training. When you want to become a reactor
12 operator, there's initial training that you have to go
13 through. LOUT, which is license to operator upgrade
14 training. That's if you want to become, once you're a
15 reactor operator and you want to become a Senior
16 Reactor Operator, you get an upgrade training.

17 Complete corrective actions for
18 Millstone 1 LOIT and LOUT program prior to restarting
19 respective classes. So before they do any more
20 training.

21 Complete corrective actions for
22 Millstone 2 LOIT -- that's the initial training --
23 prior to restarting LOIT training classes.

24 Complete corrective actions for

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1 Millstone Unit 3 LOIT and LOUT programs prior to NRC
2 examinations of the current class.

3 Conduct a thorough review of the
4 Millstone 3 LOIT program against the accredited program
5 requirements prior to submittal of the license
6 application to the NRC.

7 Six, forward the scope of NRC Form 396
8 medical certifications process review and its expected
9 completion dates for Millstone 1, 2 and 3 and Haddam
10 Neck, Plan A, April 2, 1997.

11 Seven, submit the results of the HNP
12 data review -- acronyms again -- of the LOIT, LOUT
13 programs to the NRC by April 2, 1997.

14 Eight, submit the results of initial
15 reviews of additional classes on all the units to the
16 NRC by March 15, 1997.

17 And, nine, complete specific reviews of
18 the HNP and LOIT license operator regualification
19 training program by April 4, 1997.

20 So that's what we found. They're in the
21 process of completing these actions. And there will be
22 more to come on that.

23 Okay. Do you want to take questions
24 now?

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1 MR. LANNING: Questions? Anybody have
2 questions? Yes.

3 MR. DON DELCORE: Do you want me to sit
4 there?

5 MR. LANNING: Please. Use the
6 microphone.

7 MR. DELCORE: I presume we were talking
8 about Inspection Report 9609.

9 MR. DURR: That's correct.

10 MR. DELCORE: And you characterized
11 three violations?

12 MR. DURR: Yes.

13 MR. DELCORE: But, in fact, there were
14 about ten. Correct? There were seven that weren't --

15 MR. DURR: There's --

16 MR. DELCORE: That were not issued
17 notice of violations.

18 MR. DURR: There was three violations
19 and seven apparent violations, yes.

20 MR. DELCORE: Well, apparent violations
21 are still violations, though. Right?

22 MR. DURR: Yes. But they are pre -- a
23 final decision has not been rendered on them at this
24 point in time. So what it means is that the NRC will

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1 take under advisement these issues and they may --
2 upper management still has the prerogative of making a
3 determination of whether there are, in fact, violations
4 or not. And then additional action will be issued on
5 that. So that's why they're called, quote, "apparent
6 violations" vice a violation. We differentiate.

7 MR. DELCORE: No. I understand that.
8 But they apparently were put back with another
9 enforcement conference, from what I could read here.

10 MR. DURR: Yes. The December -- that's
11 correct. Some of those issues will be rolled into the
12 December 5 enforcement package where we have like 60 or
13 70 issues. These are examples of the same kind of
14 thing. And so right now, the management is under
15 consideration of tying these things into that same
16 package.

17 MR. DELCORE: For adjudging how much
18 civil penalty or how much --

19 MR. DURR: Right. That's correct.

20 MR. DELCORE: Okay. Okay. Let's go
21 back to the violations that you did document. It looks
22 like two of them were violations of procedures. And
23 I'm sure that, at least from my recollection of reading
24 at least this year's inspection reports, that's not the

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1 first time that they've had a violation of their
2 Technical Specification 6.8.1 and your Regulatory Guide
3 1.33.

4 MR. DURR: That's correct.

5 MR. DELCORE: Why were they issued a
6 Level 4?

7 MR. DURR: Why were they -- I'm sorry.
8 Why were they issued a Level 4?

9 MR. DELCORE: Yes. Yes. They had -- in
10 this particular inspection report, they had two
11 violations of failure to follow a procedure that I
12 could see. And it's probably not less than the tenth
13 or twentieth time this year that they've not followed a
14 procedure.

15 MR. DURR: Well, I don't --

16 MR. DELCORE: Yet, they've been issued a
17 Level 4.

18 MR. DURR: There haven't been 10 or 20
19 in 1997.

20 MR. DELCORE: No?

21 MR. DURR: Not in 1997. Maybe 19 --

22 MR. DELCORE: No. 1996. Yes.

23 MR. DURR: 1997 has --

24 MR. DELCORE: Well, this is a 1996

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1 report.

2 MR. DURR: That's correct.

3 MR. DELCORE: Okay. So why wouldn't you
4 not accelerate those?

5 MR. DURR: Because they -- what you do
6 is -- the process is -- let me explain to everybody the
7 process. Once -- once we determine that it's a
8 violation, then you have to go through the NRC
9 enforcement policy to determine whether it's a Level 4,
10 3, 2, 1, 1 being the most severe and Level 4 being the
11 least severe, or even less than that is a non-cited
12 violation which we can identify a violation which we
13 don't take any action on because it's really -- I don't
14 know how else to characterize it, but --

15 Once we get into that process, it's run
16 through the criteria in the enforcement policy which is
17 in what we call a nuke record which is a document that
18 we issue, 1600, which provides the basis for how we
19 will assess the severity level of these penalties.

20 And so these rose in management's
21 judgment to a Level 4 severity.

22 MR. DELCORE: I was just curious how you
23 go to that when we've had so many technical
24 specification failure to follow procedure violations

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1 this year. In other words, what you told me before we
2 you took these seven apparent violations and you put
3 them in with the previous enforcement conference and
4 then you're going to weigh them as to what the total
5 civil penalty will be or what level violation.

6 MR. DURR: Yes.

7 MR. DELCORE: But looking back at the
8 last year, at the 10 or 20 that we had, we're not doing
9 that. I wonder why that is.

10 MR. DURR: Looking back --

11 MR. DELCORE: Well, looking back at the
12 10 or 20 violations that we've had of procedures this
13 year, we're not putting them in a pool and deciding
14 maybe we should accelerate it to a Level 3 to maybe
15 send a message that we don't want them to violate
16 procedures any more.

17 MR. DURR: Well, I think -- I think if
18 you look at the enforcement package that we discussed
19 on December 5, that message is in there. It's in that
20 package.

21 MR. DELCORE: Not following procedures?

22 MR. DURR: Right. Yes. The report
23 cited violations in there, yes.

24 MR. DELCORE: Then why wouldn't these be

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1 included in that package, too, then?

2 MR. DURR: Because we didn't believe --
3 management didn't believe that they rose to that level
4 that they warranted an escalated enforcement.

5 MR. DELCORE: I'm just trying to point
6 out the variations that we see in these inspection
7 reports almost constantly.

8 MR. LANNING: Jacque, let me add to the
9 discussion here. The enforcement policy which contains
10 our guidance for escalating, for example, 4's to 3's
11 can be done. But it's usually -- it's complex. But,
12 simply stated, it has to be essentially the same root
13 causes. In other words, there are many ways to violate
14 procedures, for example. And so in order to escalate
15 several 4's into a 3, you need the same root cause
16 essentially is part of the guidance.

17 And so in the judgment of the
18 enforcement panel, these really didn't rise to that
19 occasion, had different root causes or they were just
20 violations of failure to follow procedures.

21 MR. DELCORE: It almost seems like, to
22 me, that somebody is not going back and looking at
23 them. That's what it really looks like to me.

24 MR. LANNING: I can assure you as part

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1 of the enforcement panel we go back and look at
2 previous history.

3 MR. DELCORE: Next meeting, if we could
4 talk about this again, I'll bring up the 10 or 20 that
5 are there and we'll see how closely they look at one
6 another.

7 Thank you.

8 MR. LANNING: Okay.

9 MR. DURR: Any other questions?

10 Thank you.

11 MR. LANNING: Okay. Mr. Imbro will now
12 summarize today's discussion about the ICAVP and the
13 selection of the contractor at Unit 2.

14 MR. IMBRO: One of the things discussed
15 today by Mr. Kenyon was the fact that the licensee has
16 somewhat altered their schedule and the fact that
17 someone moved away from the parallel approach in some -
18 - in a manner and that designated Unit 3 as lead unit
19 for ICAVP. And the ICAVP for Unit 3 will -- the date
20 remains the same as previously advertised as May 8 as
21 of now.

22 Unit 1 ICAVP was proposed to start on
23 April 10. But that has been -- that has been delayed.
24 And so no schedule has been announced yet for Unit 2

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1 and Unit 1 in terms of ICAVP, except that they will
2 follow the Unit 3 ICAVP, which again is supposed to
3 start on May 8.

4 Mr. Kenyon also stated that they still
5 intend to hold reasonably close to the projected dates
6 for restart, although they would be delayed slightly
7 for the units. And it's still advertised that one
8 unit, not saying which, would start probably the third
9 quarter of this year, in his estimation, the company's
10 estimation, one would start in the fourth quarter of
11 this year and another would start in the first quarter
12 of next year. We feel that they have a lot of work to
13 do to get there. But, anyway, that is the schedule
14 that they're advertising right now. And, clearly, we
15 need to do a lot of oversight between now and then.

16 Again, we're not going to be driven by
17 that schedule necessarily. We need to do what we --
18 well, what we have to do to assure that the plants,
19 when they are started, if they are started, are started
20 in a safe manner and comply with the regulations. So
21 if we can accomplish that within the schedule, fine.
22 And if we can't, then we'll have to revisit that.

23 There was -- let me, I guess, talk a
24 little bit about the status of selection of -- approval

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1 of Sergeant & Lundy for Unit 1 and Unit 3 ICAVP
2 contractor. As you all -- most of you have been here
3 before. Sergeant & Lundy is proposed to do the ICAVP
4 for Unit 1 and Unit 3. We're still evaluating the
5 submittal. We've asked -- wrote a letter to the
6 licensee, oh, probably early -- it went out earlier
7 this week or late last week -- asking some additional
8 questions on independence.

9 The questions focused on two primary
10 areas. One was the question regarding restriction of
11 future work. The licensee proposed that the future
12 work would be restricted at Millstone. We felt that
13 was not appropriate or not adequate. We suggested that
14 Sergeant & Lundy be restricted for one year from any
15 work at NU after the completion of the ICAVP. So
16 that's one of the issues that the licensee needs to
17 respond to.

18 The other issue was concerning again
19 independence, but ownership interest. In the
20 information that the licensee had sent us previously,
21 there were statements that while Sergeant & Lundy as an
22 entity didn't own NU stock, their retirement plan may
23 have owned or may own NU stock, and also the thrift
24 savings plan that the employees invest in may own NU

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1 stock. And, again, the information that they had
2 provided was that these are managed -- the retirement
3 plan is managed by a trustee, so they don't really have
4 control over -- Sergeant & Lundy doesn't have control
5 over what's bought and sold. But we still felt that we
6 needed more information as to how the money was
7 invested and whether or not they did own NU stock.
8 And, again, we're awaiting a response on that.

9 So we still haven't made a decision yet
10 on the approval of Sergeant & Lundy. So we're waiting
11 for that information.

12 In terms of Unit 2, a presentation was
13 made on the Unit 2 ICAVP proposal by Northeast to have
14 Parsons do the ICAVP for Unit 2. Part of the meeting
15 tonight is to solicit input from you all on that.

16 But let me go through a little bit what
17 was mentioned today. Again, Unit 2 proposal for
18 Parsons was submitted on the docket, I believe on the
19 14th of February. It's been in the PDR, local PDR. So
20 I assume you've had a chance to look at that.

21 A couple of things that I'll go through
22 is that -- just to summarize what the licensee
23 mentioned today. Parsons has no financial interest in
24 NU and neither they nor their retirement plan was

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1 stated has a financial interest in NU or any ownership
2 interest in NU.

3 Parsons is doing no current work at NU.
4 But they have done previous work for the licensee.
5 Approximately five million dollars' work over the last
6 ten years. Out of that 500 million -- or five million
7 -- excuse me -- five million dollars, about 460,000 of
8 that was nuclear-related. The rest is fossil
9 transmission work, you know, power lines, et cetera.

10 And Parsons -- to put that in context,
11 basically a billion dollar a year company. That's how
12 much their revenue is. So it's a small amount.

13 And, again, Parsons also is doing no
14 work -- they're not connected with NRC in any way.
15 And, also, the team members, of course, are independent
16 in terms of they have not worked -- I think only one of
17 the proposed team members worked for a brief period, if
18 I remember correctly, on Unit 1 and there was no work
19 on Unit 2. But that's something we need to evaluate.
20 But primarily, the balance of the team, which is
21 roughly about 40 people, has not had any connection
22 with Northeast.

23 So that's essentially a summary. We
24 asked additional questions for Northeast to

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1 characterize some of the previous nuclear work that was
2 done. The description in the submittal is somewhat
3 sketchy. And they would indicate or could indicate
4 that they may have -- they, Parsons, may have been
5 involved with some programs, for example, energy line
6 break and MIV's, I believe. In any case, the licensee
7 is going to give us additional information. Although,
8 they did indicate that it was more of a, I guess, a
9 flow chart review in that they provided guidance, I
10 think, as to what was typically done in the industry
11 rather than creating a program for the licensee,
12 described how a program would typically be created, if
13 I understand that correctly. So they didn't really
14 create programs for the licensee to use but indicated
15 how programs could be constructed.

16 And in any case, they're going to
17 provide additional information on that to us and then
18 we will further evaluate that.

19 So that's kind of a synopsis of where
20 NRC is and where the licensee is in terms of ICAVP.

21 Are there any other -- any questions or
22 any input on the selection of Parsons?

23 Since you had a chance, Don, let me talk
24 to Paul Blanche first.

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1 MR. PAUL BLANCHE: Yes. I'm Paul
2 Blanche. I'm here speaking as a member of the public
3 but also because I was part of the NEAC sub-committee
4 reviewing the ICAVP process with respect to Sergeant &
5 Lundy. And I could see inconsistency here in the
6 evaluation criteria. And I refer to Slide -- I think
7 it's 50, which is financial and organizational
8 independence that was presented this afternoon. Gene,
9 I think you just went over this.

10 One of the problems I had with Sergeant
11 & Lundy is that they were doing quite a bit of work,
12 similar work, for the NRC, similar ICAVP processes.
13 That was not considered a negative for Sergeant & Lundy
14 at least in the NRC's evaluation process. But now I
15 see the presentation this afternoon where it says
16 Parsons is doing no work for the NRC.

17 It seems to be inconsistent criteria in
18 the evaluation of the ICAVP contractor where in one
19 case, because they're doing no work for the NRC, well,
20 that's good; in another case with Sergeant & Lundy,
21 they're doing a lot of work for the NRC, but that's not
22 mentioned. So it seems to be somewhat inconsistent
23 here as far as the evaluation criteria.

24 DR. BILL TRAVERS: Maybe I can take a

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1 shot at that, Paul Blanche.

2 MR. BLANCHE: Okay.

3 DR. TRAVERS: They didn't say that this
4 was evaluation criteria. I don't know if it was or it
5 wasn't. They pointed it out. And I suspect -- and I
6 don't know -- that one of the reasons they may have
7 pointed this out is because in the case of Sergeant &
8 Lundy it has been an issue. People have raised it as
9 one issue of concern that we had discussed.

10 I suspect -- and I was surprised to see
11 it on this slide as well. I was, frankly, surprised to
12 see the utility point this out. It's our issue really
13 in the context of Sergeant & Lundy or anyone else doing
14 work for us and whether or not that should be viewed in
15 perspective as a conflict in any sense.

16 So we'd have to ask Northeast as to
17 whether or not they used it as an evaluation criteria.
18 They didn't say they did in this meeting. But perhaps
19 they did. Ultimately, though, we have to approve the
20 organization. And that aspect of what they've listed
21 on this slide is not a criteria that we have in the
22 order as stated.

23 MR. BLANCHE: You know, it just gives
24 the appearance that they're pointing out with Parsons

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1 that there is no conflict because Parsons is doing no
2 work for the NRC but, yet, there may be a conflict with
3 Sergeant & Lundy. That's what I want to point out --

4 DR. TRAVERS: It certainly could lead
5 you there.

6 MR. BLANCHE: Okay. That was my
7 question. Thank you.

8 DR. TRAVERS: I was surprised to see it
9 as well.

10 MR. BLANCHE: Okay. Thanks.

11 MR. IMBRO: There were some other hands.
12 Don?

13 MS. ROSEMARY BASSILAKIS: I have a
14 question.

15 MR. IMBRO: All right. Well -- all
16 right. Let Mr. Delcore --

17 MS. BASSILAKIS: Oh. I'm sorry.

18 MR. IMBRO: -- have his turn and then
19 you can come up, Rosemary.

20 MR. DELCORE: Don Delcore from
21 Uncasville. This is with regard to the Unit 3 ICAVP
22 readiness that was discussed today. I'd like to be
23 sure that I have this correct. But I think at one time
24 we got some information when you discussed the ICAVP,

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1 the configuration management program kind of drove the
2 whole system and that there were some Maintenance Rules
3 1, 2 and 3.

4 MR. IMBRO: Yes.

5 MR. DELCORE: And from that
6 configuration management and those maintenance rules,
7 we derived safety significant systems and risk
8 significant systems and then a combination of risk
9 and/or safety significance, which essentially assembled
10 the systems that we really needed to take a look at.

11 MR. IMBRO: That's right. The Group 1
12 and Group 2 systems.

13 MR. DELCORE: And back in the old --
14 yes. Right. Maintenance Rules 1 and 2 systems. Back
15 in the old days when we first started talking about
16 ICAVP for Unit 3 and trying to get ready to pick a
17 contractor, we were talking about 83 systems.

18 MR. IMBRO: That's right.

19 MR. DELCORE: And now we're talking
20 about 36, it looks like.

21 MR. IMBRO: No. Well, let me explain
22 that because I think I can clarify. 83 are the number
23 of population of Group 1 and Group 2. So there are 83
24 Group 1 and Group 2 systems. What the order said was

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1 that --

2 A VOICE: For Unit 3.

3 MR. IMBRO: For Unit 3. The order said
4 that the ICAVP could start when half of the Group 1
5 systems were finished CMP. And the licensee was
6 willing to attest that they identified all the
7 problems. So the discovery phase was done.

8 There are roughly 36 or some-odd, 37,
9 Group 1 systems. So the number that you heard today,
10 18 --

11 MR. DELCORE: Right.

12 MR. IMBRO: -- was half. So that would
13 say at that point we would select or we could select up
14 to three systems to have the ICAVP start. But we
15 wouldn't select the last system, the last of the four.
16 But that's where the 18 came from, was half of the
17 Group 1 systems for Unit 3.

18 MR. DELCORE: I'm not asking where the
19 18 came from. I understand that. What I'm confused
20 about is what happened to the remainder of the
21 difference between the 36, which was the total 100
22 percent of the 18, and the original 83, which were
23 considered risk -- safety or risk significant systems
24 that everybody wanted to take a look at. It looks to

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1 me like we've whittled down the original 83 systems to
2 36, Gene.

3 MR. IMBRO: That's our understanding is
4 that the licensee is complete the CMP in the same
5 fashion for the 83 systems as they will for the 18 to
6 start the ICAVP. In fact, our process will assure it
7 because we're going to not pick the last system for
8 ICAVP review until they have completed all 83 systems.

9 MR. DELCORE: So what you're saying to
10 me is that they're all systems that need to be looked
11 at in terms of risk or safety significance. But we're
12 only going to look at those in Maintenance Group 1,
13 which total about 36, and we're going to look at -- as
14 soon as they have 50 percent ready, we're going to look
15 at three of those.

16 MR. IMBRO: We could look at up to three
17 of those or even none, depending on -- if they weren't
18 the systems that we felt were appropriate for the ICAVP
19 to look at in terms of, you know, very small-scope
20 systems, for example, we may delay starting the ICAVP
21 until they provided an adequate sample for us to choose
22 from.

23 MR. DELCORE: Let's say out of the 36
24 that you don't have an adequate sample that you feel is

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1 there. Are you going to go to the other 40-some-odd?

2 MR. IMBRO: We'd probably select some of
3 the systems from the Group 2 systems anyway. So the
4 answer is probably yes. But I believe that from the 36
5 Group 1 systems, some of those are reasonable ones to
6 choose.

7 MR. DELCORE: Then I'm still confused as
8 to why we eliminated the Group 2 systems?

9 MR. IMBRO: Well, we didn't. I mean I'm
10 just saying that the ICAVP can start when half of the
11 Group 1 systems are done, at the earliest.

12 MR. DELCORE: Okay.

13 MR. IMBRO: Now, we haven't really
14 eliminated the rest of the systems. In fact --

15 MR. DELCORE: That I understand.

16 MR. IMBRO: -- when we select the last
17 system, it will probably be one of the others.

18 MR. DELCORE: Okay. Then I understand.
19 What I was trying to find out is whether we're still
20 looking at 83 systems.

21 MR. IMBRO: Yes, we are.

22 MR. DELCORE: Okay.

23 MR. IMBRO: Yes.

24 MR. DELCORE: So we're still doing some

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1 four percent of the total? In other words, you guys
2 are going to look at two, one of which will be one of
3 the four ICAVP's --

4 MR. IMBRO: One which they look at, one
5 they don't look at. And one that's --

6 MR. DELCORE: And one that you guys are
7 going to look at. And they're going to look at four.
8 So four and one is five systems out of 83.

9 MR. IMBRO: That's right.

10 MR. DELCORE: Okay. So that answers
11 that question. And I think that's all I have on ICAVP.

12 MR. IMBRO: But you can't really -- let
13 me add to that. You can't go away with the impression
14 that just four systems or five systems are going to be
15 looked at because I think the Tier 2 review is fairly
16 significant in that they will have to -- part of the
17 ICAVP is for them to go through all the analyzed
18 Chapter 15 accidents and select critical
19 characteristics and review the design of those
20 particular systems and access mitigation systems to
21 assure that they will meet the Chapter 15, what they
22 stated in the FSAR. So it's a lot broader. It's four
23 systems plus a lot -- many other systems besides the
24 four are going to be looked at in some fashion to

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1 provide additional assurance that they can mitigate the
2 accidents that they've analyzed.

3 MR. DELCORE: I think I understand that.
4 But I think if you look at the 50.54f issue, which was
5 the fact that they did -- they were outside their
6 design basis and it was so pervasive at Millstone that
7 originally when Shirley Jackson and gave us a proposal
8 in August, August 6 to be exact, the idea was that we
9 wanted to get a determination that all of these systems
10 were within the FSAR, were within the license and
11 design requirements. And in order to do that, that
12 would take a talk-down and a verif -- the verification
13 that she explained to us was going to be unusual and
14 that we had to do this because of the findings at
15 Millstone. Because of, what, a 7000 inspection or
16 whatever that magic --

17 MR. IMBRO: A square 7007?

18 MR. DELCORE: 7007 inspection that said,
19 "Boy, this is a pretty big problem. It's really
20 pervasive throughout this site."

21 DR. TRAVERS: I don't want to
22 underestimate or to leave you with the impression that
23 the effort is not going to be a tremendous one. It's
24 going to take a lot of our resources. It's going to

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1 take a lot of effort on whoever the contractor is that
2 carries it out.

3 And, frankly, there's a potential if
4 issues are identified -- you've got to think of the
5 ICAVP and the NRC verification effort as just that,
6 verification. We're not part of the resolution phase.

7 What we expect will occur prior to ICAVP
8 and prior to NRC start is that the CMP program for
9 those 83 systems will have done the job. If it
10 doesn't, there's a potential for us increasing the
11 scope of what we look at. There's a potential for us
12 pulling back and telling them they're not ready. So
13 there's a penalty or there's a potential penalty to pay
14 if they haven't carried out their end of the bargain.

15 MR. DELCORE: I understand that. But
16 we're still only looking at some four percent of the
17 total systems that we feel are out to lunch that we
18 want to take a look at. That's all I'm asking.

19 DR. TRAVERS: That's correct. But there
20 also is Tier 2 and the Tier 3 effort that we think in
21 terms of what we have done on an agency basis is quite
22 extraordinary and is going to be a very big effort and
23 we think it's going to give us a very good handle on
24 the adequacy of what they've done.

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1 MR. IMBRO: Rosemary?

2 MS. BASSILAKIS: Rosemary Bassilakis. I
3 live in Haddam, Connecticut. If you don't mind -- I
4 should have asked this before this part of the
5 discussion. But can you give us a sense on how close
6 you are to determining the penalty that Millstone will
7 be receiving due to the December 5 enforcement
8 conference?

9 MR. LANNING: Yes. I'll answer that.
10 That's -- before you came in, we were setting some
11 ground rules --

12 MS. BASSILAKIS: Okay.

13 MR. LANNING: -- that we want to just
14 limit it to the topic that we're discussing.

15 MS. BASSILAKIS: Mm-hmm.

16 MR. LANNING: That's still under
17 advisement by the staff. And so the final
18 determination has not been made.

19 MS. BASSILAKIS: It's somewhat pertinent
20 in that if we're seeing similar violations, then
21 perhaps we need to see a civil penalty very soon. So I
22 see it as somewhat related.

23 MR. LANNING: Yes.

24 MS. BASSILAKIS: In regard to the topic

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1 of discussion, the one billion dollars per year that
2 you said that Parsons Power has as income --

3 MR. LANNING: Yes?

4 MS. BASSILAKIS: -- is that Parsons
5 Power itself? Because Parsons has many sub-groups as
6 part of the company. And I would like to know if
7 that's the company as a whole or Parsons Power itself.
8 There's probably about five different sub-groups of
9 Parsons.

10 MR. IMBRO: I believe it's -- I believe
11 it's the whole company. But I thought -- if I'm not
12 mistaken, I think Parsons Power is the whole company.

13 MS. BASSILAKIS: No.

14 MR. IMBRO: But they absorbed Trolsty,
15 Main and Gilbert. They're all sort of under the
16 Parsons Power umbrella now.

17 MS. BASSILAKIS: Okay.

18 MR. IMBRO: They're not individual
19 entities any more. So I think it's one -- I think it's
20 one -- I may be mistaken. But I think it's one group.

21 MS. BASSILAKIS: I saw it as -- I looked
22 at the home page and I saw it as Parsons having like
23 five different sub-companies and Parsons Power is one
24 of them. There's an engineering group and -- I don't

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1 remember all the others. But it might be worthwhile to
2 make sure that that one billion is representative of
3 Parsons Power. Otherwise, it's very misleading. I --

4 MR. IMBRO: I'll check it.

5 MS. BASSILAKIS: Okay. I looked through
6 the resumes real quick, noticed that there was no names
7 on any of them. I was wondering why that is.

8 MR. IMBRO: Well, it's the same -- you
9 probably noticed the same thing for the Sergeant &
10 Lundy proposal.

11 MS. BASSILAKIS: No. I actually didn't
12 get to review those.

13 MR. IMBRO: Okay. Well, there were no
14 names on those, either, because we didn't want people's
15 careers possibly to be impacted negatively if we
16 decided that they weren't qualified to do the ICAVP.

17 MS. BASSILAKIS: I see.

18 MR. IMBRO: So that was a conscious
19 decision made up front --

20 MS. BASSILAKIS: okay.

21 MR. IMBRO: -- that the people would be
22 identified by number and we could reference the people
23 by number. And then if we decided that someone was not
24 -- didn't have the particular qualifications to do

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1 ICAVP, then we could -- we didn't have to name the
2 person and probably cause his -- or possibly cause his
3 career some harm.

4 MS. BASSILAKIS: Okay. In looking over
5 some of the resumes, one of the things -- and it's
6 hard. I mean there's a million of them, it seems like.
7 There's just pages and pages and pages. And you feel
8 like you're reading the same thing over and over again.

9 But one of the things that I noticed was
10 that a number of the workers in question here had
11 worked on Crystal River 3, the unit in Florida, as well
12 as Peach Bottom. And the flag that went up in my head
13 was that these reactors were recently put on the NRC
14 watch list. And then I realized -- you know, I wonder
15 how much people look into whether or not any of these
16 workers have had involvement with watch list reactors
17 and, if they have, what kind of involvement did they
18 have and did their work in any way contribute to the
19 watch list status. And I was wondering if you could
20 comment on that.

21 MR. IMBRO: No. We really haven't
22 looked into that. But I mean you're correct because
23 Crystal River 3, I believe, was designed by Gilbert
24 Commonwealth and I think probably Peach Bottom, also.

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1 So I mean I don't know to the extent any of the people
2 -- or to what extent the people had involvement or
3 whether they were somehow related to some of the
4 problems these plants are experiencing now.

5 MS. BASSILAKIS: Well, who is
6 responsible for reviewing resumes? Whose job is that?

7 MR. IMBRO: Well, it's probably my --
8 under my responsibility.

9 MS. BASSILAKIS: Oh.

10 MR. IMBRO: My responsibility to look at
11 that.

12 MS. BASSILAKIS: Okay. Well, it's
13 interesting. I don't know. It might be worth looking
14 into.

15 The last thing -- and this may be
16 redundant, having you comment on this, but it keeps
17 coming up for me. And I'm wondering how are you going
18 to assure that the sampling that they look at is
19 representative? I know it's worded in the -- I don't
20 know -- whatever letter it is, stating IC -- whatever -
21 - whatever it is.

22 A VOICE: ICAVP.

23 MS. BASSILAKIS: ICAVP. I'm just -- can
24 you reiterate on how you're going to assure that it's a

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1 representative sample of all the systems?

2 MR. IMBRO: It's representative in two
3 ways. The first being that -- and I know we've had
4 this discussion before -- that they're not going to
5 pre-identify the systems and the systems will be picked
6 without the knowledge of the licensee or anyone for
7 that matter, other than probably a few people within
8 NRC. That's the first aspect.

9 The second aspect would be, again, we're
10 not going to pick all sample from the first 18 or
11 however many systems are half of Group 1. We're going
12 to hold at least one system back until all the CMP is
13 completed so that then that -- that makes the process
14 more objective in that no one even -- you know, we're
15 not going to know which system we pick. But they would
16 be able to, you know, pick evenly or, I guess, from all
17 the 83 systems, to use Unit 3 numbers. So that would
18 be additional incentive for the licensee to do as good
19 a job on the last one as they did on the first few
20 because they don't know which system we're going to
21 pick.

22 And I guess probably the other important
23 facet is we've given the public the opportunity to
24 suggest up to two systems that we may consider for

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1 inclusion in ICAVP. When I say the public, Bill has
2 corrected me, it's NEAC, which is right.

3 MS. BASSILAKIS: Right.

4 MR. IMBRO: And so -- and the process
5 that you use to pick is -- could be determined by you.
6 I think the only caveat we would put on it is that we
7 would sort of pre-approve a class or a group of systems
8 and say, "Okay. Pick however you want of any of
9 these." So that further lends objectivity that's more
10 of, you know, an independent, open process. So I think
11 those are the three principal aspects to that.

12 MS. BASSILAKIS: Okay. Thanks.

13 MR. LANNING: Anyone else? Yes? Mark?

14 MR. MARK HALLOWAY: Good evening. I
15 noticed that when you were talking about Sergeant &
16 Lundy and some questions you had about their
17 independence, you asked that -- the two points. One of
18 them was a restriction of future work. You're going to
19 request that they be restricted from future work on all
20 units for the period of one year?

21 MR. IMBRO: Oh, throughout -- for all of
22 NU, not -- beyond Millstone. It includes Seabrook, CY,
23 Haddam Neck.

24 MR. HALLOWAY: In the Parsons proposal

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1 dated February 14, on the second page I notice it says
2 "Parsons does not own or control any stock of NU or its
3 subsidiaries and has committed to do no follow-up work
4 associated with ICAVP for Millstone Unit 2 for a period
5 of one year after completion of the project." Are you
6 going to hold Parsons Power Group to that same limit?

7 MR. IMBRO: Yes. And we raised that as
8 an issue this afternoon. Yes.

9 MR. HALLOWAY: So that will be an issue?
10 Okay. I -- you probably don't want me to say next.
11 Are you also going to look into the fact that the
12 possibility that Parsons might have some 401K ownership
13 in their plans like you have for Sergeant & Lundy?

14 MR. IMBRO: Yes. I would -- well, it
15 was stated today that, at least for the retirement
16 plan, that wasn't the case. But we would be looking
17 also for a statement of ownership interest from Parsons
18 similar to what we got from S&L. And that type of
19 information, it would be disclosed in that.

20 MR. HALLOWAY: Now, is this portion of
21 the meeting restricted to speaking about the ICAVP?

22 MR. IMBRO: Just the ICAVP --

23 MR. HALLOWAY: Okay.

24 MP. IMBRO: -- selection of Parsons.

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1 MR. HALLOWAY: The figure of five
2 million dollars was mentioned. And I see that that's
3 over a 10-year period.

4 MR. IMBRO: That's right.

5 MR. HALLOWAY: That's not considered
6 significant because of the volume, the billion dollars'
7 worth of sales.

8 MR. IMBRO: We haven't really come to a
9 conclusion on that. But you have to remember also that
10 that five million dollars, most of that was work on the
11 fossil side, either in coal-fired or gas-fired plants,
12 or else transmission distribution system work. In
13 other words, power lines, power distribution system.
14 So only -- of the - I mean to put it even more in
15 context, about a half a million, I think \$460,000.00 to
16 be exact, was work that they did on nuclear. But,
17 again, we haven't made any decision yet. But I mean it
18 seems like a rather small fraction.

19 MR. HALLOWAY: Yes. But, you know,
20 we're talking, to paraphrase someone, a million here, a
21 million there, pretty soon you're talking about a lot
22 of money.

23 MR. IMBRO: Sure.

24 MR. HALLOWAY: Is there a magic figure

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1 that you have in mind that says --

2 MR. IMBRO: No. We -- No.

3 MR. HALLOWAY: As far as a percentage of
4 gross annual income, something like that?

5 MR. IMBRO: No. I don't think we have
6 any hard and fast rules.

7 DR. TRAVERS: We don't. And I think
8 this lends itself to the issue that we've talked about
9 before. And that is what does this mean, independence?
10 And, clearly, if you take it in its absolute sense,
11 independence can mean something more than what we had
12 intended when we heard the order. For example, you
13 could take it that it shouldn't be an organization that
14 has any interest in the nuclear industry at all.

15 What we found as a practical matter and
16 certainly I think what Northeast would find if they
17 went looking is that as a practical matter if you need
18 the kind of technical expertise to carry out this kind
19 of job, you're almost certain to have some relationship
20 to the industry to be able to have the technical
21 wherewithal to carry it out.

22 So what we're about certainly right now
23 is making a judgment on a -- not an absolute
24 independence, but on some reasonable level of

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1 independence as it might affect linkage to the nuclear
2 industry in general and even Northeast Utilities
3 specifically. And that's what we're about. And that's
4 why they're giving us information that gives us a sense
5 of the relevant involvement that companies like Parsons
6 or Sergeant & Lundy had in the past with the nuclear
7 industry and Northeast in particular.

8 MR. HALLOWAY: So you can -- will you be
9 making a distinction as to -- I noticed here when
10 you're talking about the types of monies that have been
11 spent on fossil fuel as opposed to nuclear fuel -- is
12 that going to have any sort of bearing on your decision
13 as far as the amount? I mean if this figure had been
14 50 million dollars, would it have all been spent in the
15 fossil --

16 DR. TRAVERS: We haven't finished the
17 review. But, certainly, we're going to take what they
18 tell us and consider it in the context of -- in
19 regional terms, should that be viewed as a real
20 impediment to viewing this organization as independent
21 from this utility? Can we reasonably expect that they
22 can be given a set of marching orders and carry it out
23 independently and give a credible report on the
24 subject? You know, I don't think -- we don't have -- I

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1 know we don't have a magic number that sets up the
2 criteria. The order was rather general in this
3 context. Now we're faced with making a judgment that
4 in some measure defines independence much more
5 specifically.

6 And what we intend to do is, in
7 generating an approval of an organization, if it's
8 Sergeant & Lundy or Parsons, is to characterize the way
9 we looked at it and the judgments we made. Right now
10 we're still in the process of doing that for both.

11 MR. HALLOWAY: Okay. The question of
12 subsidiary organizations was also brought up regarding
13 the -- I happen to work for an organization that
14 probably has -- is a corporation that probably has 75,
15 80 fully-owned subsidiaries. Is that something that
16 you will be looking into as a measure of the
17 independence?

18 DR. TRAVERS: Yes. But I'm assuming
19 that when Parsons said they -- the work they've done
20 previously for NU included work from all of their
21 subsidiaries, I think that was all-encompassing. I
22 mean it's a good point.

23 MR. HALLOWAY: Okay.

24 MR. IMBRO: But just to elaborate a

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1 little bit on what Bill said, I think the order
2 recognized this issue of in order to get someone to do
3 a credible review, you know, it would obviously have to
4 be someone that has done work in the nuclear industry.
5 And it also recognized that -- I better say it limited
6 the financial involvement to having not no prior work
7 at NU or no prior work for NU, but no current work for
8 NU. So it recognized that, again, it's a small
9 industry. So at some point in time almost everybody
10 has worked every place to some degree. So it comes
11 down to a question of degree. And so you look at the
12 five million dollars in the context of, you know, what
13 the gross company sales -- it's really -- it's not --
14 it's more or less of a subjective judgment. Again,
15 there are no hard and fast rules.

16 But the order didn't preclude people
17 from -- preclude people that had prior involvement with
18 the licensee. The question was not having current
19 involvement, which they don't. So maybe I'll leave it
20 at that.

21 MR. HALLOWAY: Okay. Thank you.

22 MR. DELCORE: I have one question.

23 MR. IMBRO: Okay, Don. Sure.

24 MR. DELCORE: I got a question with --

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1 really what I have with regard to was procedure. But I
2 think it's very applicable to ICAVP. And my interest
3 is the perception I got today sitting in the audience
4 was that NU was very far or very distant from really
5 having the total knowledge of its design or license
6 basis, its FSAR and updated FSAR as a reference. It
7 was almost like, "Well, you know, for what we have
8 already, we're going to write these procedures. But
9 when we finally get a license amendment approved and
10 when we finally get the document updated, then we will
11 do the modifications. And when all of that's there,
12 then we'll finally have a package where we're all
13 done." And it kind of looks like we're putting the
14 horse before the barn here by trying to take a look at
15 systems whereby we don't have the whole big picture.
16 I'm not --

17 MR. IMBRO: Yes. But what they're --

18 MR. HALLOWAY: I'm not trying to create
19 a delay. I'm simply saying to you as a bystander
20 standing out there, it doesn't look like they're ready.
21 And it looks like what they're really trying to do is
22 get a head start on a start-up to get some systems out
23 of the way first. And they look almost like they're
24 fitting the start-up to the availability of time, if

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1 you will.

2 MR. IMBRO: But, again, I think part of
3 the CMP process is to re-establish the licensing basis
4 for one and then the second part is to provide
5 assurance by looking at the design documents that they
6 comply with their licensing basis. So by the time CMP
7 is done, which is a prerequisite for the ICAVP, they
8 should -- they have to be able to conclude or they have
9 to stand up and raise their right hand and say that the
10 systems that they've completed have -- they identified
11 all of the deficiencies for those systems. So to get
12 to that point, they'll need to have recreated the
13 licensing basis for those systems.

14 MR. DELCORE: Yes. But I have some very
15 deep concerns in that, as you pointed out, there are 10
16 or 15 other related systems which are affecting the
17 risk significant or the safety systems that -- in other
18 words, from different aspects, from design basis
19 accidents and stuff like that. So I'm perceiving
20 sitting back there that things aren't ready yet. All
21 the license basis really isn't firmed up and completely
22 determined.

23 MR. IMBRO: Well, it's probably not.
24 But --

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1 MR. HALLOWAY: Without question for Unit
2 1. Without question for Unit 2. And I've got some
3 real reservations about what they got ready for Unit 3.
4 Like I said, sitting and listening to their
5 presentation --

6 DR. TRAVERS: Yes. We have to move on
7 to comments about the contractor. But the bottom line
8 is ICAVP is not part of the resolution process nor is
9 NRC review. When those things are turned on, they are
10 to have completed. And if they haven't, they'll suffer
11 the consequence of not having done the job right before
12 we get turned on.

13 MR. DELCORE: Then you as overseers
14 don't have any reservations about not having a license
15 basis and a USFAR and all of that?

16 DR. TRAVERS: Again, we've got to accept
17 comments at this point in the meeting on the ICAVP
18 contract.

19 MR. DELCORE: That's what this is.

20 DR. TRAVERS: No, it's not.

21 MR. DELCORE: Sure it is. It's
22 questioning why you're going to an ICAVP phase --

23 DR. TRAVERS: I'm answering your
24 question, I think. So let me answer it and then we'll

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1 move on. But the answer simply is we have a lot of
2 concerns. They include the ones you're stipulating.
3 We expect and we've tried to make our expectations very
4 clear to them and to the public that before ICAVP
5 starts and before NRC's inspection of these systems
6 starts, they have to have reconstituted their licensing
7 design basis for those systems.

8 MR. DELCORE: For those systems. But
9 not their whole design basis. And that's the issue,
10 Bill.

11 DR. TRAVERS: Let me finish then. As
12 Gene said and I'll say it again, we won't have
13 identified at least one, or perhaps more, systems for
14 ICAVP review until they're all done.

15 MR. DELCORE: Thank you.

16 MR. IMBRO: There's a gentleman in the
17 back.

18 MR. ROBERT FROMMER: Good evening.

19 MR. IMBRO: Good evening.

20 MR. FROMMER: Hi. My name is -- do you
21 need my name?

22 MR. IMBRO: Please.

23 MR. FROMMER: Sure. Robert Frommer, New
24 London. In reviewing your approach to ICAVP, I think,

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1 if I'm not mistaken, one of the main things that has
2 brought us to this position right now is the general
3 perception by the public of complete and total mistrust
4 of the NRC and NU. And I don't think you could relax
5 or relieve that mistrust until perhaps you take a
6 little different approach.

7 Now, we're dealing with two concepts
8 here. One concept is an actual conflict of interest
9 and the other concept is the appearance of a conflict
10 of interest. Both carry pretty much the same weight in
11 terms of the public's perception of the potential for
12 catastrophe, not actual catastrophe, but the likelihood
13 of catastrophe.

14 I think where you have a company such as
15 the companies you're proposing that, while they may not
16 actually have a direct conflict of interest, from the
17 comments I've heard tonight and the comments you've
18 heard and the entire process that's gone on here, there
19 is definitely a perception of a potential conflict of
20 interest.

21 So the question is we have a problem
22 now. And how do we create a resolution to this
23 problem? Well, there's various different options. One
24 option, obviously, is the one -- the tack you've taken

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1 or the NRC has taken is, "Hey, it's very, very, very
2 difficult to find anyone out in the industry in this
3 limited field that doesn't know somebody, doesn't have
4 contact with someone" and so forth and so on.

5 Well, that's true. That's a very
6 difficult field. It's limited people who have this
7 kind of highly sophisticated technical nature.

8 But there are literally, literally,
9 millions of engineers in the United States. And the
10 basic principles of engineering and physics and the
11 approaches, such as configuration management and so
12 forth and so on, are known by every qualified engineer
13 in the United States, I dare say, including myself
14 because I work for the U.S. Navy and I do that kind of
15 stuff. So this is not unique.

16 What's unique is the details, but the
17 principles and practices and concepts are not unique.
18 They're typical, well-known engineering, system
19 engineering practices.

20 So my suggestion to solve the problem
21 here, this dilemma that's been created, would be to
22 have -- if you're going to go down this road, which I
23 don't think is a good idea because it's to say that
24 this is the only engineering company that has the

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1 capability of performing this kind of work in the
2 United States. And I'm not sure that the NRC has
3 provided a data base of all the companies in the United
4 States that have this capability who refused to get
5 involved in this work.

6 But let's say, for example -- let's take
7 this tack that you're going to do this. My suggestion
8 would be to have a reviewer of the reviewer. In other
9 words, have a company or an institution or an
10 organization that specializes in doing nothing else but
11 audits and let them review the audit process
12 incorporated or performed to see that everything was
13 done according to Hoyle.

14 Now, maybe this is not perfection. But
15 I think it would get you closer to public acceptance
16 that there is an independent review. I think you ought
17 to give serious consideration to having an academic or
18 an institutional or an organization that does nothing
19 else but audits to -- and there are organizations,
20 there are engineering organizations who specialize in
21 audits. They developed the protocol. They're very
22 well-knowledgeable in those areas. Just to make sure
23 that there is no question in the public's mind.
24 Because really what we're dealing with here is the

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1 public's perception that the review is, indeed,
2 independent. And then perhaps I think you people would
3 not be on so much of the hot seat that you're on right
4 now.

5 That's my views just from listening and
6 from 30 years of experience in the engineering field
7 and in politics. It's not so much the people have a
8 conflict of interest. The real kicker here is the
9 public's perception and they definitely don't trust the
10 government. So you have to do something that gives
11 them some kind of assurance, you know, some kind of
12 confidence that you're really not trying to hurt them,
13 you're really, as public officials, performing in the
14 public interest.

15 Thank you.

16 MR. IMBRO: Okay. Thank you.
17 Appreciate your comments.

18 MR. HALLOWAY: Thank you.

19 MR. IMBRO: Paul?

20 MR. BLANCHE: This is somewhat of an
21 extension to an issue that really hasn't been discussed
22 in detail. About a month ago, I testified before the
23 Maine State Legislature with respect to the independent
24 safety assessment team that the NRC sent in to assess

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1 the safety, overall safety, of Maine Yankee. And I'm
2 going to get directly to the ICAVP. Don't worry.

3 They only had three criteria that the
4 team could possibly come out with. And those criteria
5 or the measurement of the success, the three
6 evaluations were Superior, Good and Acceptable. There
7 is no way they could have come up with any other
8 results than those three. As I testified, I'd love to
9 go to school with having those three criteria. I'd
10 never show up for class.

11 We've never discussed it before, but I
12 would hope that both the ICAVP process and the NRC
13 process will have predetermined acceptance criteria.
14 And I think the public should know what those
15 acceptance criteria are, whether it's 70 percent, 50
16 percent, 40 percent. We can't accept Superior, Good
17 and Acceptable. That has to be known beforehand. I'm
18 not sure that --

19 MR. IMBRO: Well, this is probably a
20 test where the passing grade is going to be close to
21 100 percent.

22 MR. BLANCHE: Well, it's got to be
23 stated up front.

24 MR. IMBRO: Yes.

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1 MR. BLANCHE: Because this also relates
2 to the concern that Don has raised. If you see -- if
3 you look at 1,000 issues of one system and you find 400
4 errors, do you expand your sample base? I think we
5 need to know that up front. And I think the NRC needs
6 to give serious consideration to it and inform the
7 public what is going to be their acceptance criteria.

8 MR. IMBRO: Well, it's -- well, the
9 commission paper talks about the fact that we're not
10 going to have -- allow any deficiencies. So by the
11 time we're all done with this, they have to comply with
12 the licensing basis.

13 But I guess furthermore, the ICAVP is
14 really an oversight of how well the licensee does their
15 corrective action. So it's really a look at their --
16 the licensee's CMP program. And if the ICAVP starts to
17 find problems, particularly if they find maybe one
18 significant problem, we may decide that the licensee
19 isn't ready and then we may say, "Okay. Go back and do
20 CMP again. Do whatever you have to do." But clearly
21 we're not ready for ICAVP because their program was not
22 acceptable in terms of identifying problems.

23 MR. BLANCHE: Well, I think you need to
24 tell the public what your criteria in general is going

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1 to be before you consider the audit Acceptable or
2 Superior, Good or Unacceptable. I mean we've seen too
3 many subjective evaluations over the past 20 years and
4 they always find that everything's acceptable, whatever
5 that means. I think for public confidence you need to
6 establish criteria of what is acceptable. And I don't
7 know what that number is.

8 MR. IMBRO: I don't know that we
9 specified a number. But I mean clearly we discussed it
10 in the commission paper, particularly in terms of
11 deficiencies.

12 MR. BLANCHE: Well, I'm not sure that
13 we're aware of what those numbers.

14 MR. IMBRO: Well, like I say, I don't
15 think there is a specific number. I don't know that
16 you can -- it's hard to -- it's hard to really have a
17 specific number. I think you have to look at the
18 severity of the error or perhaps, if not so severe, the
19 number of errors. And we're not going to tolerate a
20 whole lot. But I mean I can't tell you right now --
21 I'm not going to put a grade on that.

22 MR. BLANCHE: But, again, with Maine
23 Yankee they found literally hundreds of deficiencies
24 but, yet, still found it acceptable for operation.

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1 MR. IMBRO: Well, they'll tell you if
2 ICAVP finds anything close to that, instant --

3 MR. BLANCHE: Yes. But tell the public
4 up front.

5 MR. IMBRO: Well, that's what we're
6 doing now.

7 MR. BLANCHE: No. I didn't hear it. I
8 mean is it 70 percent? Is it 90 percent? I don't
9 know.

10 MR. IMBRO: But I'm telling you there's
11 no number that we're going to propose. But we're going
12 to expect close to perfection for -- in terms of ICAVP
13 going in and not identifying or identifying things that
14 the licensee hasn't identified themselves.

15 MR. BLANCHE: Okay. Well, I'm not sure
16 --

17 MR. IMBRO: Yes. I understand. I
18 understand your point. But --

19 MR. BLANCHE: Okay. You heard what I --

20 DR. TRAVERS: And just as a follow-up on
21 that --

22 MR. BLANCHE: Yes?

23 DR. TRAVERS: -- as we go along, as
24 ICAVP reports its findings to NRC of the utility, we

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1 expect to have meetings like this to talk about the
2 findings. So you're going to get a chance to hear what
3 the findings are. You're going to get to hear the
4 significance we attach to them. And we'll be in a
5 better position to talk about, you know, whether they
6 achieved the near perfection that we're expecting in
7 this process. And if they don't, what do we do about
8 it?

9 MR. BLANCHE: Okay.

10 DR. TRAVERS: But, up front I think it
11 would unrealistic for us to say, "Here's a number, X.
12 If they find X, we're going to do Y." It's too
13 complex.

14 MR. BLANCHE: Well, are you going to
15 have a possible outcome of Unacceptable in contrast to
16 what they had in Maine Yankee?

17 DR. TRAVERS: We've actually talked
18 about outcomes, potential outcomes. One of them is
19 that if we begin to find serious deficiencies against
20 licensing basis issues, we'll stop ICAVP potentially.
21 We'll say, "Mr. Licensee, you're not ready for this
22 kind of examination. The examination is a verification
23 that you've done it. Our findings are that you
24 haven't." We stop. We pull back. Is there an impact

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1 to that? A very serious one.

2 Another potential is if the
3 deficiencies, for example, are less significant, we
4 might expand the scope of what we look at to get
5 further confidence that the kinds of findings we found
6 aren't pervasive, that they really have done a good
7 job.

8 So there are a number of options that we
9 can employ and we're going to do them in the full light
10 of the kind of scrutiny I'm sure you'll give it.

11 MR. BLANCHE: Well, that was done in
12 Maine Yankee and it didn't succeed very well.

13 DR. TRAVERS: I'm not sure you'll agree
14 with what we do. But I'm going to tell you we're going
15 to tell you what we do.

16 MR. BLANCHE: Right. Thank you.

17 MR. IMBRO: Please.

18 MR. TED QUINN: My name is Ted Quinn
19 from Niantic. I have two questions. The first has to
20 do with your selection of contractor for Unit 3.

21 MR. IMBRO: Well, we didn't -- the
22 licensee proposed and we're trying to approve.

23 MR. QUINN: Okay. That's --

24 MR. IMBRO: We didn't select.

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1 MR. QUINN: Okay. And that's -- my
2 question has to do with your selection criteria. Is
3 the fall-back position from -- you're still under
4 evaluation. Is the fall-back position from a selection
5 of as proposed to provide more restrictions on this
6 company that was selected or is it to ask for a
7 different company to be proposed? I'm sorry. But I'm
8 new to this system and I haven't seen it done.

9 MR. IMBRO: Well, it's probably to get
10 to ask for more restrictions rather than -- if we found
11 serious problems, then I suppose we'd ask them to
12 propose a new company. But I don't think we're there
13 yet.

14 DR. TRAVERS: Just to give you a little
15 background, what we have said to date is technically as
16 a company -- I speak of Sergeant & Lundy now because I
17 don't think we made the same pronouncement on Parsons.
18 From a technical perspective, certainly we believe
19 Sergeant & Lundy has the technical wherewithal to do
20 this kind of program.

21 MR. QUINN: Okay.

22 DR. TRAVERS: So the issues that have
23 been discussed -- and I won't talk about them all --
24 but have been largely focused on the independence

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1 question.

2 MR. QUINN: Okay. The second question
3 has to do with some comments you made today. You
4 talked about gearing up for the ICAVP with NRC staff if
5 and when it starts. And I saw the work chart from the
6 Parsons Group. And my question has to do with how the
7 NRC team will interface with the ICAVP. Are you
8 intending to have specialists in a particular thing?
9 Are you actually going to have team members in
10 mechanical, electrical, project or -- how are you going
11 to interface with them?

12 MR. IMBRO: Well, two principle ways.
13 In the first case, yes. I think the answer to your
14 question is yes, we will have technical specialists.
15 We have people in staff and we will also hire some
16 contractors that have specialized technical knowledge.
17 And what we will do is a series of inspections. One of
18 the types of inspections we will do is we will do --
19 when we get to approve the audit plan, if we do, we
20 will do an inspection of how the contractor, Sergeant &
21 Lundy, Parsons, whoever, performs in accordance with
22 the audit plan because the audit plan is something that
23 -- in other words, after the -- the process works,
24 since you're new, is first of all there's

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1 organizational approval. The licensee would propose a
2 contractor to ICAVP. Then we approve or disapprove.
3 Anyway, we finally get to the point where somebody is
4 approved.

5 Then this approved entity sends us an
6 audit plan. "This is how we're going to carry out this
7 review." We also need to look at that and review that
8 and approve, comment, disapprove, whatever. But
9 ultimately we get to a point where there's an approved
10 audit plan, however long that takes.

11 Then the ICAVP contractor will start
12 their work. They'll go ahead and do the system reviews
13 based on systems we select. And during that process,
14 we will inspect. We will go behind them and
15 essentially pick up things that they have completed,
16 this is the ICAVP contractor, and perform our own
17 technical reviews to assure that they're doing a
18 thorough job in assessing CMP so that they've left no
19 stone unturned.

20 In addition to that, we'll do our own
21 system reviews. In other words, what we had stated to
22 keep it to ICAVP is we -- of the four or so systems
23 that get selected by us, we would then, after ICAVP is
24 done, we would perform our own in-depth inspection on

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1 one of those systems, again to provide assurance that
2 the ICAVP was thorough. So that's how we plan that
3 interface with the ICAVP team.

4 The other thing is, of course, that
5 there's a lot of aspects to this and I may not cover
6 them all. But one of the principle things that we're
7 going to look at is the order stipulates that there
8 will be dual reporting of ICAVP findings. So as ICAVP
9 performs their task, as they find things they will
10 report them both to us and the licensee simultaneously.
11 So, again, we can -- we will see in process the types
12 of things they're finding.

13 Now, again, if they find, as we just
14 discussed before, if they find any significant
15 problems, then we need to re-evaluate and maybe call
16 the whole thing off. Or if there are lesser problems,
17 you know, I guess we need to judge how severe they are.
18 But those are the principle ways we're going to
19 interface with the ICAVP.

20 MR. QUINN: Approximately how many NRC
21 staff would interface with a single ICAVP? Do you
22 know? Ball park?

23 MR. IMBRO: Yes. I mean I'll tell you
24 right now we're proposing a 13-person team for each

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1 unit. So that's a lot of -- that's ultimately 39
2 inspectors.

3 MR. QUINN: Thanks.

4 MR. IMBRO: Other comments? Rosemary?

5 MS. BASSILAKIS: Rosemary Bassilakis
6 again. You mentioned that the NRC is going to be
7 hiring contractors. Is the public going to have any
8 input as far as which contractors that the NRC
9 contracts with?

10 MR. IMBRO: No.

11 MS. BASSILAKIS: Can there be some
12 stipulation why contractors can't be under criminal
13 investigation at the time or -- I mean --

14 MR. IMBRO: Well, this is part, I mean a
15 normal hiring. We go out and we hire -- yes. I mean,
16 really, they have to have -- be able to get plant
17 access. So if they were under criminal investigation,
18 certainly they couldn't get that.

19 MR. HALLOWAY: Well, Yankee Atomic is
20 under criminal investigation and they're still working
21 in the industry.

22 MR. IMBRO: I don't know about their
23 contractors. But, anyway -- no. I mean we have clear
24 guidelines as to -- for contractor qualifications and

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1 we have standard contracts with one particular
2 organization that we use periodically.

3 MS. BASSILAKIS: Do you have a sense of
4 which company that would be?

5 MR. IMBRO: It's called Parameter.

6 MS. BASSILAKIS: Okay.

7 MR. IMBRO: Out of Wisconsin.

8 MS. BASSILAKIS: Thanks.

9 MR. IMBRO: Yes.

10 Others? One more. Mr. Reynolds?

11 MR. PETE REYNOLDS: Pete Reynolds from
12 Waterford. I had a question on the -- you were talking
13 about the five million dollars that Parsons Group for
14 Unit 2 was involved and you made the distinction
15 between nuclear and non-nuclear.

16 MR. IMBRO: Yes.

17 MR. REYNOLDS: It's still the same
18 company. Northeast Utilities has got subsidiaries. If
19 they run short in one section, they transfer funds to
20 another section. So it's pretty relevant, the total
21 sum, not just how much was spent on nuclear.

22 MR. IMBRO: Well, the reason I wanted to
23 make the distinction was because you wouldn't want to
24 get into a situation where Parsons -- I mean it's

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1 particularly a problem if Parsons had done a lot of
2 nuclear work for the licensee. Then there would be
3 areas that possibly they would have to be precluded
4 from looking at in ICAVP because, clearly, we wouldn't
5 permit them to review work that they had already done.

6 So the distinction I was trying to make
7 was that the nuclear work, even though part of the five
8 million dollar total, which, again, needs to be re-
9 evaluated, that the nuclear portion was small. So they
10 didn't have a lot of involvement with Millstone or the
11 licensee in nuclear-related matters so that would limit
12 what they could look at in terms of ICAVP. I guess
13 that was the point. That was the distinction I was
14 trying to draw.

15 MR. REYNOLDS: So that's going to
16 eliminate one system right off the bat.

17 MR. IMBRO: Well, it may not eliminate
18 any. I'm not sure.

19 MR. REYNOLDS: The HOV's. You mentioned
20 that you thought they were involved in that.

21 MR. IMBRO: Yes. I think they -- yes.
22 I think the MOV's. Yes, the MOV's I think they were
23 involved. But I think, again, it was -- I mean, again,
24 we need more information on that. But I believe it was

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1 a rather high level, sort of programmatic type thing
2 that they were doing. They were not setting up an MOV
3 program for the licensee. But, again, I mean that's
4 something that the licensee -- we've asked for more
5 information. They will provide it to us. And we will
6 look at it. It will be on the docket and you can look
7 at it as well.

8 MR. REYNOLDS: The MOV's are one of the
9 biggest problems in the whole industry right now.

10 MR. IMBRO: That's true.

11 MR. REYNOLDS: So how are you going to
12 judge that --

13 MR. IMBRO: Again, I don't -- I mean I
14 can't say -- I can't judge until I know what they did.
15 I mean right now the indication is they haven't done
16 much. But, again, we need -- that's something we need
17 to find out and get evaluated.

18 MR. REYNOLDS: Well, I thought we were
19 holding these meetings so we could find out this stuff.
20 And mostly what we're getting is you don't know. You
21 haven't given us the facts. We give you facts when we
22 talk to you.

23 MR. IMBRO: Well --

24 MR. REYNOLDS: You don't know how much

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1 they did this and how much they did that.

2 MR. IMBRO: Again, I just asked them
3 today for the information. So I haven't gotten it yet.
4 So as soon as we get it -- the licensee is going to --
5 they're going to respond to us on the docket. And
6 you'll be able to read it just as quickly as we get it.

7 MR. REYNOLDS: Okay. That brings
8 another involvement of financial gain. Since this
9 started, Northeast Utilities has brought in top
10 executives from other companies, Virginia Light &
11 Power, Carolina Light & Power, a company in Ohio. Has
12 it also been looked into that Parsons or Sergeant &
13 Lundy has no financial involvement in those companies?
14 Because it's -- it could be very pertinent.

15 MR. IMBRO: Well, we -- honestly, we
16 haven't looked into that.

17 MR. REYNOLDS: I think maybe you should.
18 Because the whole -- the other power companies are
19 sending people to Northeast Utilities to help them
20 survive. And I feel that other interested parties in
21 the nuclear field are going to do their best to help it
22 survive. So it's getting to a point where the survival
23 of the nuclear industry depends a lot on what happens
24 to these Millstone plants, on what happens here in

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1 Connecticut.

2 MR. IMBRO: I mean I understand your
3 comment.

4 MR. REYNOLDS: So one of the suggestions
5 was -- by Mr. Frommer. I feel that you probably should
6 do that. You should get an engineering firm to verify
7 these. Don't take an expert -- I was a mechanic. I
8 was working in the nuclear field. That doesn't mean
9 that I don't know how to work on a car. It's still a
10 mechanical type process. And the engineering processes
11 that you're talking here can be reviewed by almost any
12 qualified engineering. It doesn't have to be in the
13 nuclear field.

14 MR. IMBRO: We understand that. I mean,
15 again, I thought that was an interesting comment.

16 MR. REYNOLDS: Well, that's about it
17 because I just don't see how you can get any
18 independence as long as you keep involving people that
19 are in the nuclear field. You have to go outside of
20 that field. And the final word comes down to what the
21 NRC approves and who they don't approve. And we still
22 haven't got confidence back in you.

23 MR. IMBRO: We certainly understand
24 that.

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1 MR. LANNING: Okay. Was that the last
2 question? Okay.

3 MS. LUXTON: I forgot to say when I came
4 in, there was a black Thunderbird in the parking lot
5 outside that had their lights on. That was about an
6 hour ago.

7 DR. TRAVERS: Too late now, isn't it?

8 MS. LUXTON: It was 45K75 or something
9 like that. It had its lights on.

10 DR. TRAVERS: The good news is they're
11 off now.

12 MS. LUXTON: But, anyway, you've got a
13 couple of hours. It happened to me the other day and
14 it took two hours for the battery to go down. So --

15 You know, I have -- Susan Perry Luxton
16 from Waterford. I have a question about Parsons Power.
17 I'm looking over the resume and work performed. It's
18 three pages back from the end of your enclosure. Oh, I
19 don't know if you handed this out tonight. But,
20 anyway, it says work performed as Gilbert Commonwealth.
21 I assume Parsons Power was Gilbert Commonwealth at one
22 point.

23 But, anyway, it says in 1992 they had
24 \$63,000.00 and they helped with flow chart mapping of

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1 the configuration management processes at Connecticut
2 nuclear plants. And then it says in 1992 they had
3 \$78,000.00 worth of work and the flow chart mapping of
4 motor-operated valve processes for the Connecticut
5 nuclear plants.

6 So we were just talking about how MOV's,
7 motor-operated valves, have been such a problem. And,
8 also, obviously Millstone's configuration management
9 processes have been a problem.

10 MR. IMBRO: Sure.

11 MS. LUXTON: So if these guys helped
12 them flow chart this stuff in 1992, well, doesn't that
13 raise a question in your mind about how competent these
14 people are?

15 MR. IMBRO: Yes. I don't know if it
16 raises a question about --

17 MS. LUXTON: I mean maybe not competent,
18 but --

19 MR. IMBRO: I mean it doesn't
20 necessarily -- the first question wouldn't be
21 competence. The first question would be did they help
22 them develop their programs. I mean I'm not sure to
23 what extent they were involved. And, again, I have the
24 same questions that you do because I don't really know

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1 what these words mean. And that's why we've asked for
2 more information so we can evaluate what it is they
3 did. Yes. It's a good point.

4 MS. LUXTON: Right. That's a question
5 there then.

6 MR. IMBRO: Right. Yes.

7 MS. LUXTON: And you're on Line 2?

8 MR. IMBRO: Yes. I mean I don't know
9 what the words mean. So I mean before I can say -- you
10 know, before I can make an assessment, I need to
11 understand what it is they've done for the licensee.

12 MR. DELCORE: Right. You know what a
13 flow chart is. Right?

14 MR. IMBRO: In some context, I do. But
15 I'm not sure exactly what it means in this context.

16 MS. LUXTON: Me, too. And I'm not so
17 sure of configuration management -- I'm not sure --
18 just briefly, could you really define what
19 configuration management plan means? That means the
20 hardware, the hardware of the facility?

21 MR. IMBRO: What it means, in short, is
22 that the -- when we license these plants, they're
23 licensed to certain criteria and they have what's
24 called a licensing basis.

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1 MS. LUXTON: Right.

2 MR. IMBRO: So configuration management
3 means that they need to keep the plant, both the
4 hardware, procedures, et cetera, such that they're
5 always within the licensing basis, conform to the
6 licensing basis.

7 MS. LUXTON: Okay.

8 MR. IMBRO: That's a short answer.

9 MS. LUXTON: Okay. Good. Thank you.

10 MR. LANNING: Okay. We'll now move to
11 the Employee Concerns Program and Mr. McKee.

12 MR. PHIL MCKEE: Good evening. Employee
13 Concern Program. I want to first briefly talk about
14 one topic area in that area. And that is the third-
15 party oversight organization. And I think the acronym
16 now that's selected for that is ITPOP, which stands for
17 Independent Third-Party Oversight Program.

18 And where we are now on that, the
19 licensee has proposed Little Harbor Consultants as the
20 third-party organization. There has been a round --
21 we've asked some questions. The licensee has responded
22 to those questions. There was a meeting here on that
23 organization last month.

24 We also -- the licensee more recently

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1 submitted on February 28 -- 26 a letter asking for
2 relaxation with certain provisions of the order for two
3 individuals that were proposed as part of the team with
4 respect to some past direct involvement of those
5 individuals in work at Northeast Utilities.

6 Where we are now, the decision on
7 selection of that organization and the decision on
8 relaxation in the provisions of the order is in
9 process. And that's to be determined here soon.

10 The main topic I wanted to talk about
11 tonight was the licensee's comprehensive plan for
12 handling employee concerns. And just as a quick
13 background on that, that was a portion of the order
14 where we asked submission of a plan. And that was to
15 be submitted to the NRC for NRC's review.

16 The licensee submitted that plan in
17 January 31 of this year. And, unfortunately, I think
18 most of the copies are gone for the meeting today. And
19 the whole submittal is about an inch or so thick.
20 There were copies of it before. I know there were
21 copies available at other meetings. If somebody wants
22 a copy, if they give me their name and address, we'll
23 execute a couple more trees and provide you with a copy
24 of that plan.

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1 On that plan, the licensee met with the
2 public in February and I think they presented that plan
3 to some extent of where they're going. We also had a
4 meeting that we had with the NEAC where that was one
5 aspect that the licensee gave a presentation on where
6 they were with that, with their comprehensive plan.
7 And there was some discussion and comments on that.
8 And I think at that meeting there was also copies
9 available. And so now I think there are copies
10 available in the local public document room and in the
11 Waterford Library, which is kind of a temporary local
12 public document room here now.

13 We are reviewing -- we, meaning NRC, is
14 reviewing that plan. We have solicited and gotten some
15 support from members that were on the Millstone
16 Independence Review Group -- that was the group that
17 was headed by John Hannon last spring and summer and
18 came out with a report -- to look over the plan.

19 Our expectations are to develop some
20 comments, observations and provide those back to the
21 licensee and likely meet with the licensee at some
22 point after we send those comments to get some more
23 details.

24 I might mention that the plan itself --

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1 and it was discussed as developed. A lot of the input
2 was the genesis of it was they they had an Employee
3 Concerns Task Force that developed a plan. And I
4 believe many of those elements or to a substantial
5 portion of those elements were incorporated in the
6 licensee's final plan.

7 It has a number of elements. It had six
8 elements that they describe, particularly primary among
9 that is the Employee Concerns Program, a new program
10 that they have developed versus the one that existed
11 before. Training aspects for managers and also
12 employees and also new members of the Employee Concerns
13 Program. And creation of an oversight panel.

14 And I might mention that the
15 comprehensive plan itself, for those of you that looked
16 at it, is really -- from our perspective, is a lot of
17 framework. There are plans that they refer to that are
18 going to be developed in the future and are being
19 developed now, more detailed plans to carry through the
20 whole pyramid of activities that are subjects of the
21 plan. So a lot of it is a framework with indications
22 of things that are going to be -- are being developed
23 now and to come out.

24 We met with the licensee today. One of

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1 the topics that was discussed at that meeting was the
2 status and where they are with the comprehensive plan.
3 Primary among some of the things that were discussed
4 were some immediate programmatic enhancements were made
5 with the Employee Concerns Program plan where they made
6 some procedural changes and I guess some additional
7 people were hired in as part of the Employee Concerns
8 Program to assist in investigations and follow up on
9 some of the issues.

10 It was also mentioned that certain
11 elements of the plan now are in place. The Chief
12 Executive Officer has issued his expectations with
13 respect to the plan and missions and goals of the plan.
14 There's also development of more detailed position
15 descriptions for people that are going to come into
16 their Employee Concerns Program, the specific part of
17 the Employee Concerns Program office.

18 And, also, there are several action
19 plans that now have been developed that are sub-tier
20 action plans. I think two of those plans on
21 communications and on their Employee Concerns Program
22 have been submitted to the NRC and are available on the
23 docket. And we probably will see some additional of
24 those as they develop.

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1 And, more importantly, one of the big
2 topics in discussion today was the subject of where
3 they stand on an oversight panel. And this oversight
4 panel is a licensee. It's not part of the ITPOP. It's
5 a licensee panel that includes some employees,
6 management and defined how that program is being
7 developed, whom it may consist, that it's really an
8 oversight of the Employee Concerns Program. Also,
9 resolution processes and line organization. And issues
10 and things that they bring up will be identified and
11 provided directly to Mr. Kenyon.

12 That was discussed. Again, even that
13 plan still hasn't been developed completely. The
14 charter has to be completed once they get the group and
15 organization together.

16 That was the primary elements of what
17 was discussed today by the licensee. What we'll be
18 asking -- for those of you that have had an opportunity
19 to look at the plan, have heard some of these
20 discussions, we're really looking for comments with
21 respect to the comprehensive plan from you. And that's
22 the focus of what I'm trying to get here tonight,
23 although I guess we'll be available for comments in
24 other areas later on.

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1 One side topic I would like to mention -
2 - and there are copies of them in the back. And it's
3 related. The NRC issued just recently, on February 26,
4 published in our Federal Register a safety -- and asked
5 for public comments on safety-conscious work -- let's
6 see. Safety-conscious work environment.

7 And kind of the background from that is
8 there was issued in the past and through our
9 enforcement policy there was issued a policy on freedom
10 of employees in the nuclear industry to raise safety
11 concerns without fear of retaliation. That's an NRC
12 policy statement. This is -- this policy statement or
13 this statement builds upon that.

14 Also, one of the factors into that were
15 some of the findings of the Millstone independent
16 review group that had findings and found in some places
17 -- and Millstone happened to one where this did not
18 exist and there may be problems. And further
19 information or ways to measure this might be needed.

20 And if you'll excuse me, I'll read some
21 of the -- and, again, it's available in the back there.
22 "The Commission is evaluating the development of a
23 standardized approach that would (1) require licensees
24 to establish and maintain a safety-conscious work

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1 environment with clearly defined attributes, and (2)
2 establish certain indicators that may be monitored and
3 that, when considered collectively, may provide
4 evidence of an emerging adverse trend, and (3) outline
5 specific remedial actions that the Commission may
6 require when it determines that a particular licensee
7 has failed to establish or maintain a safety-conscious
8 work environment."

9 Now, you can see a little bit by those
10 topics where some of this may have generated from the
11 situation at Millstone. So, thus, the group here may
12 have some good insights and information to provide
13 comments on this, on this statement.

14 It proposes several approaches, whether
15 rule-making is appropriate, an additional policy
16 statement and asks several questions and gives options
17 of how areas may be monitored and what may be included
18 in the rules.

19 So, again, if you have a chance to look
20 at this, it directs you where you can provide comments
21 at the NRC and it's asking for comments by the end of
22 May of this year, May 27. That would be appreciated.

23 With that, that covers what I wanted to
24 present. Again, I'm looking for primarily comments on

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1 the comprehensive plan. So, with that, who may have
2 comments?

3 Ms. Concannon?

4 MS. TERRI CONCANNON: Good evening. I'm
5 Terri Concannon from Haddam, co-chair of the NEAC. I
6 just -- following up on the meeting that we had in
7 January, I wanted to ask -- no. What's this month?
8 It's March. It was February. That we had some
9 concerns about the -- what was then the IOTCN. It's
10 now become the ITPOP?

11 MR. MCKEE: ITPOP. Yes.

12 MS. CONCANNON: I never dealt in
13 acronyms until about a year ago.

14 What I wanted to ask was we -- there
15 were some concerns about the makeup of Little Harbor
16 Associates and particularly some members that had been
17 added to their team at that point and that you were
18 going to review their participation. Have you done
19 anything in that respect?

20 MR. MCKEE: With -- in particular, there
21 are two people they were going to add to the program.

22 MS. CONCANNON: Right.

23 MR. MCKEE: I think one of the comments
24 came up that one in particular, Ms. Garde --

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1 MS. CONCANNON: Right.

2 MR. McKEE: -- had some previous direct
3 involvement. I said that's one area where the licensee
4 has requested relaxation for her based on the number of
5 measures, based on her experience in the area and also
6 her connection with -- there was another comment that
7 there really wasn't many or anybody that had a
8 perspective from an employee, which she has. And that
9 was the case they've made for relaxation for that
10 individual. And we're reviewing that.

11 They've also requested relaxation for
12 another individual that was originally proposed, a Dr.
13 Wood, who had some previous involvement with a PRA for
14 Millstone Unit 3. And they provided a request and some
15 justification for relaxation for him. And that's the
16 other one that we're looking at.

17 DR. TRAVERS: We basically rolled up
18 their request for approval of the organization, Little
19 Harbor, in this case and their subsequent requests I
20 think on February 28 for relaxation to include these
21 two individuals into one action. We're looking at them
22 in sort of -- I mean we recognize they're related, but
23 somewhat independent actions.

24 MS. CONCANNON: Right.

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1 DR. TRAVERS: But we're looking at them
2 in sort of toto.

3 MS. CONCANNON: Okay. Thank you.

4 And there was one other aspect to do
5 with Little Harbor Associates. I think they had said
6 that they wouldn't be involved for six months after the
7 -- after this with NU. And we had suggested that
8 perhaps it would be extended to a year.

9 MR. McKEE: And that happened. And
10 their response to us -- and that was one of our
11 questions. They responded that they were going to
12 extend that for a year and it wasn't from for a year
13 from when an individual left that practice. A year
14 from when Little Harbor Consultants would end their
15 contracting services with Northeast Utilities.

16 MS. CONCANNON: Good. All right. Thank
17 you very much.

18 MR. McKEE: Thank you.

19 Don, you're next.

20 MR. DELCORE: Don Delcore. I had a
21 couple of questions with regard to the process for, I
22 guess, ITPOP now. I can't remember -- I read the
23 order. And I don't have a copy of either the ICAVP
24 orders or the ITPOP order. And I'm wondering if I

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1 could get those from the NRC somewhere, if that's
2 possible.

3 But the question I have with regard to
4 it is that it appeared to me when I read it that simply
5 all that has to occur prior to start-up is that you
6 guys simply have to approve it. You guys being the
7 NRC.

8 MR. McKEE: Approve what?

9 MR. DELCORE: Approve the oversight team
10 and the oversight process. There's nothing in that
11 order that I could see that says that certain aspects
12 have to occur with regard to some demonstration that,
13 in fact, that oversight process is working and is
14 accomplishing what its intended purpose was.

15 MR. McKEE: You're right. The order
16 does not explicitly say, at least prior to restart,
17 that -- on performance, it says that that third-party
18 organization has to be approved. However, that's what
19 the order says explicitly. We have also -- we have
20 identified before the Commission and I believe it's
21 even in our Commission paper that we will do an
22 assessment of the implementation of their programs and
23 come to a conclusion on that.

24 DR. TRAVERS: And we've incorporated

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1 that into the umbrella process that we're using for
2 assessing their readiness for restart. And it's
3 another buzz word, but it's the new Reg 0350 for
4 inspections. New Reg 0350 process --

5 MR. DELCORE: Well, as an individual in
6 the public, much in the same manner that Northeast
7 Utilities has pleaded for some relief with regard to
8 you relaxing the requirements for Billie Garde and the
9 other individual, I would plead for this public that
10 you modify that order and, in turn, require that a
11 performance type requirement be in that order with
12 regard to that process because you've used the 350
13 process before to approve start-ups; in fact, with Unit
14 2 not too long ago. And we had those problems at Unit
15 2 that were pretty clear by the John Hannon report that
16 had existed when you allowed that to start up.

17 So what I'm saying is as a public
18 individual I'm looking for you -- by pleading that you
19 change the process much the same as you're going to
20 allow the Billie Garde entrance. I think to represent
21 the public properly with this, that we should, in fact,
22 have some kind of performance requirement established
23 and some base line, not like the ICAVP. Everything in
24 the ICAVP -- and I'm not trying to point it at Gene.

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1 But it's pretty subjective. I mean you guys don't have
2 anything in there that gives us a line where if they
3 have two errors on a sub-system or four errors on a
4 sub-system or something like that, that you're going to
5 stop the process or you're going to make some changes
6 to it.

7 Well, I'm interested in the same thing
8 with the Employee Concerns Program because the Employee
9 Concerns Program is really the reason why we're all
10 here, guys. You know? What they've done to employees
11 since 1985 is absolutely unacceptable. And you need a
12 better gauge in your oversight than just having an
13 oversight program established. You need to change
14 that.

15 The other -- you know, that's basically
16 a statement. And I don't think that really requires
17 any answer.

18 I have a question with regard to your
19 comfort, each individual person up here. Are you
20 comfortable with what you see going on right now at
21 Millstone with regard to the upper management, that is
22 Mr. Kenyon, Mr. Carnes and a few others, making
23 comments that the plants aren't going to survive if
24 they don't make these changes?

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1 It seems to me that what it's doing is
2 it's creating an intimidation. It is creating a
3 chilling effect among the employees with regard to them
4 coming forward with issues and not wanting to be the
5 person that's going to be responsible for a bankruptcy,
6 that's going to be responsible for not having a start-
7 up. And I've seen it time and time again. Publicly
8 we've seen those comments. In videos to -- on your
9 last meeting, January 30, you guys had a meeting with
10 Shirley Jackson and the rest of the Commission. And I
11 think he was very pointed in that meeting, as I
12 remember seeing the video, that he pointed out if he
13 didn't get a plant running by the end of this year or
14 the first part of next year, there wasn't going to be a
15 Millstone. And he pointed that out to Shirley Jackson.

16 I'm very concerned about that. And,
17 incidentally, while we're talking about that -- but
18 you've got to understand this whole concept. I -- the
19 night, the last night -- time we had a NEAC meeting I
20 think it was Susan Perry Luxton that specifically asked
21 Mr. Kenyon if he made those kind of statements in
22 lectures to the employees and he said that they weren't
23 making those kind of statements.

24 Now, I've reviewed videos of those

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1 meetings. And he is making those statements and he did
2 make that statement in front of Shirley Jackson.

3 So my question to you guys -- are you
4 comfortable with what you see there with regard to
5 those people?

6 MR. LANNING: You'll also recall -- did
7 you read the transcript of what the charter's response
8 to that statement was?

9 MR. DELCORE: No. I looked at the
10 video.

11 MR. LANNING: Okay. It in effect said
12 that we didn't -- we would not pace our inspection
13 program or approve restart based on that kind of a
14 statement or words to that effect. So her point was
15 that we were going to do whatever was necessary to
16 judge the readiness for these units to restart.

17 Concerning the statements made, those
18 statements have been made in a public forum, as you
19 have pointed out, and they've also been made,
20 apparently, to --

21 MR. DELCORE: Employees.

22 MR. LANNING: Employees. Does that
23 create a chilling effect? It's not obvious right
24 offhand that it does. That was a business transaction

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1 or a business decision or a business statement more
2 than anything else. So I --

3 MR. DELCORE: Are you comfortable with --

4 MR. LANNING: I don't believe it creates
5 a chilling effect in that context. In terms of whether
6 or not he gets a unit started this year or not, it
7 doesn't make any difference to me.

8 MR. DELCORE: It doesn't to you. But
9 does it -- do you feel that it does to the employee
10 sitting back there that has to make a decision on an
11 issue he uncovers that may be a very important issue or
12 a time-consuming or a money issue?

13 MR. LANNING: I don't think so. Because
14 it's important that they identify all their problems.
15 And, of course, you know employees are the primary
16 source of that. And for those employees not to come
17 forward with known deficiencies and let them lie and
18 then let NRC come along and find them, that's not good
19 for the company. So I think there's a chilling effect
20 here based on those kind of statements.

21 MR. DELCORE: Bill, do you feel that
22 way? Gene? Jacque? I'm trying to get a consensus on
23 how you guys feel. I'm just -- everybody I talk to
24 doesn't have that consensus. They feel as if that's a

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1 problem and that they shouldn't be dealt with that kind
2 of an issue. It's one thing for the company to
3 understand it. It's one thing for the company
4 management to discuss it between itself. It's another
5 issue to dump on the workers and say, "If we don't get
6 this plant running, we're going to be bankrupt and
7 you're not going to have a job." I'll tell you what;
8 that would chill the hell out of me if I was in there.
9 I wouldn't be running to my boss with stuff.

10 MR. DURR: You asked me a question and I
11 guess I owe you a response. I'm kind of neutral on
12 whether it creates a chilling effect or not because on
13 the flip side of that, I know that there are industries
14 out there where companies have been in trouble and the
15 employees were certainly distressed to find out way
16 down the pike that that company was in trouble. And so
17 it's a double-edged sword. It may -- it may create
18 some of the atmosphere that you're talking about. But,
19 on the flip side of that, do the employees have the
20 right to know that information so that they can plan
21 their lives? I have mixed emotions about it, to be
22 honest with you. It's -- and so I come out kind of
23 neutral.

24 I know that historically there has been,

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1 in other industries, companies that were on the verge
2 of bankruptcy didn't tell anybody and one day the
3 people came to work and just found the doors were
4 closed. And it put people on the street with no
5 forewarning at all. And so is that fair?

6 And so I have mixed emotions about it.
7 And I think the net gain is zero. I think the
8 employees have a right to know that information. And
9 could it create something of a chilling effect? I
10 would only know that by talking to the individuals. I
11 really don't know.

12 MR. DELCORE: Let me go one step further
13 with that and ask you if you feel comfortable with the
14 -- how do I want to put it here? -- with the issue that
15 employees who are -- I'm trying to put it in the right
16 perspective so that you can understand where I'm coming
17 from.

18 I think what I've seen in both the video
19 with Shirley Jackson and I saw here today with Buzz
20 Carnes was a position that the company has two entities
21 out here, the rebellious small group of individuals who
22 are raising concerns and the general public as a whole.
23 And the perception is that the general public as a
24 whole doesn't have any problem with NU's plans to start

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1 up and pretty much agrees with the way they're doing
2 business and that the small rebellious group is, in
3 fact, creating all of its problems.

4 And, again, that's not a position that a
5 company looking to start a plant up and trying to sell
6 the product that they're offering, that they are
7 responsive to the concerns of individuals.

8 Let me be very frank with you, Jacque.
9 I am a retired person from NU. And as such, I am a
10 protected employee because I am raising these issues.
11 And I don't believe anybody can separate me and put me
12 in a category that says that I'm in here creating --
13 I'm creating a problem for him because I'm raising
14 these issues. It's, after all -- in other words, what
15 he was saying today was that we were off the wall and
16 we were raising issues that he read some letter from
17 this guy Matthews and that he went along with it and he
18 thought it was a great thing that this guy Matthews was
19 writing to him about these bad things that we were
20 doing.

21 And I've simply been sitting here at
22 this table reading from 9604 and 9605 and 9606 -- and
23 for those of you who don't understand that, that's
24 these inspection reports. I've been reading what you

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1 guys have been saying about them publicly. And this
2 guy is attacking my character and the character of a
3 bunch of other people who are trying to ensure the
4 safe, correct start-up of that plant.

5 And he is not impressing me nor is
6 Kenyon allowing him to do that by raising issues about
7 the way we're doing business as a group. We're here as
8 a function, hopefully, to make everything work right.
9 And I think you guys should be taking the offensive and
10 getting after those guys and stopping that when it
11 happens. Because I'm not any different than anybody
12 else when it comes to plant safety.

13 Thank you.

14 MR. LANNING: Thanks for your comments.

15 We're still on the topic of Employee
16 Concerns. Right?

17 MR. MCKEE: That's right.

18 MR. LANNING: Yes. The gentleman behind
19 Mr. Blanche. You had your hand up earlier. And we'll
20 get to, Paul, you next.

21 MR. FROMMER: This is a statement from
22 Mike --

23 MR. MCKEE: You're right. I'd like a
24 copy of that. There's a videotape I'll have to open

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1 up. What was the videotape? What is the videotape on?

2 MR. FROMMER: The videotape is the tape
3 that Mr. Delcore has been talking about. This is Mr.
4 Kenyon videotaped talking to his employees, telling
5 them they're going to go bankrupt essentially. And
6 then, when he's questioned by Susan Perry Luxton, he
7 turns around and says, "You misunderstand what we're
8 saying" and he puts the onus on a person by the name of
9 Mike Brown, who I happen to know very well, who is
10 extremely honest.

11 And the question that comes in here --
12 before I get into my long -- or not long, but
13 presentation -- is that ultimately on the safety-
14 conscious work environment and Employee Concerns
15 Program is that Mr. Kenyon ultimately is the person
16 that has responsibility for making decisions if someone
17 has been, say, improperly dealt with. And that's
18 analogous to the fox watching the henhouse. Okay?

19 You all know and you've all learned from
20 history in the United States more so than any other
21 country that there has been, ever since the Industrial
22 Revolution in this country, a classical approach to
23 management employees and it has been confrontational.
24 This way. This is the way it's been. And that's why

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1 unions have come into being. Okay? To do one thing.

2 The purpose of unions as management is
3 to establish balance between opposing sides in
4 industry. I haven't seen your Employee Concerns packet
5 and program and I haven't had a chance to look at your
6 proposals there. But from what I can hear and from
7 what I listen to what you're saying and understand what
8 you're saying and from my knowledge of what has
9 occurred in the past, your program is doomed to failure
10 because you're essentially asking an independent group
11 to monitor what goes on. Well, that's nice and dandy.

12 But, ultimately, unless someone has some
13 kind of authority, other than the NRC, administratively
14 independent of the NRC because the NRC and NU are
15 perceived as being -- whether you are or not -- it's
16 just a perception -- of being in bed with each other
17 and you both have been perceived as the problem.

18 And so it's very difficult for employees
19 to feel comfortable that, "Hey, they're going to get
20 what we all have come to realize under our
21 Constitution, fairness, due process of law and
22 justice."

23 Your system, from what I can tell,
24 doesn't guarantee any of that. Now, in the past, Mr.

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1 Durr, upon one of my questions as to the number of
2 failures attributable to human unreliability, quoted to
3 me a number of 50 percent on the average. That was
4 what Mr. Durr quoted to me.

5 I work in the reliability field and I
6 would suggest to you the number is probably more like
7 75 percent because parts don't in and of themselves,
8 when they're properly designed, fail. It's something a
9 human being did, didn't do or should have done that is
10 usually attributable to most of the failures.

11 Okay. Now, the question is we again
12 have a problem here. How do we have a resolution?
13 Well, Connecticut has set up -- and I don't know if
14 you're familiar with this. And I suspect it's been
15 done in other states. Has set up a process, an
16 administrative judicial process where it seems to work
17 in dealing with management/labor issues.

18 In Connecticut, where, for example,
19 municipal unions are involved, if there's a threshold
20 issue that both sides can't agree on, they both agree
21 to go to what's called binding arbitration. And
22 essentially in binding arbitration each side picks an
23 individual, labor picks an individual, management picks
24 an individual, and then both sides pick a person who is

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1 neutral, not involved with labor, not involved with
2 management, to make ultimate decisions which are
3 binding.

4 Now that, to me, is a much, much fairer
5 process guaranteeing justice and due process than the
6 system that you're proposing. So what I suggest is you
7 give serious consideration to such a process because
8 what you have now and what you're proposing now
9 ultimately is not going to work because it does not
10 convey to the employee that he has any confidence in
11 your system because most of the problems, as I've said,
12 are employee-based problems or human-based problems,
13 not necessarily employee, but human-based problems.

14 And so if you want to -- if you want to
15 get the maximum efficiency and effectiveness out of
16 human beings to ensure that you're going to have the
17 best system that's going to be the safest system, you
18 have to do everything possible to motivate and
19 incentivize employees so that they will come forward,
20 they will come forward to raise safety concerns which
21 they have a high probability of confidence that they
22 will be resolved in a fair way. That means you have to
23 set up a fair system.

24 And unless you set up a fair system, you

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1 really haven't moved off the dime. You haven't gone
2 anyplace. You know, I always say where you have
3 revolutions -- you know, we see revolutions around the
4 world all the time and you hear people saying, "Well,
5 I'd like to change the government by revolt because,
6 you know, we can't accomplish anything." And I always
7 say that all you do when you do that is you replace one
8 form of corruption with another form of corruption.
9 Ultimately, you really haven't changed anything. So
10 you really need to change your approach.

11 And I think the approach is you have to
12 say, "Do we want fairness? Do we want due process? Do
13 we want justice? Do we want to motivate and
14 incentivize the employees that they're going to have a
15 reasonable probability of confidence that when they
16 raise safety concerns not only are they going to be
17 addressed, but they're not going to be intimidated,
18 harassed, punished in one form or another?"

19 And you have to understand that these
20 employees, no matter what system you set up -- at least
21 the system that you've set up, you think you're really
22 going to -- but with all the training programs and all
23 these things, you really think you're going to change
24 the stripes on the tiger? Because you have the same

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1 people in place. You think you're going to somehow go
2 in there and psychologically and psychiatrically change
3 the mindset of these people involved in management who
4 have been conditioned one way all of a sudden think
5 you're going to take adults and condition them another
6 way? It ain't going to work. That's not human nature.
7 History has shown that. Okay?

8 So you have to have a real system of
9 checks and balances. Balance. And what I'm suggesting
10 is one approach. It's not the only approach. But it
11 definitely is the better approach than what you have.

12 Thank you.

13 MR. MCKEE: Thank you. I just might
14 mention that the program that's in place is -- is not
15 an NRC program. It's what -- and that's what I'll send
16 you. It's a program that's proposed by the licensee.
17 I think some of your comments are still relevant to
18 that. But I just wanted to clarify that, that one
19 aspect.

20 And the other aspect -- again, we'll
21 send it to you. I think some of those elements,
22 through various elements of the program, try to inject
23 that fact of an arbitration when the oversight panel
24 and some of the other elements. But I do understand

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1 your comments and --

2 MR. FROMMER: You know, when you say --
3 the thing is when you say inject an element of
4 arbitration, you either have arbitration that's binding
5 or you don't have arbitration that's binding. You
6 can't kind of go in between in the middle and say,
7 "Well, we have something kind of like that." That's
8 not the way it works.

9 You have to have a true balance that's
10 enforceable. Ultimately, it comes down to, no matter
11 who is doing anything, enforcement of what's in place.
12 And if you're going to put enforcement in the hands of
13 Mr. Kenyon, then we might as well all go home because
14 we know what the ultimate results are going to be,
15 especially given that videotape.

16 How do you have any credibility or trust
17 a man that on one hand tells his employees one thing
18 and on the other hand lies to the public? How do you
19 have credibility with someone who is economic-based and
20 has to make decisions for his safety of his own neck
21 concerning economics that's going to concern himself
22 with protecting employees?

23 You know, the history of America is a
24 history of robber barons. And nothing has changed in

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1 modern era. We've just changed the characters and the
2 faces. But the types of individuals we're talking
3 about, the mentality is still the same.

4 MR. MCKEE: Thank you.

5 MR. FROMMER: Thank you.

6 MR. MCKEE: Paul?

7 MR. BLANCHE: Paul Blanche. I think I'm
8 going to have to put on my third hat now. The fact of
9 the economic situation at Northeast Utilities without a
10 doubt can have a chilling effect on employees. There's
11 no doubt about it. When statements are made that
12 There's a cliff out there. We don't know exactly where
13 it is, but it's out there somewhere and if we don't get
14 one of these plants restarted" -- that can have a
15 chilling effect. That's been recognized. It's been
16 recognized by the people that I report to.

17 I speak to small groups, trying to get
18 to as many groups as I possibly can, with my other hat
19 on as an NU contractor. One of the things that I
20 discuss with the groups is the fact that we realize
21 there is economic pressure, also realize that you have
22 requirements under 10 CFR Part 19 to report safety
23 concerns.

24 If we don't identify them inside of

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1 Northeast Utilities, someone else may. Maybe the NRC
2 will. They may be identified just prior to start-up.
3 They could impact start-up.

4 There's no doubt about it. There is a
5 potential chilling effect created by this economic
6 pressure. That is recognized by myself and by
7 management. And we are actively out there telling the
8 employees, "Do not become chilled because of these
9 economic pressures. You are obligated to bring forth
10 those safety concerns. And we will address them. We
11 have to address them."

12 With respect to Mr. Frommer's comments
13 about changes, there are changes being made. They're
14 positive changes. We've got a long way to go. But if
15 you just look at the number of safety concerns that are
16 being brought forward now over the past month or two,
17 they're increasing significantly. That's a positive
18 sign.

19 The method in which they're being
20 handled, the independence. There's no more circle, the
21 lawyers protect the management philosophy. Independent
22 investigations are being conducted. Things are
23 changing. And I think that most people do recognize
24 that potential chilling effect, which is a very, very

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1 major concern. And Don and everyone is right in saying
2 there is a potential there.

3 Thank you.

4 MR. McKEE: Thank you.

5 Anybody else? Mr. Reynolds?

6 MR. REYNOLDS: I'm going to have to
7 punch a hole in Paul's third hat, I think. He's
8 talking about the safety concerns program. But I think
9 the ultimate goal, I thought, was that you could bring
10 up a safety concern to your management. You shouldn't
11 have to go to the Nuclear Safety Concerns Program.

12 MR. DURR: Let me take that. Let me
13 extrapolate. What you said is probably true. If --
14 and Don will probably bear me out on this. If you had
15 an effective corrective action program, you don't need
16 any Employee Concerns Program. If you listen to me
17 harp through all these meetings to Northeast Utilities
18 and the letter I sent them last year was "Your
19 corrective action program is broken. It doesn't work.
20 Don't restart the plants until you get it fixed."

21 If you have an effective corrective
22 program, all these things that the whistle-blowers will
23 come forward -- they could put them in that program and
24 it's going. It works and it gets you out of this

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1 thing.

2 So an effective Employee Concerns
3 Program is good. But even better is an effective
4 corrective action program so I don't need an Employee
5 Concerns Program because the things that are supposed
6 to catch these things is working and it negates the
7 need for all of these things.

8 So where I'm coming from and where the
9 NRC is pushing hard on this utility is you show me that
10 you can identify problems and you can fix them and they
11 get done. Not promises, not all these other things.
12 Just fix the damn thing. That's my motto. That's
13 where I'm coming from. And I think that's the ultimate
14 solution for this whole thing.

15 You get out of this do-loop of people
16 identifying things, nothing ever happens. They become
17 frustrated and they try to go somewhere else to get it
18 fixed, the Employee Concerns Program, the NRC, wherever
19 it is that they have to go. That's what's wrong with
20 this.

21 So, to me, the root evil here is get an
22 effective corrective action program that identifies the
23 problems and it fixes them. And all this other stuff
24 then goes away. It solves this thing and gets at the

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1 root of the problem. Right? So that's where I think
2 we are -- that's where I'm pushing Northeast Utilities
3 to go with this. Fix your corrective action program.

4 Right now we have what we call our
5 significant items list. And in there is a bunch of
6 ACR's and stuff. It's a list of stuff that's wrong at
7 Northeast Utilities. I'm trying to get the utility to
8 get me a corrective action package that says, "This is
9 what we did about that" and for us to be able to look
10 at it and go, "Yes. That makes sense."

11 Right now, we're turning stuff back to
12 them, saying, "You still haven't got the message. You
13 still haven't got it right. You need to go back to the
14 well and try it again because you still don't
15 understand that you have to be thorough, complete and
16 dot all the I's, cross all the T's and fix the
17 problem."

18 So that's what we're in right now, is
19 the utility still today -- and our inspection report
20 tells me them that. 9609 says "You still can't get me
21 a effective corrective action package across -- if
22 they can't get it to the NRC, that means all the other
23 stuff that they're doing out there is suspect. I mean
24 if we're the ultimate restart authority and they've got

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1 to prove to us the corrective action program works,
2 don't you think they would do the best job possible on
3 these packages that they're giving to us? We don't see
4 it yet. There's some success and it's minimal. But
5 we're not there yet. And we're not going to let them
6 go anywhere until they get it right. That's the bottom
7 line. Okay?

8 MR. REYNOLDS: That sounds good.

9 MR. MCKEE: I might add one thing. The
10 thing I left in the back there, a safety-conscious work
11 environment, talks to that issue that you just brought
12 up probably a lot better than I can say it. So I
13 recommend you read that. And if you have comments on
14 that, provide them to the NRC. Thank you.

15 MR. REYNOLDS: I have a copy of it. And
16 that brings me to the criteria that is needed to prove
17 that the base line problem is taken care of because,
18 although Paul thinks the Nuclear Safety Concerns
19 Program is working -- it probably is. But the base
20 line still is that you should be able to go to your
21 supervisor and the problem be solved. And as of four
22 weeks ago, it wasn't. An employee was fired for
23 supposedly other reasons, but there was four people
24 involved. One wasn't touched, two were given a week

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1 off and one was fired. The one that was fired had
2 brought up a safety concern three or four weeks before
3 that. The day of his termination they refused him to
4 go to the Nuclear Safety Concerns Program with his
5 concern. And that's a violation of the procedures.

6 He went to the NRC and the NRC said,
7 "We'll look into it." But, you know, it's too late.
8 The guy's fired. Once you're fired, you know, you're
9 labeled a troublemaker and everything else. Because
10 this particular person was boisterous about doing
11 things right.

12 So, in order for this program to work --
13 and I'm not talking about the Nuclear Safety Concerns
14 Program. You can get facts and figures of a thousand
15 things brought up, a thousand things taken care of.
16 We've got to get to the basics, like Jacque said, as
17 the root cause. You should be able to go to your
18 supervision. A lot of people won't go to a program. I
19 never went to the Nuclear Safety Concerns Program after
20 the second time because my name went back to my
21 supervisor before I even got there.

22 But what we have to establish is a time
23 frame to make sure this works. And how are you going
24 to be able to do that? If they just go to their

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1 supervisors, are you going to investigate everybody
2 that's given time off or being terminated? How are you
3 going to do this? Are you going to take their word for
4 it?

5 MR. McKEE: One element of the order for
6 the Independent Third-Party Organization is to develop
7 and look at indicators of a successful program. It's
8 also one thing we're trying to develop so that we can
9 independently make that call. I mean it's -- it's
10 acknowledged, you know, a tough area to find valid
11 indicators in that area, how you assess that. We're
12 looking at what we can do to make just the type of
13 assessments that you're talking about, that the program
14 is moving forward and is successful.

15 I don't have a list of all those things.
16 There are certain things that can be looked at, number
17 of allegations, concerns forwarded, surveys. And I'm
18 sure we'll use many of those instruments.

19 MR. REYNOLDS: Yes. But that's the
20 number of allegations that's brought forward to the
21 Safety Concerns Program or to you or phone calls that I
22 might get or Don might get on the outside. What type
23 of criteria are you going to use where we don't get
24 these calls? A person raises a question, a safety

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1 question, and later on he's -- he's a good employee.
2 He does everything they say. Then, all of a sudden,
3 his evaluations start going down. This is the type of
4 thing. And this is not something you're going to find
5 out in a month, six months. It's going to take time.
6 And you've got to have something that you can go by to
7 determine this. That's quite a job. And this has been
8 the biggest problem at Northeast Utilities since I
9 worked there, is the way they treated their employees.

10 DR. TRAVERS: You're right. It is a big
11 job. NRC very often is in the midst of a person who
12 feels they've been harassed or intimidated. Someone
13 comes to NRC and we have to initiate an investigation
14 of that issue because fundamentally --

15 MR. REYNOLDS: Oh, I know all of that.
16 I've been through that.

17 DR. TRAVERS: Fundamentally --

18 MR. REYNOLDS: I know how they
19 investigate it, too.

20 DR. TRAVERS: The expectation that NRC
21 has is that the utilities that we license create the
22 work environment that facilitates raising of safety
23 concerns and doesn't permit the kind of harassment,
24 intimidation that sometimes occurs and in the case of

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1 Millstone has occurred in the past. So this is a big
2 issue at Millstone. We recognize it. And we recognize
3 the complexity of dealing with them as they arise.
4 They really are difficult issues sometimes to get to
5 the bottom line. It takes a lot of effort to do so.

6 MR. REYNOLDS: Okay. That brings me
7 back to one of Jacque's comments about he's told the
8 utilities this and they seem like -- that they don't do
9 it. I just wonder if the utilities still feels that
10 they can do or they -- I shouldn't say do. But they
11 can suggest things to the NRC and the NRC still
12 believes them like they have for the past 20 years and
13 they can get by with a lot of certain stuff and nothing
14 will be done about it, which is evidence in the way the
15 violations are handled, the apparent violations and the
16 fines and the time it takes to do it and everything
17 else.

18 MR. DURR: Let me -- let me explain
19 because this has come up a couple of times tonight and
20 apparently there is an interest in the time that it
21 takes to do it. And I appreciate where you're coming
22 from. I'm kind of frustrated myself.

23 But it's a lengthy process, this
24 escalated enforcement thing. First what happened is

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1 from late '95 through '96 we accumulated these some 60
2 or more violations. And then we categorized them into
3 groups and then we held an enforcement conference with
4 the utility, because that's the process, for them to
5 present their side.

6 Then that package -- and it's a
7 voluminous package. It's unprecedented in the NRC's
8 history, to the best of my knowledge, what we have in
9 this package right now. To the best of my knowledge,
10 there's never been anything of that size go through the
11 process.

12 And the process now is that we prepare a
13 package that goes through upper management, through the
14 Executive Director for Operations, will ultimately go
15 to the Commission for their review. So there -- it's a
16 time-consuming thing. It's a legal process. You're
17 off into legalities. I mean if you look at how the
18 legal process works outside the NRC, if you shoot
19 somebody tomorrow, you won't go to trial for another
20 three years because there's delays and people have to
21 do investigations. There's ongoing investigations.

22 So this thing is time-consuming. It's
23 coming. That's all I can tell you. It's in the
24 process. I can tell you today that the package is on

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1 my desk. Okay? Getting ready to go forward. And it's
2 on its last leg of review before it leaves the Region
3 to go to Headquarters for their final review and
4 presentation to the Commission. These things take
5 time. And, like I say, it's a voluminous thing and
6 it's unprecedented, as far as I know, in the NRC.

7 So, you're right. It's a long time
8 coming. But I think once it gets through the other
9 side, we, the utility, the NRC, the public, will be the
10 better for it. I mean it will clear the air and give
11 us a base to start over again.

12 MR. REYNOLDS: So we shouldn't have to
13 worry about -- just from the basis of what you just
14 said, we shouldn't have to worry about Unit 3 starting
15 up in August or September?

16 MR. DURR: I don't know the answer to
17 that. It's up to the Commission. It's up to the
18 Commission.

19 MR. REYNOLDS: Well, it takes a long
20 time to do this stuff. It takes a long time to assess
21 a fine.

22 MR. DURR: I would -- I would -- if I
23 was a betting man, which I'm not because I always lose,
24 but if I were a betting man, it's probably a horse race

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1 right now with that package and start-up. They're
2 going to be close together. But that's the best I can
3 tell you right now.

4 MR. REYNOLDS: But that goes back to the
5 fact how are we going to be able to establish the fact
6 that their program for handling employees' concerns,
7 not through the Employee Concerns Program, but by --
8 through management, that there's no harassment and
9 intimidation and people getting fired?

10 MR. McKEE: That's one purpose of our
11 order and our whole process. Exactly that. To
12 establish -- because of problems that were identified
13 both in the technical and ICAVP, employee concerns,
14 that's exactly the reason we have these unprecedented
15 programs to make, you know -- to help us make that
16 assessment. And those calls have to be made prior to
17 start-up. So -- do you have some other -- do you have
18 anything else?

19 MR. REYNOLDS: Yes, but it can wait.

20 MR. McKEE: Okay. I think -- Ms.
21 Luxton?

22 MR. LANNING: While Susan is coming up
23 to the microphone, on this subject my introductory
24 comments this evening when I said that Unit 3 was going

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1 to be the first unit to restart as characterized by
2 today's meeting, that is not factual. What is factual
3 is that Unit 3 will be the first to have -- to do the
4 ICAVP program. And it's still undetermined as to which
5 unit will start up first.

6 DR. TRAVERS: But this is their
7 schedule.

8 MR. LANNING: This is their schedule,
9 what we were told today.

10 Susan.

11 MS. LUXTON: Hi. I'd like to talk about
12 Little Harbor Consultants for a moment. Little Harbor
13 Consultants -- I was looking back at it in the last few
14 weeks since we last met. And I realized that they had
15 done no prior work specifically for the function that
16 they're going to be doing for NU. And so they were
17 really just formed specifically for the job that
18 they're going to do for NU. Am I right on that? I'm
19 pretty sure that's --

20 MR. McKEE: Not -- they were formed --
21 it's an "S" corporation that was formed several years
22 ago. And the way it's set up, it's really essentially
23 a one-person corporation. And my understanding is that
24 -- not for Northeast Utilities. He's done other work,

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1 you know, other work and aspects by gathering people in
2 to do various other jobs. So Little Harbor
3 Consultants, I don't think it would be right to
4 characterize that it was formed specifically to do this
5 task.

6 MS. LUXTON: Are you sure? Are you sure
7 about that?

8 MR. McKEE: That's the purpose of Little
9 Harbor right now to do this task. But they were formed
10 before and accomplished other tasks in the past for --

11 MS. LUXTON: But not the specific kind
12 of work they're going to do for NU with the Employee
13 Concerns Program.

14 MR. McKEE: Right. Not this specific
15 kind of work, as far as I understand. I'm not sure
16 exactly of the details.

17 MS. LUXTON: I know. I think that
18 concerned me because they had never done this kind of
19 work before for Employee Concerns Program.

20 Okay. Now, another part is the East --
21 it used to be called IOTECH but now you changed it to
22 whatever it is about the BOP or BIP or something. ECP
23 oversight. Why does there need to be management on
24 that oversight team of the Employee Concerns Program?

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1 Because I don't see a management -- I don't see a
2 management component necessary because management
3 doesn't go to the Employee Concerns Program. They just
4 go to upper management. Right?

5 If management has a concern, they go to
6 Mr. Kenyon or who is the next in line before Mr. Kenyon
7 and then eventually to Mr. Kenyon. ECP, Employee
8 Concerns, is really just for -- what do they call them?
9 -- non-exempt or regular employees, employee people who
10 find they can't go to their management because they're
11 not being -- their problem isn't being solved with
12 management. So they go to ECP.

13 So I don't understand why there has to
14 be a management component on the oversight of the ECP
15 program. Do you understand what I mean?

16 MR. McKEE: I think I understand your
17 comment. One thing, management -- just one
18 clarification. Management, if they have issues, I
19 think can go to the Employee Concerns Program.

20 MS. LUXTON: Oh, they can?

21 MR. McKEE: Yes. I'm fairly certain of
22 that. It's open to any employee and management, you
23 know, is an employee.

24 MS. LUXTON: Okay. Okay.

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1 MR. McKEE: But --

2 MS. LUXTON: I guess my understanding
3 was management just goes up the chain of management.
4 But -- all right.

5 Now, the next thing I have to say is I
6 need to -- Mr. Durr -- is he here? Yes. This
7 afternoon -- I was very impressed with all of you this
8 afternoon. I thought you were very hard-hitting and
9 very strong with the utility today. I like it when you
10 do that. I mean sometimes you're not as strong. And I
11 see you're coming on much stronger publicly. And I was
12 very pleased to see that. I do say some nice things
13 about you sometimes. Yes.

14 Now, Mr. Durr, you know, you were
15 talking today about the soft issues.

16 MR. DURR: Yes.

17 MS. LUXTON: I think it was you.

18 MR. DURR: Yes.

19 MS. LUXTON: And they were talking all
20 about their hardware issues and what they're going to
21 do and they were doing their little pony show and
22 whatever they do. And then you were saying, "But the
23 soft issues are what's really going to be hard to, you
24 know, identify the changes that occur within a culture

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1 and how are they going to have a performance indicators
2 for those.

3 And I need you to hear what I think
4 about these soft issues because what I'm seeing is
5 occurring -- and I don't want to take a lot of time
6 because Delcore did a pretty good job on it previously.
7 But now you have to understand what happened to the
8 citizens when we came forward 18 months ago and started
9 asking questions after we read in the paper what was
10 going on with the refueling issue.

11 You have to understand none of us were
12 revolutionaries. None of us were anti-nuclear. We
13 just lived in town and we were concerned for our safety
14 and our families' safety. And we started asking the
15 questions. And immediately, the utility took the tack
16 of denial and not wanting to answer any questions,
17 would not come to any meetings, and immediately started
18 to discredit us.

19 And how they did that, if you don't
20 remember -- I was going to bring it tonight, but I
21 forgot -- is they put out a memo that said, "Lest there
22 be any doubt -- they said this to their 2,500
23 employees. They said, "Lest there be any doubt, anti-
24 nuclear activists from around the country are

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1 converging in Waterford, on Millstone, to shut down the
2 plant and take away 2,500 jobs."

3 Now, that is when a small group of us
4 here just asked questions. They immediately
5 categorized us as coming from outside the -- you know,
6 our town and trying to shut down the plant. It was
7 shocking to see a reaction like that from a utility in
8 our town. Okay? So that is the way it started for us.

9 And what I'm seeing now -- and I must
10 stress this to you that you have to be our advocates on
11 this. I'm seeing that this present management, which I
12 had high hopes for -- because when Mr. Kenyon came in
13 and also this Buzz Carnes came in and he stood up in
14 front of us and said, "We've got to be forthright with
15 the public" -- I don't know if you were there at that
16 meeting. I don't remember if it was the NEAC one or
17 whatever last month he said, Carnes I'm talking about
18 said, "You know, the problem with the industry has
19 been, especially the TMI, that we were arrogant. We
20 didn't -- we weren't forthright with the public. We
21 were secretive. And we've got to change all that."
22 And I thought, "This guy's great. He's really -- it's
23 true what he's saying." Okay?

24 But now what he's doing and what he has

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1 been doing in the last couple of weeks is -- and this
2 was an example of it today with this letter he read
3 which he had no reason -- I don't see any reason to
4 read a letter like that in front of all these
5 management. There was a lot of NU management here
6 today. And what it is, it's a very divisive thing. It
7 pits management, even subtly, or anybody who works at
8 NU against us who live here.

9 Now, I don't have anything against any
10 of them. I mean I -- if the plants start up and
11 they're safe, it's okay. It's okay. I don't want to
12 shut down the plants forever. I'm not on trial here,
13 am I? No. I don't have to tell them all the truth and
14 nothing but the truth. No. I mean in my wildest
15 dreams I'd love it to be a solar-powered facility out
16 there or something. But if that can't happen and they
17 can prove to us, to me, that they're going to be safe,
18 that's fine.

19 But I think what Mr. Carnes is doing is
20 he is modeling very negative behavior. And that's a
21 soft issue thing. Because he said today, "The way
22 we're going to change the soft issue is that management
23 is going to model the kind of behavior we want the
24 employees to see." And he's modeling improper

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1 behavior. That is not good, you know -- that's not a
2 good way to act toward us or towards anybody who asks
3 questions. We have every right and responsibility as
4 citizens in this town to ask this utility questions.

5 I'm very concerned about this. And I
6 need you to keep an eye on it. I'm bringing it up to
7 you and you've got to keep an eye on this because I'm
8 going to keep an eye on this. And next month when
9 there's a meeting, we'll see what happens.

10 A VOICE: Susan, what was in the
11 letter?

12 MR. DURR: Well, can --

13 MS. LUXTON: Go ahead.

14 MR. DURR: Can I respond to you a bit?
15 It's very difficult to become detached from this
16 process.

17 MS. LUXTON: Who? You? For you?

18 MR. DURR: Yes. For anybody. For
19 anybody. Because there's a lot of emotion, you know,
20 with it.

21 MS. LUXTON: Oh, absolutely.

22 MR. DURR: So, from my perspective and
23 what we as managers in the NRC constantly have to be on
24 guard is don't question motivation for you or for

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1 anybody else. So when an alleged comes to us, we don't
2 say, "Well, now, is this guy really on the up-and-up or
3 is he trying to slip one under the door?" You can't do
4 that. We can't do that. I don't know about anybody
5 else. But we, the NRC, cannot --

6 A VOICE: (Inaudible comment)

7 MR. DURR: I'm sorry?

8 A VOICE: You need a policy change.

9 MR. DURR: I still didn't hear what you
10 said. But you cannot question the motivation of an
11 individual who is bringing you information. You have
12 to assume that it's on the up-and-up. And until you
13 can prove otherwise, you go with that.

14 So the allegation process or anything
15 when a public citizen comes to us, we don't go "Does
16 Susan really want to shut that plant down? Is that
17 what she's really trying to do, but she's using me as a
18 pawn?" We don't do that. We cannot afford to do that
19 because it undermines the process until it becomes
20 totally ineffective.

21 What we have to assume is that when
22 Susan comes to us with something, that it's on the up-
23 and-up. And until we can prove otherwise, we have to
24 go with that.

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1 MS. LUXTON: Okay. So what's your
2 point?

3 MR. DURR: So when you --

4 MS. LUXTON: Regarding him, what he's
5 saying today?

6 MR. DURR: When this guy over here -- I
7 don't question his motives nor do I question what he
8 says what your motives are. I discount those. I don't
9 go for motives. I go for the facts. That's all I can
10 deal with is fact. So when Mr. Carnes says that the
11 public is really -- it's a sinister plot, I turn that
12 off because I can't deal with that. That's not -- I
13 have to deal with the facts.

14 MS. LUXTON: That's okay. All right.
15 You can turn that off. That's fine. I'm worried about
16 the people in the audience who he's subtly being
17 influenced by. He's their boss. He's the entire head
18 of the site. Everybody who works for him looks up to
19 him.

20 MR. DURR: Sure.

21 MS. LUXTON: To model, you know, the
22 proper management behavior. So if he's subtly saying,
23 "It's those guys' fault that are asking all the
24 questions, that small group of vocal minority" --

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1 that's exactly what it said in the DPUC final audit
2 report of Millstone management over the last ten years.
3 They had a penchant to blame people outside the
4 company. And I see that's what he's doing again in a
5 subtle way. That's all.

6 MR. DURR: Okay.

7 MS. LUXTON: Thanks.

8 MR. LANNING: Okay. Ms. Luxton has
9 opened up the general discussion. So we'll continue
10 with general questions and comments.

11 Mr. Markowicz?

12 MR. JOHN MARKOWICZ: Good evening. Good
13 to see you again. This is sort of a follow-up to some
14 of the action items or the requests that were made a
15 month ago when we met and also some statements and
16 questions about the presentations that were made this
17 afternoon.

18 When we met back in February, I asked if
19 it would be possible to obtain a list of contracts,
20 statements of work and dollar values, that exist
21 currently and for the past five years between the NRC
22 and Sergeant & Lundy and Parsons Power and Little
23 Harbor Consultants and their consultants since they're
24 independent contractors. And we're having a NEAC

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1 meeting on Thursday. It would be useful if we could
2 have that information.

3 MR. IMBRO: Yes. We -- we sent that to
4 NEAC, at least the Sergeant & Lundy contract. You
5 should have that.

6 DR. TRAVERS: And we cc'd Mr. Markowicz,
7 I thought.

8 MR. IMBRO: Yes. I thought we cc'd you.
9 I'd have to check and see if it got out.

10 MR. MARKOWICZ: Yes.

11 MR. IMBRO: I'll talk to you after.
12 Give me your address and I'll send you a copy

13 MR. MARKOWICZ: Well, if you sent it to
14 NEAC --

15 MR. IMBRO: Yes. Ms. Concannon --

16 MR. MARKOWICZ: If we can have it for
17 the meeting on Thursday --

18 Also, we asked if there would be a
19 significant issues list developed for Millstone Plants
20 1 and 2 similar to the one for Millstone 3. And we
21 were assured we would have that. And has that been
22 distributed or prepared?

23 MR. LANNING: It's been prepared. It
24 has not been signed off by Mr. Travers yet.

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1 MR. MARKOWICZ: So it's -- 30 days?

2 MR. LANNING: It's a draft. We expect
3 to issue it in the next week or so.

4 MR. MARKOWICZ: Okay. I also suggested
5 that in your due diligence of Little Harbor
6 Consultants, instead of Sub-chapter S corporation, you
7 check for the financial, possible financial
8 encumbrances between officers and directors of Little
9 Harbor Consultants and Northeast Utilities. And the
10 question is have you had a chance to do that yet? And
11 if so, are there any?

12 MR. MCKEE: That's one factor we're
13 considering. And, you know, in the approval process we
14 may be looking for certifications from both Northeast
15 Utilities and Little Harbor to that effect.

16 MR. MARKOWICZ: I also noted at the last
17 meeting that Billie Garde's statement of independence,
18 certification of independence, was significantly
19 deficient in that it struck out a key phrase. And I
20 have two questions about that. Are there any other
21 individuals that have certified independence on any of
22 the contracts, either Parsons Power or Sergeant & Lundy
23 or Little Harbor Consultants, also struck out clauses
24 on their independence certification or is Billie Garde

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1 the only one?

2 DR. TRAVERS: I'm not sure if I
3 understand. Maybe you can explain it to us?

4 MR. MARKOWICZ: If you look at the
5 certifications that are provided, the one-page
6 statements that are in the proposal, they have certain
7 check-offs for things. And in some cases, they
8 indicate years of distance between NU and themselves
9 for certain levels of work, which of themselves merit
10 some consideration. But Billie Garde's is more
11 significant than that because wherein she notes zero
12 years separation, she also strikes out a phrase, a
13 phrase that directly relates to the work that she will
14 be doing. I noted that at the last meeting together.
15 And I'm now asking have you reviewed it and come to a
16 position on that? And are there any other individuals
17 from any of the other ICAVP -- ITPOP consultants that
18 have done that?

19 MR. McKEE: With respect to Ms. Garde
20 and that one statement, all those factors about her
21 participation are, I believe, addressed in the
22 licensee's relaxation request, letter, that they sent
23 in describing her activities and how they would
24 restrict her involvement, you know, in the process

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1 based on her previous activity. And I don't believe
2 anybody else on the certifications for Little Harbor
3 struck out anything in the certifications.

4 MR. MARKOWICZ: I'm just suggesting
5 since sometime we in the NEAC don't get everything and
6 that was something that we noted --

7 MR. MCKEE: Yes.

8 MR. MARKOWICZ: -- that some due
9 diligence on those forms is certainly required to look
10 at what does zero years mean if they put in zero and if
11 there were strike-outs. And so I'm just suggesting if
12 it hasn't been done, that you do it. And I think that
13 -- I understand the relaxation request that the utility
14 has put in on Garde and I think Wood. But I do note
15 for the record that Bille Garde did strike out a couple
16 of words on her independence statement.

17 MR. MCKEE: Okay. Thank you.

18 MR. MARKOWICZ: At the meeting this
19 morning, there was a discussion about -- this
20 afternoon, there was a discussion that you folks
21 brought up regarding work that Parsons Power Company --
22 they bought Gilbert Associates, I guess -- did for
23 Northeast Utilities on MOV HELP and the CMP program.
24 And I would ask that -- I think they were asked to

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1 provide some information. If we could have a copy of
2 that, the Nuclear Energy Advisory Council would
3 appreciate that.

4 MR. IMBRO: Sure. That was provided on
5 the docket. So you should be able to get it through
6 the PDR. Well, we can send it to you, I suppose.
7 We'll make sure that the licensee sends you a copy.
8 How's that?

9 MR. MARKOWICZ: That's fine. That's
10 fine. I mean it's been pretty good. I mean we've been
11 getting most of the copies. Since some of these things
12 came up, I'm just trying to follow up on them.

13 There was a discussion this afternoon
14 about the 12-month restriction on Parsons Power, how
15 different it is from the Sergeant & Lundy and the -- I
16 guess Little Harbor Consultants restriction in that
17 they will be required to a 12-month restriction on work
18 with Northeast Utilities. But as currently written,
19 Parsons Power was with Millstone. And there was a
20 discussion about -- there was no position with the NRC
21 --

22 MR. IMBRO: We're going to make them the
23 same.

24 MR. MARKOWICZ: Okay. So that's just

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1 going to follow -- Mr. Kenyon said that he'd do it if
2 you told him to. And I'm just trying to find out.

3 MR. IMBRO: Yes. We've told him to do
4 it.

5 MR. MARKOWICZ: Okay. I was feeling
6 kind of bad for Sergeant & Lundy and --

7 MR. IMBRO: That's right.

8 MR. MARKOWICZ: -- Little Harbor
9 Consultants so they would have an issue.

10 MR. IMBRO: We treat them all fairly.

11 MR. MARKOWICZ: You also made a point
12 this afternoon about insisting that 19 topical areas
13 for ICAVP systems be completed, the review of those
14 topical areas be reviewed and completed prior to the
15 ICAVP. And there was a discussion about having a
16 meeting. Is it a fair understanding that your position
17 is that that review of those 19 topical areas for the
18 ICAVP systems will be completed --

19 MR. IMBRO: Yes.

20 MR. MARKOWICZ: -- before -- okay.
21 After the meeting, there was a discussion with the
22 utility and I asked a question and I learned something
23 I didn't realize; that the order for the ICAVP
24 contractor applies to the discovery period of the

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1 restart process.

2 MR. IMBRO: That's right.

3 MR. MARKOWICZ: Okay. And I asked a
4 question. I backed into that because I'm -- you know,
5 discovery period, I'm not that familiar with it. But
6 what I learned was that because that is the process, it
7 is possible that the utility will present to the ICAVP
8 contractor systems for review against which at least
9 modifications are pending or other things are pending.

10 MR. IMBRO: That's right.

11 MR. MARKOWICZ: Could there be
12 deficiencies pending? In other words --

13 MR. IMBRO: Sure. Because the
14 modifications would be to resolve a deficiency.

15 MR. MARKOWICZ: Except for the
16 modification. Say something's broken, the valve is
17 broken and they intend to fix it at some point.
18 That's, in fact, a fair characterization of how these
19 systems can be presented? They can be presented to the
20 ICAVP contractor with known list of deficiencies?

21 MR. IMBRO: That's right.

22 MR. MARKOWICZ: Do you have a threshold,
23 therefore, that you have whereby if a system has "X"
24 number of deficiencies, you will not accept it?

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1 MR. IMBRO: No. No. Because the --
2 what the ICAVP is trying to do is trying to verify that
3 the licensee's configuration management program has
4 identified all deficiencies. So even though they may
5 not be fixed yet, the ICAVP is the test that they're
6 smart enough to figure out all their problems. And, of
7 course, we're going to make sure that they correct
8 them. So --

9 MR. MARKOWICZ: Okay. I understand.

10 MR. IMBRO: That's why we said discovery
11 phase.

12 MR. MARKOWICZ: Okay. Now, will,
13 therefore, there be a follow-up by the ICAVP contractor
14 of corrective action --

15 MR. IMBRO: Yes.

16 MR. MARKOWICZ: -- taken on those
17 systems?

18 MR. IMBRO: Yes.

19 MR. MARKOWICZ: So the ICAVP period
20 could extend until restart. Is that theoretically
21 possible?

22 MR. IMBRO: It could. Sure.

23 MR. MARKOWICZ: I'm just saying that
24 because --

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1 MR. IMBRO: That's one of the --

2 MR. MARKOWICZ: -- of the work force
3 issues --

4 MR. IMBRO: If you remember what I was
5 asking was trying to get a time frame for when they
6 were going to do the corrective action in terms of
7 developing modification packages, et cetera. And they
8 pretty much indicated that those were going to be done
9 contemporaneously with the finding. In other words, if
10 CMP found a deficiency or found something that needed
11 to be fixed, that that engineering would start almost
12 immediately or they would farm that out. It would be
13 done outside of CMP by others to try and resolve the
14 problem.

15 MR. MARKOWICZ: I'm not challenging you
16 on that. I'm just trying to be --

17 MR. IMBRO: No. I'm trying to get you
18 more information is all. Yes.

19 A VOICE: The difference between the
20 engineering package and the actual implementation --

21 MR. MARKOWICZ: Right. They said they
22 would develop the package and then put a place holding
23 it out there and that stuff.

24 MR. IMBRO: Yes. What we -- what Mr.

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1 Travers is pointing out is we say we're going to look
2 at corrective actions. The ICAVP will look at the
3 engineered fix. But we recognize that it may not be
4 totally implemented. In other words, they may have
5 redesigned the system because -- to fix a deficiency.
6 But that may not be -- well, what the ICAVP needs to
7 focus on is the fact that the design change needs to be
8 completed, at least engineered and drawings need to be
9 revised and that type of thing. So they have to have
10 an approved change package. And that may not
11 necessarily be installed. We also would ensure that
12 that gets fixed before restart. But that's kind of a
13 separate --

14 MR. MARKOWICZ: Okay.

15 MR. IMBRO: Separate issue.

16 MR. MARKOWICZ: Okay. I understand.
17 Now, just to go one further step, are there going to be
18 criteria that the NRC will provide to the ICAVP
19 contractor that says, "For your processes if you reach
20 'X' number of deficiencies, stop the problem"?

21 MR. IMBRO: No.

22 MR. MARKOWICZ: How does that happen
23 then?

24 MR. IMBRO: We'll be -- well, again,

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1 we've discussed this before. But we'll be monitoring,
2 monitoring what the ICAVP finds, first, because we're
3 going to do -- first we'll have implementation
4 inspection. But even other than -- aside from that is
5 that there's going to be the dual reporting. So as
6 ICAVP discovers problems that they found, then they
7 will be reporting to NRC. And then based on that and
8 on our inspection information, then we can judge based
9 on the severity of the issue or the number of issues --
10 and that's a judgment that we'll make to determine
11 whether or not we call a halt to the ICAVP process or
12 we ask them to expand the scope or whatever it is we
13 do. I mean, you know, it's kind of -- you can't make a
14 judgment until you really understand what you're
15 looking at. But we have that built into our process or
16 our thinking. But there's no hard and fast criteria.

17 DR. TRAVERS: If I could just add?

18 MR. IMBRO: Sure?

19 DR. TRAVERS: But, again, one thing we
20 would fully expect to do as we get knowledge on the
21 status of what ICAVP is finding or not is we intend to
22 have these kinds of meetings and talk about our
23 assessment of the significance of the findings. I
24 think we've even talked about having the ICAVP come and

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1 give a briefing to NEAC, for example, to discuss the
2 significance of the kinds of findings that --

3 MR. MARKOWICZ: I understand. I was
4 wondering whether you had already come to some closure
5 on what the out-of-bounds limits were. And I just
6 wondered what your answer --

7 DR. TRAVERS: I think it would be
8 complicated to expect that we could reasonably do that.

9 MR. MARKOWICZ: So you will be providing
10 technical direction to the ICAVP contractor in real
11 time. And that gets to my final statement.

12 DR. TRAVERS: Yes.

13 MR. MARKOWICZ: Final question. I've
14 given this speech about half a dozen times and I've
15 asked for protocols or some kind of mechanism whereby
16 there is a review process of ICAVP contractor
17 performance independent of Northeast Utilities prior to
18 authorizing invoice payment. Is that a dead duck?

19 MR. IMBRO: We're not going to do it.

20 MR. MARKOWICZ: Excuse me?

21 MR. IMBRO: I mean there's really no way
22 -- no process to do that. I mean that's not really our
23 -- you answer it.

24 DR. TRAVERS: If I can give you sort of

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1 the fundamental, in our view, bottom line to that
2 issue? The bottom line on the performance of the ICAVP
3 contractor is they're either going to meet our
4 expectations in the way they perform -- and I'm talking
5 about NRC now -- or they're not. And if they don't,
6 it's up to, in our estimation of things, NU to develop
7 whatever contractual vehicle they need to protect
8 themselves. They have to recognize, in my view -- and
9 we're not going to do it for them -- the potential for
10 that happening.

11 Our assessment is going to be focused on
12 the outcome and performance of ICAVP, not in the way NU
13 goes about protecting themselves or paying for this
14 contractor or not.

15 And that's just really a function of our
16 typical mission. And our mission, with the limited
17 resources that we really can bring to bear on an aspect
18 like this, has to be focused and it has to be focused
19 on the outcome.

20 MR. MARKOWICZ: I understand your
21 position. I have to tell you in all sincerity, it's
22 regrettable. It is certainly a significant departure
23 from what we felt Shirley Jackson promised us last
24 August in this room. She promised independence. And

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1 the process that has been defined and redefined does
2 not past the common-sense threshold for independence.
3 And you can do what you can do, but the public who has
4 an input into the restart process that are sitting here
5 don't accept that.

6 Thank you.

7 MR. LANNING: Mr. Delcore?

8 MR. DELCORE: I kind of want to reaffirm
9 what I had said originally and what Susan Luxton had
10 discussed with regard to the Employee Concerns Program
11 and the demeanor of the management that we're dealing
12 with.

13 Let's go back to February 1. And I
14 think actually I completed it on the 3rd and faxed it
15 to Shirley Jackson. But it was a letter, which, after
16 reviewing two inspection reports, I believe 9606 and
17 9608, I wrote a letter which pretty much identified
18 much of the existing problems at Millstone 1, 2,
19 Connecticut Yankee and the ICAVP.

20 And I faxed that off to her on the 3rd.
21 And by a means I will not discuss with you, Mr. Kenyon
22 got it the next day. And before the -- one of his
23 employee lectures with regard to answering questions on
24 the status and what employee questions were and where

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1 the problems were and so forth, he did a reasonably
2 good job of attacking me for writing that letter to
3 Shirley Jackson.

4 NEAC had a meeting subsequent to that,
5 on the 13th of February, and I had about a 14 or 15-
6 question group that I got up and asked. And,
7 incidentally, that was the first night that Mr. Carnes
8 was kind of exposed to the world here. And the next
9 day, he made a tour of Unit 2. And during that tour,
10 Mr. Carnes asked the management and technicians --
11 pardon me -- of my son's department if he shared my
12 views about Millstone. And that's the type of
13 management that you're dealing with.

14 And I would say right now that you
15 gentlemen better take some action to stop that. And
16 you better take some very decisive action to protect my
17 son or there's going to be some hell to pay.

18 Thank you.

19 MR. LANNING: You're next.

20 MR. FROMMER: I have some questions for
21 you I wanted to ask with respect to the Employee
22 Concerns Program. Under existing Federal law of the
23 NRC, can the NRC overturn a decision -- I'm just
24 asking. I don't know. Can the NRC overturn a decision

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1 of NU on a safety issue only to fire somebody?

2 Let me re-ask the question. Under
3 existing Federal law of the NRC, does the NRC have the
4 power only on the safety concern issue, nothing else,
5 to overturn a decision of Northeast Utilities or any
6 utility to fire someone? I don't know. I'm asking
7 you.

8 MR. LANNING: None of us here are
9 attorneys. And you're really asking a legal question.

10 MR. FROMMER: Well, the reason I'm
11 asking --

12 MR. LANNING: And I don't know the
13 answer.

14 MR. FROMMER: Well, the reason I'm
15 asking you the question -- all right. Maybe Mr. Durr
16 knows.

17 MR. DURR: Yes. Let me -- let me give
18 you what -- and this is -- let me -- this is not the
19 NRC's answer. This is what I believe to be true.
20 Okay? This is the best that I think you're going to
21 get tonight.

22 The process by which employees are
23 protected is under the Department of Labor. Now it's
24 under, I think, OSHA.

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1 MR. DELCORE: OSHA. February 28.

2 MR. DURR: It went under OSHA. But it
3 was under the Department of Labor. We have -- the only
4 way that an employee can be made whole is through that
5 process.

6 MR. FROMMER: Okay.

7 MR. DURR: The NRC can independently of
8 the Department of the Labor at the time or OSHA now
9 take enforcement against the utility, but we cannot
10 make the individual whole.

11 MR. FROMMER: Well, perhaps you may want
12 to look at trying to get some of the laws changed. And
13 I'm just making a suggestion. Right now, under the
14 Civil Service Reform Act -- and I think most of you are
15 familiar with this. But under the Civil Service Reform
16 Act, there is what's called a U.S. Merit System
17 Protection Board and a special council.

18 And I think it would be a very good idea
19 for the NRC to petition the Congress for the creation
20 of a safety-conscious protection board within the NRC
21 to serve the same purpose as guaranteed to Federal
22 employees, also the whistle-blower provisions to
23 Federal employees under Merit System -- under the Civil
24 Service Reform Act. That's just that issue.

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1 Now, with respect to the ICAVP, I've
2 done configuration audits with the Navy on weapons
3 systems, so I have some idea of where you're coming
4 from. It seems, from what I can gather from what we're
5 talking about here, essentially the ICAVP, if I can put
6 it into simplistic terms, is to verify that the utility
7 and its base line design is trackable, traceable, that
8 every component and every change to every component by
9 virtue of design is traceable and that the
10 configuration of the changed system is completely and
11 totally identifiable. Am I correct?

12 MR. IMBRO: Yes.

13 MR. FROMMER: Okay.

14 MR. DURR: Well, I think it goes beyond
15 that, though.

16 MR. FROMMER: I said simplistically.

17 MR. DURR: Okay. Simplistically that's
18 true.

19 MR. FROMMER: Okay? Now, you're going
20 to ask the utility -- or you've asked the utility or
21 you're permitting the utility, in terms of its
22 deficiencies with respect to configuration management,
23 to make selections into which deficiencies it thinks
24 you should or would like you to look at. Is that a

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1 correct statement? No?

2 MR. IMBRO: No.

3 MR. FROMMER: Could you --

4 MR. IMBRO: Say that question again?

5 MR. FROMMER: If I understand the
6 process right now of the ICAVP, the utility will make
7 suggestions into topical areas of deficiencies --

8 MR. IMBRO: No.

9 MR. FROMMER: No. Okay. Could you
10 correct me?

11 MR. IMBRO: Well, the ICAVP basically is
12 going to be able to -- well, they're going to focus on
13 the deficiencies that are in the systems that they look
14 at and they'll look at all of them.

15 MR. FROMMER: They're going to look at
16 every single deficiency?

17 MR. IMBRO: In those systems. But on
18 top of that, we're going to also be looking at other
19 systems, we, NRC.

20 DR. TRAVERS: But the one aspect of your
21 question ought to be clearer on that. And that has to
22 do with the input, if any, that the utility has into
23 it. They don't have any.

24 MR. FROMMER: They don't have any. So

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1 is there a selection process or am I led to believe
2 that every single deficiency will be looked at or are
3 you going to be doing a sampling process?

4 DR. TRAVERS: It's a selection process.
5 It's a sample and is selected by NRC and/or some other
6 organization like the NEAC.

7 MR. FROMMER: And what's the criteria
8 that you're going to use for the selection of the
9 sample?

10 MR. IMBRO: Well, I mean a number of
11 things. We're going to, you know, weigh risk
12 significance of the systems. We're going to look at
13 whether or not the systems have been modified and to
14 what extent they've been modified, the complexity of
15 the system modifications.

16 DR. TRAVERS: Historical problems.

17 MR. FROMMER: Okay. I'm just asking
18 questions. I'm not making statements. I'm just trying
19 to get some insight.

20 MR. IMBRO: That's fine.

21 MR. FROMMER: Okay. Thank you.

22 MR. LANNING: Okay. You're next please,
23 sir.

24 MR. BILL SHEEHAN: Bill Sheehan. I want

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1 to change the topic. I want to talk about training
2 and, to use a term I'm used to from the Navy, crew
3 readiness, and ask you -- one of the key situations in
4 bringing, restoring the plants and starting them up and
5 so on and bringing them back into operation is the
6 cohesiveness, the teamwork and the training of the
7 personnel that are going to be standing the watches in
8 the plant while it's coming up, upgrading and so on.

9 The disheartening results of the reactor
10 operator exams for Millstone 1 and some other
11 indications that I've seen indicate that possibly that
12 the Millstone -- and some actions that the utility has
13 taken show that the training program at Millstone,
14 which, in my memory, used to have a very vaunted
15 reputation, has got similar holes that the hardware
16 has, that the FSAR and the design basis and so on has.

17 So my question to you folks is what's
18 your program and how do you plan to monitor the
19 readiness of the people as a team to take those plants
20 critical, start them up and operate them? And do you
21 have plan scenarios where you're going to take the
22 watch sections into their training facilities and run
23 them through various casualty procedures and, if so,
24 what casualty procedures and what other unusual

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1 arrangements? And do you have some sort of program to
2 do that? And would it be possible, if you do, for the
3 NEAC to have a copy of it?

4 MR. LANNING: Okay. I've got a long-
5 winded answer for you.

6 MR. SHEEHAN: Good.

7 MR. LANNING: In two parts. What we
8 normally do -- then what we will do based on these
9 recent operator license -- what we normally do for a
10 plant that's been shut down a long time is to assess
11 operators' readiness to operate. And we do that in a
12 number of ways. Observation of their performance in a
13 simulator, for example. Command and control of
14 operating crews, for example, the kind of stuff that
15 they would probably do.

16 We'd also observe operators at the real
17 controls of the reactor during start-up. We would
18 normally have round-the-clock coverage for a certain
19 number of days, for example, through the evolutions to
20 listen, to watch, to see how efficient and safe that
21 they operate this unit. That's what we normally do for
22 a plant that's been shut down for a long period of
23 time, to do a check on operators' readiness to operate.

24 Now, I want to go back. These recent

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1 revelations concerning the training program I take very
2 seriously because one implication of that is what are
3 the qualifications of all the operators? Because
4 they've all been through this training program. I
5 don't know the answer to that yet because Northeast is
6 still evaluating not only this most recent plant's
7 failure but historically have operators met the
8 qualifications before they stood for a license. Okay?

9 Now, on the surface -- and this is
10 preliminary. They have not completed their root cause
11 analysis. But on the surface, it appears to me that
12 management once again has failed to provide adequate
13 oversight of the training program at Millstone. And so
14 if that, indeed, turns out to be the root cause and it
15 does -- it's pervasive among numerous operator classes,
16 we'll have to undergo some sort of training inspection,
17 training evaluation, individual assessments and
18 whatever. But it's too early yet for me to tell you
19 what that would encompass because we're not quite there
20 yet.

21 MR. SHEEHAN: Okay. Do you have plans
22 then for setting up -- besides assessing the individual
23 operator's competencies and qualifications, of looking
24 at how those individual operators interact with each

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1 other in a teamwork environment so where basically
2 you're preparing the crew as a team and assessing their
3 knowledge -- you can do it -- one of the ways you can
4 do it, obviously, is through a series of interviews or
5 simulator type things. Do you have a regular scenario
6 program that you go through that NRC uses in assessing
7 start-up of plants or are you going to have to go blow
8 the cobwebs off one that's been used a few years ago
9 and update it or do you even bother to do this type of
10 thing normally when a plant goes critical? I know it's
11 been a long time since the initial plant has gone
12 initial critical.

13 MR. LANNING: Again, normally we would
14 be evaluating operating performance, what we call
15 operator evaluations, as part of the start-up, as part
16 of the readiness for operation. But in this case,
17 where we are today, it may require us or someone to do
18 operator evaluations, job performance evaluations, if
19 you will, which includes crew performance evaluations
20 as part of a separate evaluation. We used to call it
21 operator requalification exams. Okay? Where we looked
22 at and assessed individual crew performance -- for
23 example. Okay? But -- so we may have to do something
24 like that, depending on the outcome of this ongoing

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1 evaluation.

2 MR. SHEEHAN: I was just thinking that
3 it might be worthwhile if you had some sort of program
4 that took them through the casualties, God forbid, that
5 you ever see, the things like, you know, complete loss
6 of coolant, you know, complete loss of pressurizer
7 level, failure of the primary reliefs, all that sort of
8 thing in an operational simulator situation where you
9 can see -- where they can get used to seeing what the
10 meters are going to do, how the systems are going to
11 operate, and you have a set scenario and you won't say,
12 "No. We're not going to let you go critical until you
13 have been able to pass these wickets."

14 MR. LANNING: Well, you know, the
15 seating of the training program that puts the operator
16 crew through that scenario, various scenarios
17 periodically as part of their training and refresher
18 training.

19 But I think what you're really talking
20 to is is the NRC going to require additional operator
21 crew evaluations prior to start-up? And the answer to
22 that is I don't know yet because we're still evaluating
23 how broke the training program is. But that would be
24 in addition to what we would normally do for evaluating

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1 operators' readiness to operate during restart for a
2 plant that's been shut down for a long period of time.

3 MR. SHEEHAN: Okay. I just -- I
4 encourage you to do that because obviously, even if the
5 design basis is perfect and all the material problems
6 have been fixed, if the operators can't smoothly
7 operate the plant, you've got a disaster in the making.

8 MR. LANNING: I agree with you.

9 MR. SHEEHAN: Thank you.

10 MR. LANNING: Any other questions?

11 Okay. I think we're finished. Thank
12 you very much. Good night.

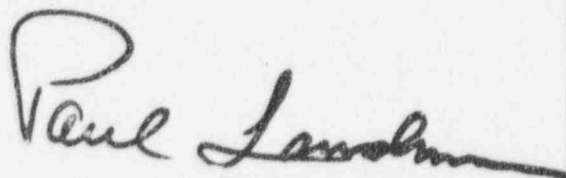
13
14 (Whereupon, the hearing was adjourned at
15 10:15 P.M.)
16

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 1st day of April, 1997.



Paul Landman,

President

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