



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

June 23, 1997

Mr. David Flanagan
Chairman of the Board
Maine Yankee Atomic Power Company
329 Bath Road
Brunswick, ME 04011

50-389

Dear Mr. Flanagan:

On June 10 and 11, 1997, the U.S. Nuclear Regulatory Commission (NRC) senior managers met to evaluate the nuclear safety performance of operating reactor, fuel facilities, and other materials licensees. The NRC conducts this meeting semiannually to determine if the safety performance of various licensees exhibits sufficient weaknesses to warrant increased NRC attention or if it is trending adversely and requires steps be taken to communicate concerns to the utility's president or board of directors. At the June 1997 Senior Management Meeting (SMM), the Maine Yankee facility was discussed.

The Maine Yankee plant remains on the NRC Watch List as a Category 2 plant. Plants in this category have been identified as having weaknesses that warrant increased NRC attention until the licensee demonstrates a period of improved performance. A summary of NRC discussions related to Maine Yankee follows:

Since the last SMM, Maine Yankee remained shutdown to address numerous plant equipment and human performance problems. Under a management services agreement with Entergy Nuclear Incorporated, a new management team was formed at the site. Comprehensive assessments were undertaken to determine the full extent and root causes of problems that may exist. This included follow up on issues previously identified by an NRC integrated safety assessment team inspection conducted in the latter part of 1996.

Performance improvement plans were expanded considerably by the new management team. These plans identified both near term actions to be completed before plant restart and needed long term improvements. New corrective action and self-assessment processes were instituted. While a significant lowering of the problem reporting threshold was observed, implementation has been somewhat inconsistent in the startup phase of these programs. Management has established higher performance standards and has taken a more conservative approach to analysis of problems and decision making. A decision was made to enter the planned 1997 refueling outage about nine months early to expedite the equipment problem discovery process. Some progress was made in repairing degraded plant equipment. Plans for plant modifications necessary to address a number of design issues were in various stages of development when a decision was made by the Board of Directors to reduce outage activities. The Board took this action in concert with a decision to reexamine the plant's future.

9707070092 970623
PDR ADOCK 05000309
P PDR



NRC FILE CENTER COPY

David Flanagan

-2-

Personnel performance is still inconsistent as evidenced by errors made during recent defueling operations. Continued management attention is needed to reinforce new performance standards.

Significant additional work must be completed before plant restart. The senior managers determined continued increased agency attention is needed to monitor improvement efforts. As a consequence, Maine Yankee continues to be designated a Category 2 facility.

Mr. Hubert Miller, the Region I Regional Administrator, has discussed the bases for our conclusions with regard to Maine Yankee with members of your staff.

An NRC Commission Meeting, open to the public, is scheduled to be held in the Commissioners' Conference Room in Rockville, Maryland, on June 25, 1997 at 10:00 a.m., to review the results of the latest meeting of NRC Senior Managers.

If you have any questions, regarding this matter, do not hesitate to call me at (301) 415-1700.

Sincerely,

Original signed by
L. Joseph Callan

L. Joseph Callan
Executive Director
for Operations

Docket No.: 50-309

cc: See next page

DISTRIBUTION: See attached page

DOCUMENT NAME: G:\SECY2\MYLTRSMM.697

To receive a copy of this document, indicate in the box: "C" = Copy without attachment/enclosure "E" = Copy with attachment/enclosure "N" = No copy

OFFICE	RA:RI	DD:NRR	D:NRR	DEDR	EDO
NAME	HJMiller	FJMiranda	SJCottins	HLThompson	LJCallan
DATE	06/19/97	06/18/97	06/18/97	06/19/97	06/19/97

OFFICIAL RECORD COPY

*Noted
Chung*

Mr. David Flanagan
Maine Yankee Atomic Power Company

cc w/encl:
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 02110-2024

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

Maine Yankee Atomic Power Station

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

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

DISTRIBUTION: for letter to Mr. D. Flanagan (MAINE YANKEE)

Central Files

PUBLIC

EDO R.F., 0-5 E6

PIPB R.F., 0-12 E4

SECY, 0-16 G15

OPA, 0-2 G5

OCA, 0-4 B10

ELJordan, 0-5 E6

BDean, 0-5 E6

JLieberman, 0-7 H5

ACThadani, T-10 F12

DFRoss, T-4 D18

TTMartin, 0-12 G18

RPZimmerman, 0-12 G18

FPGillespie, 0-12 G18

CWHehl, RI

RWBorchardt, 0-12 E4

MRJohnson, 0-12 E4

PICastleman, 0-12 E4

CWHehl, RI

SAVarga, 0-14 E4

JAZwolinski, 0-14 H3

DDorman, 0-14 H3

030035

DFOI 1/0