



50-309

UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

April 29, 1997

Mr. Michael E. Sellman, President
Maine Yankee Atomic Power Company
329 Bath Road
Brunswick, ME 04011

SUBJECT: MAINE YANKEE MANAGEMENT CHANGES (TAC NO. M96589)

Dear Mr. Sellman:

In a meeting with the U. S. Nuclear Regulatory Commission (NRC) on February 4, 1997, Maine Yankee Atomic Power Company (MYAPCO) indicated that on January 28, 1997, its Board of Directors had approved a draft management services agreement with Entergy Nuclear, Incorporated (ENI). By letter dated February 6, 1997, MYAPCO informed the staff of its plans for management changes at the Maine Yankee Atomic Power Station. In its letter, MYAPCO concluded that neither the management services agreement nor specific planned management changes would require prior NRC approval. MYAPCO stated that "Maine Yankee unequivocally remains the operating licensee for the Maine Yankee plant, with ultimate authority and control over, and responsibility for, safe plant operation and regulatory compliance. This relationship is clearly established in the management services agreement between Maine Yankee and Entergy." MYAPCO also stated what it believed were important provisions of the agreement that establish the relative roles of MYAPCO and ENI. Among these were provisions that the licensed operators in the Maine Yankee control room will remain solely employees of MYAPCO and that management personnel provided under the agreement are subject to the direction of the MYAPCO Board of Directors and serve at the pleasure of the MYAPCO Board of Directors.

On February 12, 1997, representatives of NRC's Office of the General Counsel and Office of Nuclear Reactor Regulation met with representatives of MYAPCO and ENI to better understand the draft agreement and its potential impact on Maine Yankee. On the basis of its reading of the draft agreement and discussions with the representatives of MYAPCO and ENI, the staff agrees with MYAPCO's conclusion that no NRC approval is required. The staff understands that MYAPCO and ENI executed the agreement on February 13, 1997. 1/0 DFC

In the February 12 meeting, the staff identified several issues that it plans to follow during the implementation of specific management changes. These issues include assurance that (1) the changes do not impair the licensee's ability to effectively implement the Maine Yankee emergency plan; (2) ENI personnel meet the qualification requirements of the Maine Yankee licensing basis; and (3) any necessary changes to licensing-basis documents, such as the security plan and the quality assurance plan, are made in accordance with the applicable regulatory requirements.

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MYAPCO has characterized the agreement executed on February 13, 1997, as a short-term agreement. MYAPCO stated that it anticipates execution of a long-term agreement in several months. It is the staff's understanding that MYAPCO has agreed to notify the staff of any significant changes to MYAPCO's organization during implementation of the agreement and meet with the staff when the long-term agreement has been developed. If your understanding differs from the staff's regarding the issues set forth in this letter, please notify the staff promptly.

If you have any questions regarding this matter, please call the Maine Yankee project manager, Dan Dorman, at (301) 415-1429.

Sincerely,

Original signed by

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

cc: See next page

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cc:

Mr. Charles B. Brinkman
Manager - Washington Nuclear
Operations
ABB Combustion Engineering
12300 Twinbrook Parkway, Suite 330
Rockville, MD 20852

Thomas G. Dignan, Jr., Esquire
Ropes & Gray
One International Place
Boston, MA 02110-2624

Mr. Uldis Vanags
State Nuclear Safety Advisor
State Planning Office
State House Station #38
Augusta, ME 04333

Mr. P. L. Anderson, Project Manager
Yankee Atomic Electric Company
580 Main Street
Bolton, MA 01740-1398

Regional Administrator, Region I
U.S. Nuclear Regulatory Commission
475 Allendale Road
King of Prussia, PA 19406

First Selectman of Wiscasset
Municipal Building
U.S. Route 1
Wiscasset, ME 04578

Mr. J. T. Yerokun
Senior Resident Inspector
Maine Yankee Atomic Power Station
U.S. Nuclear Regulatory Commission
P.O. Box E
Wiscasset, ME 04578

Mr. James R. Hebert, Manager
Nuclear Engineering and Licensing
Maine Yankee Atomic Power Company
329 Bath Road
Brunswick, ME 04011

Friends of the Coast
P.O. Box 98
Edgecomb, ME 04556

Mr. Robert W. Blackmore
Plant Manager
Maine Yankee Atomic Power Station
P.O. Box 408
Wiscasset, ME 04578

Mr. Michael J. Meisner
Vice-President
Licensing and Regulatory Compliance
Maine Yankee Atomic Power Company
329 Bath Road
Brunswick, ME 04011

Mr. Bruce E. Hinkley, Acting
Vice-President, Engineering
Maine Yankee Atomic Power Company
329 Bath Road
Brunswick, ME 04011

Mr. Patrick J. Dostie
State of Maine Nuclear Safety
Inspector
Maine Yankee Atomic Power Station
P.O. Box 408
Wiscasset, ME 04578

Mr. Graham M. Leitch
Vice President, Operations
Maine Yankee Atomic Power Station
P.O. Box 408
Wiscasset, ME 04578

Mary Ann Lynch, Esquire
Maine Yankee Atomic Power Company
329 Bath Road
Brunswick, ME 04578

Mr. Jonathan M. Block
Attorney at Law
P.O. Box 566
Putney, VT 05346-0566