



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

June 25, 1997

The Honorable Joseph I. Lieberman
United States Senate
Washington, D.C. 20510

Dear Senator Lieberman:

I am writing to inform you about the latest U.S. Nuclear Regulatory Commission (NRC) efforts at the Millstone and Haddam Neck facilities of Northeast Utilities (NU). This letter reports the significant activities that have taken place since my last letter on December 2, 1996.

Since my last update, the NRC Special Projects Office (SPO), which was formed to focus managerial attention on the issues at Millstone Nuclear Power Station, has taken a number of actions with respect to oversight of the recovery efforts at the Millstone units. Principally, the SPO has focused on the licensee's efforts to establish an Independent Corrective Action Verification Program (ICAVP) and an independent third party to oversee the employee concerns programs. Other activities of the SPO are detailed in the Millstone Restart Assessment Plan, which was last updated on March 24, 1997. That revision (Enclosure 1) makes the plan applicable to all three Millstone units. In addition to identifying major elements requiring resolution before plant restart, the plan contains, for each unit, a list of significant issues and actions that the staff intends to review before the restart. At a meeting with the Commission on April 23, 1997, the NRC staff presented a project planning schedule for these restart activities associated with Millstone Unit 3 (Enclosure 2). This schedule is predicated on the licensee's scheduled actions to be ready for the ICAVP and to have the plant physically ready for restart.

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Inc. (Parsons), for the Millstone Unit 2 ICAVP. The staff has reviewed the NU proposal for using Parsons for the Unit 2 ICAVP, considering public comments received at a March 18, 1997, meeting in Waterford, Connecticut. In a May 28, 1997 letter (Enclosure 4), the NRC staff conditionally approved the NU contractor, Parsons, for the Millstone Unit 2 ICAVP. The approval was conditional on the completion and submittal of certifications of financial independence by Parsons and NU corporate officials. The licensee has indicated that these certifications will be submitted in the near future. Millstone Unit 3 started the ICAVP on May 27, 1997 and NU projects that Unit 2 will be ready to start the ICAVP on June 30, 1997. The Unit 1 ICAVP will follow the Unit 2 and Unit 3 ICAVPs.

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The NRC continues to evaluate potential enforcement actions concerning the spent fuel pool and design-basis issues at Millstone. Also, potential enforcement actions may result from the work of the Office of Investigations, the Office of the Inspector General, special team inspections, routine resident and regional inspections, and the 10 CFR 2.206 petition process. These activities are being coordinated with the U.S. Attorney for the District of Connecticut. Issues that result from this process will be evaluated to determine whether they affect restart. Any restart issues identified will be incorporated into the Restart Assessment Plan.

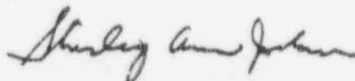
As NRC Watch List Category 3 facilities, the Millstone plants will require Commission approval before restart. In support of this action, the Commission has been kept informed of the staff's oversight and the licensee's restart plans through Commission papers and periodic briefings. On January 30, 1997, and April 23, 1997, NU executives and NRC senior management briefed the Commission on the status of the Millstone recovery efforts. At the last briefing, the Commission expressed dissatisfaction with the level of detail presented by the licensee and commented that, in the future, greater detail was needed for the Commission to assess the progress of the licensee's actions. On May 30, 1997, NU provided a docketed briefing book to the Commission (a copy also is enclosed), which appears to contain the level of detail that the Commission was seeking. The Commission briefings will continue approximately once per quarter until decisions concerning restart are

final. The next Commission briefing is scheduled for August 6, 1997. The staff will also continue to keep the public informed on the status of the Millstone facility through evening meetings, approximately every 2 months, in the vicinity of the Millstone site. The last such meeting was held on May 21, 1997.

With regard to the Haddam Neck facility, on December 4, 1996, the Connecticut Yankee Atomic Power Company (CYAPCO) Board of Directors voted to permanently shut down the facility. On December 5, 1996, the licensee submitted certification of permanent cessation of power operations and permanent removal of fuel from the reactor vessel. Once this certification was docketed (i.e., formally received) by the NRC, the Haddam Neck facility license no longer authorized operation of the reactor or emplacement of fuel into the reactor vessel. CYAPCO is planning for the decommissioning of its facility. Before major decommissioning activity takes place, CYAPCO is required to submit a Post-Shutdown Decommissioning Activities Report in accordance with NRC regulations. Also, on May 12, 1997, the NRC proposed a \$650,000 civil penalty for Haddam Neck due to alleged violations involving (1) multiple examples of engineering errors relating to maintenance of the plant design basis, and (2) an incident in late 1996 in which nitrogen gas leaked into the reactor vessel resulting in a reduction in reactor water level. The NRC is continuing to evaluate taking enforcement action at Haddam Neck in response to other potential violations of NRC requirements. Because Haddam Neck is permanently shut down, the NRC SPO is no longer responsible for its oversight. Therefore, the status reports that follow will no longer discuss Haddam Neck. However, our respective staffs will continue to be in frequent contact regarding activities at Haddam Neck.

I trust this information, as supplemented by the enclosures, will give you an adequate understanding of the current status of the Millstone and Haddam Neck facilities and the actions that are required before the Commission will allow the Millstone units to restart. If I can be of further assistance, please do not hesitate to contact me.

Sincerely,



Shirley Ann Jackson

Enclosures: As stated (6)



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

June 25, 1997

The Honorable Christopher J. Dodd
United States Senate
Washington, D.C. 20510

Dear Senator Dodd:

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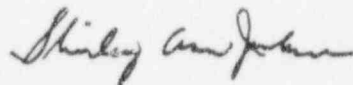
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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

June 25, 1997

The Honorable Sam Gejdenson
United States House of Representatives
Washington, D.C. 20510

Dear Congressman Gejdenson:

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Sincerely,



Shirley Ann Jackson

Enclosures: As stated (6)



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

May 28, 1997

Mr. Bruce D. Kenyon
President and Chief Executive Officer
Northeast Nuclear Energy Company
P.O. Box 128
Waterford, CT 06385-0128

Dear Mr. Kenyon:

This letter provides conditional approval of your proposed contractor, Parsons Power Group, Inc. (Parsons) for the conduct of the Millstone Unit 2 Independent Corrective Action Verification Program (ICAVP), pending completion and submittal of the enclosed certifications of financial independence by Parsons and the Northeast Nuclear Energy Company's (Licensee's) corporate officials. On the basis of the information provided in your submittals of February 14, March 27, and May 14, 1997, and the discussions at the meeting of March 18, 1997, we have concluded that Parsons has the technical expertise and nuclear design experience necessary to conduct the ICAVP review at Millstone Unit 2. We have also concluded that Parsons is sufficiently independent of the Licensee and its design contractors for the conduct of the ICAVP.

Concerns were raised by the Nuclear Energy Advisory Council (NEAC) for the State of Connecticut and by members of the public on the independence of the ICAVP contractors. The NRC has chosen to adopt a practical standard of independence between the ICAVP contractor and the Licensee. In making our determination, we balanced the need to ensure adequate financial independence with the need to ensure that the contractor had the necessary skills and experience to effectively conduct the ICAVP. We found that Parsons was sufficiently independent from the design and operation of Millstone Unit 2 in that it has not been involved in design activities that would affect its ability to perform the ICAVP.

Regarding Parsons' financial independence from the Licensee, we found sufficient independence in that, organizationally, Parsons does not directly own any stock, bonds, or other financial instruments issued by Northeast Utilities (NU), Northeast Nuclear Energy Company (NNECO), or other entities named on the Millstone Unit 2 operating license. The Parsons Power Group, Inc., is a wholly owned subsidiary of the Parsons Corporation. The Parsons Corporation is totally owned by the employees through the Parsons Employee Stock Ownership Plan. The Parsons Employees Stock Ownership Plan does not invest in outside companies. The Parsons 401K program is administered by American Express Corporation and no employee of Parsons has control of the investment decisions of any of the five mutual funds involved in the 401K program. In addition, each of the proposed ICAVP team members will be required to provide a written statement regarding conflict of interest that includes financial interests.

Enclosure 4

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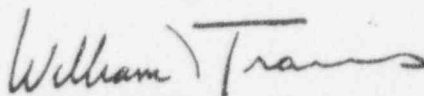
As previously described, we have concluded that Parsons has sufficient technical and financial independence to conduct an objective review of Millstone Unit 2. In addition, we have concluded that Parsons has sufficient technical and financial independence to conduct the necessary seismic reviews that Sargent & Lundy is precluded from performing at Millstone Units 1 and 3. However, this approval is conditioned upon the submittal of the enclosed certifications of financial independence by the corporate officials of the NNECO and Parsons (Enclosure 1). A detailed discussion of the basis for our approval is provided in Enclosure 2.

To ensure the continued independence of the ICAVP team, a communication protocol will be established as part of the contractor's audit plan. This protocol shall include the reporting procedures discussed in the Confirmatory Order of August 14, 1996. The staff will approve the protocol after discussions with the contractor during the staff's review of the audit plan.

We will withhold final approval of individual team members until completion of our interviews in conjunction with our review of the proposed audit plan. The staff will conduct interviews with each team member to verify that he or she is technically and financially independent and to determine whether the member's technical qualifications and experience are consistent with his or her assigned role as defined in the audit plan. In addition, we request that all team members complete the enclosed Conflict-of-Interest Statement to document their financial and technical independence (Enclosure 3). It is requested that these statements be submitted by Parsons following the NRC staff conducted interviews of the team.

Please contact Eugene Imbro at (301) 415-1490 if you need any additional information or clarification of the enclosures.

Sincerely,



William D. Travers, Director
Special Projects Office
Office of Nuclear Reactor Regulation

Enclosures:

1. Certification of Financial Independence
2. Results of the Staff's Review of the Proposed
ICAVP Contractor for Millstone Unit 2
3. Conflict-of-Interest Statement

cc: see next page



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

March 24, 1997

Mr. Bruce Kenyon
President and Chief Executive Officer
Northeast Nuclear Energy Company
P.O. Box 128
Waterford, CT 06385-0128

SUBJECT: RESTART ASSESSMENT PLAN

Dear Mr. Kenyon:

This letter is to inform you of a recent revision to the NRC's Millstone Restart Assessment Plan. This will be the second revision to the plan since it was initially issued. The Restart Assessment Plan was initially issued in September 1996, and subsequently revised in December 1996, to reflect an NRC reorganization which had established a Special Projects Office for Millstone oversight. The Restart Assessment Plan was revised to make the plan applicable to all three Millstone units rather than just Unit 3 and was based on your decision to allow all three units to focus on restart in parallel, rather than the previous circumstances in which most resources were applied to a Unit 3 restart. The revised Restart Assessment Plan is enclosed to this letter.

The NRC Manual Chapter (MC)—0350, "Restart Approval" checklist, will be the same for all three Millstone units. However, in addition to the Unit 3, the Significant Items List (SIL) for Unit 3, which was already in the Restart Assessment Plan, SIL have been added for Units 1 and 2. Also, the Unit 3 SIL has been revised by the addition of more items to the list, and to show what items have already been addressed and closed by the NRC through our inspection process. Editorial changes were made to each SIL to allow for cross referencing between the SIL and the MC—0350 "Restart Approval" checklist. The SILs for each unit are living documents and will be periodically revised. We will inform you by letter when there are significant revisions to each SIL.

Inspection of items listed in the Restart Assessment Plan will require significant NRC resources. So that we may efficiently schedule the use of our resources to verify that items listed on the plan have been completed, we request that your staff carefully review the enclosed plan and provide to our staff scheduled completion dates for each item. In addition, you should give us sufficient advance notice of your readiness for restart of each unit so that we may plan the use of our resources for other planned NRC inspections, as noted in the Restart Assessment Plan.

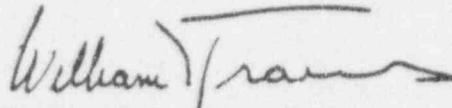
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Enclosure 1

Mr. Bruce Kenyon

2

If you have any, questions please contact Mr. Wayne D. Lanning at 610-337-5126 or Mr. Jacque P. Durr at 610-337-5224.

Sincerely,

A handwritten signature in dark ink, appearing to read "William D. Travers", with a long horizontal flourish extending to the right.

William D. Travers, Director
Special Projects Office
Office of Nuclear Reactor Regulation

Enclosure:

Restart Assessment Plan, dtd March 1997

Docket Nos. 50-245, 50-336, and 50-423

cc w/enclosure

N. S. Carns, Senior Vice President and Chief Officer
R. T. Laudenat, Acting Director - Regulatory Affairs for Millstone Station
M. H. Brothers, Vice President - Millstone, Unit 3
J. McElwain, Unit 1 Recovery Officer
M. Bowling, Jr., Unit 2 Recovery Officer
D. M. Goebel, Vice President, Nuclear Oversight
J. K. Thayer, Recovery Officer, Nuclear Engineering and Support
P. D. Hinnenkamp, Director, Unit Operations
J. F. Smith, Manager, Operator Training
F. C. Rothen, Vice President, Work Services
L. M. Cuoco, Esquire
J. R. Egan, Esquire
V. Juliano, Waterford Library
Department of Public Utility Control
S. B. Comley, We The People
State of Connecticut SLO Designee
Citizens Awareness Network
T. Concannon, NEAC
E. Woollacott, NEAC

MILLSTONE
RESTART ASSESSMENT PLAN



Approved: _____

William D. Travers
William D. Travers, Director
Special Program Office

Date: _____

3/24/97

Revision 03/24/97

MILLSTONE RESTART ASSESSMENT PLAN

1.0 BACKGROUND

The three Millstone units are shut down to formulate responses to a series of 10 CFR 50.54 (f) letters requiring them to affirm their compliance with the conditions of each unit's license and the regulations. The NRC performed a series of inspections at Units 2 and 3 with a 20—person Special Inspection Team (SIT) to ascertain the extent of their compliance. Currently, the results of those inspections are under assessment by the team and NRC management. The licensee initially focussed on Unit 3 as the lead plant for restart. However, as a result of a licensee reorganization which occurred on October 1, 1996, each Millstone unit was assigned a recovery manager who was an executive on temporary loan from another nuclear utility. Resources originally assigned to Unit 3 from the other units were returned to their respective units. Each unit has been tasked with establishing their own restart plan and whichever unit is ready will apply to restart first. Hence this restart assessment plan has been expanded to include Manual Chapter (MC)—0350 evaluations (see paragraph 3.0) for all three units.

On June 28, 1996, the Executive Director for Operations (EDO) issued a letter to the licensee that stated the Commission had decided to make the three Millstone units a Category 3 on the Watch List and would vote on the restart of the Millstone units. It is the intent to implement the appropriate aspects of NRC Manual Chapter 0350, "Staff Guidelines for Restart Approval" for the restart of all three units. The NRC will schedule and implement its inspection program after the licensee has indicated that the individual activities necessary for restart are complete and ready for inspection.

The NRC has been dealing with Northeast Utilities on broader performance issues which go beyond the 10 CFR 50.54(f) concerns. These broader concerns are considered contributory causes for the current poor performance, which the 10 CFR 50.54(f) issues are a subset. These issues have been formalized by the licensee in a program titled "Improving Station Performance" (ISP) and are topics that will be addressed by the licensee and reviewed by the NRC Millstone Restart Assessment Panel. A meeting was conducted on April 30, 1996, and disclosed that the licensee was not adequately managing the program or tracking progress.

The salient concerns embodied in the ISP include leadership, communications (employee concerns), the corrective action program, procedural adherence and procedure upgrades, work planning and control, and operational enhancements. The NRC Restart Assessment Plan will focus on the broader issues of the ISP and

licensee self—assessments and management oversight, recognizing the necessity to ensure adequate closure of the 10 CFR 50.54(f) process. The NRC plan for inspection of the Improving Station Performance issues is discussed in more detail in Section 3 of this plan.

On November 3, 1996, the agency established the Special Projects Office (SPO) to consolidate NRC efforts under a single Senior Executive Service (SES) manager, who reports to the Director of the Office of Nuclear Reactor Regulation (NRR). The Director, SPO assumed the authority and responsibilities of the Regional Administrator and the Associate Director of Projects.

2.0 10 CFR 50.54(f) Activities

Each Millstone unit has been requested to submit information describing actions taken to ensure that future operations will be conducted in accordance with the terms and conditions of the operating license, the Commission's regulations, and the Final Safety Analysis Report. In a May 21, 1996, letter, the NRC requested Northeast Utilities (NU) to provide for each unit its plan for completing the licensing bases reviews.

To aid in NRC understanding of how deficiencies were identified and dispositioned, the NRC's May 21, 1996, letter also requested that NU provide for each Millstone unit a comprehensive list of design and configuration deficiencies and information related to how each deficiency was identified and will be dispositioned.

On August 14, 1996, the NRC issued a Confirmatory Order establishing an Independent Corrective Action Verification Program (ICAVP). The independent effort will verify the adequacy of NU's efforts to establish adequate design bases and design controls, including translation of the design bases into operating procedures and maintenance and testing practices, verification of system performance, and implementation of modifications since issuance of the initial facility operating licenses. The NRC oversight of the ICAVP and activities will be in addition to the activities described in this Restart Assessment Plan. The results from this program will be incorporated into this restart plan and considered a significant part of the decision regarding recommended restart. The deficiencies found by the licensee as a result of the 50.54(f) letters will be evaluated by the Millstone Restart Assessment Panel to identify restart issues.

3.0 MC 0350 Process

Millstone Unit 1 entered a routine refueling outage on November 3, 1995. On December 13, 1995, the NRC sent a 10 CFR 50.54(f) letter requiring the licensee to certify compliance with the regulatory requirements before restarting the unit. At the January 1996 Senior Management Meeting, the site was placed on the "Watch List" for various reasons, including a concern for regulatory compliance. Subsequently, Millstone Units 2 and 3 were sent similar letters which required responses before restart.

The NRC Inspection Manual, Manual Chapter (MC) —0350, "Staff Guidelines For Restart Approval", provides guidelines and a list of tasks and activities that must be considered before a plant that has been shutdown for cause can restart. Because of NRC concerns relating to the licensee's management effectiveness, the appropriate aspects of MC 0350 will be applied to the restart of Units 1, 2, and 3 to ensure applicable requirements have been met (Enclosure (4)).

The Director, SPO, in coordination with the Deputy Executive Director for Regulatory Programs, and the Director of NRR, will make a recommendation regarding restart. NRR and the SPO will inform the Commission of the staff's and licensee's restart activities through Commission papers, or communications to the EDO. The Commission will then vote on whether to approve the restart of each Millstone unit.

3.1 SPECIAL PROJECTS OFFICE

The SPO was created on November 3, 1996, to oversee the restart of the Millstone units. The plan was to consolidate the NRC resources devoted to the restart efforts under one SES manager. The office is organized into three primary elements, licensing, inspection, and independent corrective action oversight. The Licensing Branch will administer the typical licensing actions performed in NRR; the Inspection Branch will implement the inspection programs, normally managed from the region, and the Independent Corrective Action Verification Program Oversight Branch will oversee the licensee's licensing and design bases review process.

Within the SPO, the Restart Assessment Panel (RAP) will meet to assess the licensee's performance and their progress in completing the designated restart activities. The RAP is composed of the Director, SPO (chairman); the Deputy Directors of Licensing, Inspections, and Independent Corrective Actions Verification Program Oversight; the Project Managers for the three Millstone units; the Inspection Branch Chief, the Senior Resident Inspectors for the three Millstone units, and the appointed Division of Reactor Safety representative. The function of the Millstone RAP is described in MC—0350.

3.2 MILLSTONE OPERATIONAL READINESS PLAN

On July 2, 1996, NU submitted the Unit 3 Operational Readiness Plan, which was discussed at the July 24, 1996, meeting and updated at the August 19, 1996, meeting. However, the licensee has replaced all of the line managers (President, Vice Presidents, and two of the three unit directors) in the recent past. With this replacement, the submitted plans for Unit 3 and the proposed plans for Units 1 and 2 are being changed substantially. The RAP will review these plans and hold periodic meetings with NU, open to the public, to discuss the schedule for implementation and coordination of NRC restart activities.

The deficiency lists associated with the restart plans for each unit, which will be updated periodically by the licensee, includes restart and deferred items, and will be

audited by the NRC to verify the acceptability of the criteria used to defer items from the restart list.

3.3 CORRECTIVE ACTION PROGRAM

The NU corrective action program has been weak in ensuring comprehensive and effective corrective actions. There are many instances of narrowly focused corrective actions that failed to embrace all aspects of the underlying problem. Additionally, the licensee has failed to follow up on corrective actions to ensure they were effective. Consequently, the RAP has determined that any restart effort should examine the current state of the licensee's corrective action program. Because of the large number of Adverse Condition Reports (ACR) being identified by the licensee's staff, the resident and regional inspection staff will concentrate on issues for each unit identified by the ACR process and audit the licensee's corrective actions for completeness. The staff is periodically selecting ACRs for review, based on the licensee's assigned level of importance, or their risk significance, as perceived by the resident staff. Additionally, other ACR's will be examined to provide a spectrum of safety significant and lessor risk issues. These selected ACRs will be added to the SIL for each unit, which are Enclosures 1, 2, and 3 to this plan.

The intent is to primarily assess the corrective action program while dealing with the safety significant technical issues. Examination of the corrective action program needs to review the Action Requests (AR) from the Action Item Tracking and Trending System (AITTS) program, which is an extension of the ACR process, and commitments regarding violations and inspection items. Further, a significant input to assessing the licensee's corrective action program is derived from the normal inspection program where valuable insights regarding the effectiveness of corrective actions are routinely collected from the technical safety inspections.

Additionally, the NRC Independent Corrective Action Verification Oversight Branch will assess the licensee's corrective actions for degraded and non-conforming conditions. Finally, the Operational Safety Team Inspection (OSTI) will audit portions of the corrective action process during the course of its activities.

Demonstration of improvements in the process will be judged by the completeness of the licensee's corrective actions for each of the inspected ACR's. There must be a high ratio of successfully completed ACR's to the total population inspected. There should only be minor comments regarding the processing, evaluation, directed corrective actions and closure of an issue.

3.4 WORK PLANNING AND CONTROLS (C.4.)¹

Work planning and controls are other areas that the licensee has shown a weakness. The ability to plan, control, and complete work is fundamental to

¹ Reference to applicable MC-0350 section

achieving adequate corrective actions. Effective work planning and controls are prerequisites for reducing and managing backlogs. Weak work planning and control was demonstrated during the Unit 2 outage, wherein, tagging boundary violations resulted in an extensive effort by the licensee to correct. Work control and planning were also issues at Unit 1, which resulted in a management meeting.

There will be a complete review of the Automated Work Order (AWO) process by the resident or regional staffs. The automated work order process is an integral part of the work planning and control system and is instrumental in establishing the scope of the work, providing the appropriate procedures, and establishing the tagging boundaries. Consequently, the Unit 1 resident staff has been directed to use the available initiative inspection hours to do a comprehensive inspection of the AWO process, which is a site—wide process.

The OSTI will assess the engineering and maintenance backlogs during its operational readiness inspection. The OSTI will determine if there are safety significant issues that must be resolved before restart.

3.5 PROCEDURE UPGRADE PROGRAM (C.3.3.e)

The quality and adherence to procedures has been a chronic problem at the Millstone site. The issue was an element in "Improving Station Performance" and was one of the subjects of discussion at the periodic meetings between NU and the NRC. In response to NRC concerns, the licensee developed the Procedure Upgrade Program in the early 1990's to improve station procedures.

The resident inspectors will relate procedural inspection findings back to the procedural upgrade program (PUP), identifying whether the procedures reviewed during the course of an inspection have been upgraded and characterize the quality of the document. This will establish a basis for assessing the effectiveness of the licensee's PUP. The NRC staff will develop an inspection plan for examining selected portions of each unit's individual efforts.

3.6 OVERSIGHT (C.1.4)

The licensee has identified its oversight function as deficient through self—assessments and external and internal audits and as a contributing factor in the licensee's declining performance. The report of Assessment of Past Ineffectiveness of Independent Oversight by the Yankee Atomic Electric Company (YAEC), examined the failure of Quality Assessment Services, the Independent Safety Evaluation Group, and the Nuclear Review Board (NRB) to identify the deficient FSAR control process and the radioactive waste conditions. They found that management did not support these functions adequately.

In addition, the Joint Utilities Management Association (JUMA) issued its report on July 17, 1996. One conclusion was that the quality assurance (QA) program audits, surveillances, and inspections were not effective in the implementation of their

mission and resolution of identified problems. In addition, the JUMA audit found that recommendations for improving QA effectiveness identified in previous QA internal and external assessments have not been addressed.

The NRC assessment of the nuclear oversight function is addressed as part of the RAP's review of the ISP program and through insights gained from the normal inspection program. In addition, the NRC will perform a special inspection of the oversight function using the services of its Human Factors Assessment group. Late in the restart process for each unit, there will be an inspection to evaluate the effectiveness of the oversight groups and management's utilization of the oversight process. There should be positive indications that the oversight function has been made an integral part of the licensee's management team assessment process. The oversight function should result in meaningful findings, have access to line management, and provide assessments of process and program effectiveness through periodic reports. There should be evidence that the reports are forwarded to the responsible manager and that they have dealt with the contents appropriately. Oversight should be adequately staffed with qualified and experienced personnel. The audit and surveillance programs need to be clearly defined, proceduralized, and implemented with established schedules.

3.7 ENFORCEMENT

Outstanding enforcement items will be reviewed by the resident inspectors to determine if any issues require closure before plant restart. The agency is currently accumulating escalated enforcement items concerning the spent fuel pool and design bases issues which may require licensee response before recommending restart of each unit. There are also potential enforcement items that will result from the efforts of the Office of Investigations, the allegation process review group, the Office of the Inspector General, the Special Inspection Team, routine resident and regional inspection efforts, and the 10 CFR 2.026 petition process.

A Pre-decisional Enforcement Conference was held with the licensee on December 5, 1996, to discuss 64 individual apparent violations. The licensee did not contest any of the violations at the conference, and the staff is in the process of finalizing the enforcement package. Once enforcement actions have been taken, the NRC will evaluate the licensee's corrective action to those enforcement actions which are determined to impact restart of each unit.

3.8 EMPLOYEE CONCERNS

The Millstone site has had a chronic problem in dealing effectively with employee concerns. The NRC continues to receive an inordinate quantity of allegations from the staff at the Millstone site. The current series of 10 CFR 50.54(f) letters were initiated due to NRC concerns regarding design basis issues at Millstone, as well as an allegation, and a subsequent Millstone 10 CFR 2.206 petition, dealing with the

Unit 1 spent fuel pool. The NRC has issued two enforcement actions for harassment and intimidation to NU in the past three years and has a current escalated enforcement action pending.

The NRC initiated two task groups to examine the Northeast Utilities handling of employee concerns, and the recent layoffs that affected several previous allegeders. The task group examined NU's handling of employee concerns and identified a number of root causes for the licensee's problems in this area. The task group also concluded that past problems and their root causes still remain. Subsequently, the NRC issued an order, dated October 24, 1996, requiring NU to establish a comprehensive program to address employee concerns, and hire an independent party to oversee the implementation of the program. The output from these two task groups and the licensee's response to the order will be reviewed for restart issues.

3.9 SIGNIFICANT ISSUES LIST

The technique to be used for the restart will be to reach agreement with the licensee on its restart issues list, have it impose controls on adding or deferring items from the list, have the resident inspectors review the list to ensure it includes issues of interest to the NRC, and have the residents review the deferred list to ensure appropriate rationales for deferral have been documented (see item B.4.3. of MC 0350). As a result of the 10 CFR 50.54(f) activities, the licensee initially determined that, for all three Millstone units, hundreds of items did not meet criteria for inclusion as a restart item. The resident inspectors, augmented by headquarters staff, are reviewing these lists periodically and confirming that the licensee is performing an adequate assessment of the discrepancies. This process will be used in the restart assessment of each unit. The RAP will determine that licensee's restart issues list includes appropriate restart items from the licensee's programs such as ACR, AR (AITTS), engineering work requests, and commitments.

The enclosed NRC Significant Issues Lists for all Millstone units (Enclosure 1, 2 and 3) contain some of the items that are being used to audit and evaluate licensee programs such as the corrective action process and significant safety/regulatory technical issues.

Restart issues will meet at least one of the following criteria:

1. Resolution of the issue is required to ensure safe operation of the facility to include satisfaction of the technical specifications or licensing basis.
2. Inspection of the issue will provide an insight to an identified programmatic deficiency such as the corrective action system.
3. Inspection of the issue will provide assessment of management effectiveness or personnel performance.

3.10 RESTART INSPECTION

Selected portions of NRC MC—93802, "Operational Safety Team Inspection," will provide the framework for a team inspection of each unit during the restart process. The procedure scope will be modified to address the pertinent issues at Millstone. The inspection will cover self-assessments by the licensee, the licensee's implementation of its startup plan, control room observations during the approach to criticality and power ascension, selected systems readiness inspection and observation of management oversight.

The resident inspectors will provide close monitoring of each unit during mode changes to ensure compliance with each unit's technical specifications and FSAR design bases.

3.11 PLANT PERFORMANCE REVIEW

On March 19, 1997, the Millstone Oversight Team conducted a Plant Performance Review (PPR). The PPR was used to identify the issues that needed to be inspected for the Millstone station. The review identified several issues that warrant NRC inspection before plant restart of the unit. The unit specific issues, as well as station wide issues identified by the PPR, are contained in the SIL for each unit as inspection items.

3.12 LICENSING ISSUES

Each Millstone unit plans to submit or has submitted licensing issues (amendments, unresolved safety questions, relief requests, etc.) which will impact the restart process. The SPO Licensing Branch will disposition each applicable issue prior to restart. The status of NRR actions concerning each issue is documented in Enclosure (5) of this plan.

Enclosures:

- (1) Significant Items List - Millstone Unit 1
- (2) Significant Items List - Millstone Unit 2
- (3) Significant Items List - Millstone Unit 3
- (4) MC-0350 - Restart Approval Checklist - All Millstone Units
- (5) Licensing Issues Required for Restart

ENCLOSURE 1

MILLSTONE RESTART ASSESSMENT PLAN

Millstone Unit 1 Significant Items List

	REFERENCE	MILLSTONE UNIT 1 INSPECTION ITEM	RESP	STATUS
1	ACR 01148	Determine FSAR status before restart	SPO (L)	
2	ACR 01535	While de-watering spent resin, the waste temperature in the liner raised from 90 to 310°F	DRS	
3	ORDER Hannon Report ACR M1-96-0921 EA 96-59 MC 0350 C.1.4.e, C.5.d, C.2.2.b	Review expectations and standards for employee concerns •Senior management has created difficult working environment	SPO (L)	
4	MC 0350 C.5.e	Review enforcement and unresolved items for restart issues	SPO (I)	
5	MC 0350 C.5.f	Review allegations for restart issues	SPO(I) SPO(L)	
6		Review all operability determinations and by-pass jumpers before restart	SPO (I)	
7	LER 96-22 URI 92-30-2	Fatigue cycle open items	DRS	
8		New fuel security (IP 81064)	DRS	
9		Review licensee event reports for restart issues	SPO (I)	
10	ACR 05373 M1-97-0358	Material, equipment and parts list (MEPL) program evaluation	SPO (L)	
11	ACR 96-1068	RPS System •Scram solenoid pilot valve replacement	SPO (I)	
12	LER 96-48 GL 96-01 ACR M1-97-045	Overlap testing of RPS/ESF	DRS	

	REFERENCE	MILLSTONE UNIT 1 INSPECTION ITEM	RESP	STATUS
13	TI 2515/109 URI94-005-02 URI94-005-04 URI95-001-01 URI96-005-05 LER96-52 ACR 03689 M1-97-0397, 0384	Motor operated valve program GL89-10 closure	DRS	
14	ACR M1-96-0992 LER 96-18 VIO95-007-02 LER 96-42	Surveillances Program Review	SPO (I)	
15	ACR 10790 (U-3)	Control and use of vendor information	DRS	
16	ACR M1-96-0915 M1-97-0240, 0241 EEI 96-003-01 LER 97-001 MC 0350 C.2.2.c	Radwaste recovery/configuration. ●Insufficient management support for maintenance of radwaste ●RW effluent isolation valve QA classification	DRS	
17	EEI 96-09-05 IR 96-04 URI95-81-01 ACR M1-96- 0922 ACR 7007 ACR 13318 M1-96-0823, M1-96-1035, M1-97-0342, 0343 MC 0350 C.1.1, C.1.3, C.1.4.d, C.2.1.h, C.3.1.d	Corrective Actions ●Review licensee corrective action programs for effectiveness to include ACR's. ●Corrective actions have been ineffective in resolving problems	SPO (I)	
18		Review 0737 action items for completion and adequacy	SPO (!)	
19		Review engineering backlogs for restart issues	SPO (I)	

	REFERENCE	MILLSTONE UNIT 1 INSPECTION ITEM	RESP	STATUS
20	ORDER MC 0350 C.5.d	Phase II of the ICAVP	SPO (L)	
21	ACR 03117 VIO95-31-03/ EA95-177-01 ACR M1-97- 0323, 0417	<ul style="list-style-type: none"> • Single failure can disable both trains of emergency power source-LNP lockout relay • Review LNP integrated procedure and results • LNP post testing does not meet RG 1.41 Requirements 	DRS	
22	ACR 04167 URI94-014-01 URI96-004-07 ACR M1-96- 0622, 1120	SRV's <ul style="list-style-type: none"> • setpoint drift resolution • accelerated testing • electric lift modification adequacy • electric lift setpoints not fully evaluated 	DRS	
23	ACR 6264 ACR 05239 ACR M1-96- 0928 ACR M1- 96-0936 ACR M1- 96-0345 IFI/VIO 94-201-03 EEI96-04-03 ACR M1-96- 1009 MC 0350 C.2.1.g,f C.3.2.f C.5.d	Configuration Management <ul style="list-style-type: none"> • Review 50.54 issues for restart issues • Unit 1 design deficiencies and issues trends • Review open DBDP items for startup issues • Review station blackout self-assessment items for startup issues • Significant differences between design bases and as-built • Field changes to plant modifications not reviewed for cause 	SPO (I)/SPO (O)	
24	ACR 03428, M1-96-0280, M1-96-0728, M1-96-0913, M1-97-0221	Review FME <ul style="list-style-type: none"> • FME deficiencies trend for SFP and RX cavity • Debris identified in spent fuel pool • Adverse trend identified in Unit 1 FME program • Fuel Pool foreign material and storage controls • LP-24D stuck open due to foreign material 	SPO (I)	
25	ACR 07478, 05482 LER 95-24	Inadequate design modifications <ul style="list-style-type: none"> • installed wrong material (pressure rating) for LLRT connections 	DRS	

	REFERENCE	MILLSTONE UNIT 1 INSPECTION ITEM	RESP	STATUS
26	ACR 03822	Current CWDs do not show modifications to equipment	SPO (I)	
27	ACR 06483 LER96-31 LER96-17 URI96-004-06	Fuse control program inadequate	DRS	
28	ACR 12663	LOCA analysis does not account for instrument uncertainty during surveillance testing	DRS	
29	PPR E.1 MC 0350 C.3.3.d	Operator acceptance of degraded conditions, lack of ownership, O.D.'s accept degraded conditions, temporary mods, etc.	SPO (I)	
30	ACR M1-96-0343 ACR M1-96-0923 PPR E.2 EEI96-08-01 ACR M1-96-1057 MC 0350 C.2.1	Work Control Process Review <ul style="list-style-type: none"> •Audit the AWO process •Significant long standing work management weaknesses •Failure to completely implement and document recommendations of AWO task force report of 1/1995 •Troubleshooting 	SPO (I)	
31	PPR E.2 VIO96-001-02 VIO94-031-01 MC 0350 C.4.h	Post maintenance testing/maintenance F/U inspection	SPO (I)/DRS	
32	URI 96-005-04	Rework	SPO (I)	
33	ACR 07454 LER 96-40 LER 96-49 LER 96-51 IFI96-005-06 ACRM1-96-0843 EEI96-08-03 URI96-08-04 URI96-08-05 ACR M1-96-0696, M1-97-0345, 0412	Seismic Issues <ul style="list-style-type: none"> •Seismic review seismic modifications (FWCI, A-46, 79-02/79-14, NUSOER) •Seismic II/I •Verify resolution of A-46 outliers •CRD operability •SEP Topic III-6 Close out 	DRS	

	REFERENCE	MILLSTONE UNIT 1 INSPECTION ITEM	RESP	STATUS
34	IR 95-82 IFI96-004-02 LER 96-013 ACR's M1-96-646 M1-97-0040 0016,0053, 0057,0058, 0082,0035, M1-97-0355, 0356, 0456, 0392	Spent Fuel Pool ●SFP Cleanup ●Review resolution of Spent Fuel Pool issues ●Assess and disposition numerous open items in IR95-82 ●Unanalyzed condition due to indeterminate boraflex degradation ●Load drop analysis (Fuel)	DRS	
35		Review Reg Guide 1.97 modifications	DRS	
36	ACR M1-96-0106	NRC Information Notices IENS have incomplete or inaccurate responses	SPO (I)	
37	ACR M1-96-0247 URI96-006-02	Control rod blades in spent fuel pool lifted inadvertently with tri-nuc filter	SPO (I)	
38	ACR M1-96-0545 LER 96-27 EEI96-04-05	Ineffective program to monitor and control fasteners	DRS	
39	ACR M1-96-0564	Adverse trend identified in the control of contracted services	DRS	
40	ACR M1-96-0614	M&TE program is ineffective	SPO (I)	
41	ACR M1-96-0716 M1-97-0188	Process for controlling distribution and use of documents (procedures) is ineffective	SPO (I)	
42	ACR M1-96-0810	Potential deviation from tech specs when changes made to Unit 1 organizational structure	SPO (I)	
43	ACR M1-96-0848 M1-97-0071 IFI95-036-01 NU letter B16195, 2/10/97 MC 0350 C.3.1.m C.2.2.g C.2.2.h	Multiple weaknesses identified during recent E-plan ●E-Plan key position staffing ●Performance of dose assessments	DRS	

	REFERENCE	MILLSTONE UNIT 1 INSPECTION ITEM	RESP	STATUS
44	ACR M1-96-0876	Potential weaknesses in EEQ program	DRS	
45	ACR M1-96-0638	Components in control rod drive system (suction filters and associated piping, valves and fittings) may not meet the original design requirements	DRS	
46	ACR M1-96-0924	Insufficient personnel for key leadership programs	SPO (I)	
47	ACR M1-96-0925 MC 0350 C.4.I	PM tasks on plant equipment not performed	SPO (I)	
48	ACR M1-96-0926 MC 0350 C.2.1.a	Management direction insufficient for system engineering	DRS	
49	ACR M1-06-0927 MC 0350 C.2.1	System and design engineering work management weaknesses	SPO (OS)	
50	ACR M1-96-0929 MC 0350 C.3.1.e	Training for engineering personnel not effectively implemented	SPO	
51	ACR M1-96-0933	Improvements needed in TLD process and program	DRS	
52	ACR M1-96-0934 ACR M1-96-0936 IFI96-004-16	Chemistry Issues • Adverse chemistry conditions increase potential for corrosion • Weaknesses in chemistry monitoring, trending and evaluation	DRS	
53	URI 96-12-01 ACR M1-96-0909, M1-96-0910 MC 0350 C.3.1.k C.3.3.e C.3.3.f C.2.2.d C.2.1.b	Procedure adequacy/quality of V&V process & implementation • Operating procedure deficiencies hinder operators • Deviation from operations procedures during simulator transients • Verify off-normal and general operating procedures revisions/adequacy • EOP's	SPO (I)	
54	ACR M1-96-0911	Component and system degradation during plant shutdown	SPO (I)	

	REFERENCE	MILLSTONE UNIT 1 INSPECTION ITEM	RESP	STATUS
55	ACR M1-96-0912	Degraded instrument air system quality	SPO (I)	
56	VI095-007-04 ACR M1-96-0155 LER 96-46 M1-97-0367 M1-97-0349	Appendix J resolution <ul style="list-style-type: none"> •Inadequate testing •Implementation of Appendix J modifications •Verify the basis for not Appendix "J" testing the ECCS suction valves •Adequacy of the basis for the shutdown cooling system classification as a closed loop system 	DRS	
57	LER 96-026 LER 96-012 LER 95-024 M1-96-1104	LLRT Program Review <ul style="list-style-type: none"> •Feedwater system configuration not allow complete drain, accept LLRT •Containment isolation check valve fails inform LLRT •Historical LLRT results/repeat failures of MSIVs, MSIV drains, FWIVs 	DRS	
58		•Review ILRT (required due to the replacement of inboard containment isolation valves LP-14A & LP-14B)	DRS	
59	ACR M1-96-0995, 97-0177 DEV94-023-05 VI095-31-04- 177-02 VI095-44- 02/EA95 LER96-11 EEI96-08-02 LER 96-62	SBGT issues resolution <ul style="list-style-type: none"> •Implementation of a low flow isolation modification •Resolution of all outstanding issues that could affect operability (ACR 03735, 08248, 03403, 03402) •Technical Specification restriction to prevent the use of both standby gas trains when venting the drywell •Use of a dedicated operator while venting the drywell via SGTS •Draw down time criteria/testing during a LNP 	DRS	
60	URI95-31-01	Verify resolution of ATWS issues,lack of LCO and turning off the ATWS system to perform battery voltage adjustments	SPO (I)	
61	LER 96-58	Verify resolution of IPEEE walkdown issues <ul style="list-style-type: none"> •Determine the need for the licensee to complete the IPEEE 	DRS/S PO (L)	

	REFERENCE	MILLSTONE UNIT 1 INSPECTION ITEM	RESP	STATUS
62	ACR M1-97-0219 M1-97-0330	Verify implementation of setpoint changes identified by the setpoint verification program •Incorrect RPS setpoints •Yarways - 7" Error Low Low Water Level Calculation	DRS	
63		Verify HELB program completion	DRS	
64		Verify drywell temperature profile, PDCR completion and closeout necessary to update the plant design basis	DRS	
65	URI93-24-04 IFI96-001-03	Fire Protection/Appendix R Program Review •Review fire detection and suppression system code compliance issues resolution •Appendix R equipment, test, maintenance program, and surveillance program	DRS	
66		Review commitment modification program for startup issues	SPO (I)	
67	ACR M1-96-0938	Core reload •Error in LOCA model input data for GE11 fuel •SIL 581 •The LOCA results are expected to reduce the operating margin for MAPLHGR below the normal value (10%) •3D monicore heat balance error correction •Review reload 15/core design for cycle 16 including the PDCR, safety evaluation and reload report.	DRS	
68		Core spray suction valves receives a seal-in accident signal and can not be shut for leak isolation during an accident	SPO (I)	
69		SD valves (1, 2A, 2B) may not close under HELB conditions if open with greater than 300 degrees Rx water temperature	SPO (I)	
70		Review relief valve reliability ACR trend	DRS	
71		Modifications installed prior to NRC approval and sometimes before the TSAR submitted. (shutdown cooling, SRVs)	SPO (L)	

	REFERENCE	MILLSTONE UNIT 1 INSPECTION ITEM	RESP	STATUS
72	ACR 8254	Isolation condenser thermal shock operability/service life issue	DRS	
73		Leaker fuel bundle root cause	SPO (I)	
74		CRD scram solenoid pilot valve elastomer degradation	SPO (I)	
75	EEI 96-09-08 EEI 96-04-04 ACR M1-96-0981 ACR 02372 ACR M1-96-1058	Service water inspection (GL89-13) ●Arcor issue resolution ●SW and ESW system operability	DRS	
76	M1-97-0331 ACR 8250 URI91-14-02 LER 96-25 PIR95-048 ACR M1-96-0859 M1-97-0144 LER 96-30	Electrical separation ●Rx high level trip powered from the same source ●Cable Separation in Switchgear	DRS/S PO (L)	
77	ACR M1-96-0845 LER 96-57	Seismic concern with 4KV breaker racked out	SPO (I)	
78	ACR 07454 LER 96-14 EEI 96-09-06 LER 95-29 LER 96-35 URI96-005-03 URI96-005-02	IGSCC Program weaknesses	DRS	
79	ACR 7304 ACR 7402 LER 95-31 Numerous LERs	Review failure to meet technical specifications root cause and corrective actions	SPO (I)	
80	ACR M1-96-1011	Review TRM for technical specification interpretations ●Method to track conditional LCO's	SPO (I)	
81	URI90-001-02	Seismic qualification of FWCI valve air supply	SPO (I)	
82	URI90-001-03	FWCI test results	SPO (I)	
83	URI 91-081-04	Availability of short circuit/voltage drop calcs	DRS	

	REFERENCE	MILLSTONE UNIT 1 INSPECTION ITEM	RESP	STATUS
84	VIO 95-007-01 LER 96-003	Control room habitability ●Use of SCBAs	SPO (I)/SPO (L)	
85	URI95-028-02	Refueling evolutions contrary to design basis	SPO (I)	
86	VIO95-031-02	Cross connecting 480V safety related buses	SPO (I)	
87	URI 96-006-01 LER 96-041 LER 96-043	Drywell fire/Technical Specifications violation	SPO (I)	
88	LER 96-008	Nonconservative ATWS low low water level setpoint	SPO (I)	
89	LER 96-015	Recirc pump flow mismatch surv not perf in accordance with TS	SPO (I)	
90	LER 96-024	Temporary Modification to the scram air header pressure switch instrument not removed	SPO (I)	
91	LER 96-032	Unqualified components in drywell preclude long term operability	SPO (I)	
92	LER 96-036	Potential to bypass turbine stop valve when required to be operable	SPO (I)	
93	LER 96-037	Automatic depressurization system may not be single failure proof	SPO (I)	
94	LER 96-029 LER 96-039 ACR M1-97-0276, 0400	IST/ISI Program Review	DRS	
95	LER 96-045	LPCI sys inop due to stuck open injection check valve	SPO (I)	
96	LER 96-061 LER 96-050 LER 97-04 ACR M1-96-0941 ACR M1-96-0550	LOCA concurrent with LNP loss DC power prevents closure of LPCI torus cooling valve ●RWCU Valves	SPO (I)	
97	URI95-81-01 EEI96-006-04 ACR M1-96-0454	NCR Program Ineffective	SPO (I)	

	REFERENCE	MILLSTONE UNIT 1 INSPECTION ITEM	RESP	STATUS
98	IR 96-12 URI 96-05-01 ACR M1-96-1024,1025 M1-97-0117,0148,0168,0223,0259, 0398,0437 MC 0350 C.3.1.e C.3.3.c	Licensed Operator Training Program ●LOIT/LOUT program requirement discrepancies	DRS	
99	EEI96-01-01 LER 96-10	Inoperable Gas Turbine Fuel Pump	SPO (I)	
100	IFI96-08-21 MC 0350 C.4.f	Material Condition Program	SPO (I)	
101	LER 96-53 LER 96-54 LER 96-65 LER 97-05 ACR M1-96-1042,1060,1059,M1-97-0242, 0424	Radiation Effluents Monitoring Program Review	DRS	
102	ACR M1-97-0424 EEI 96-09-07 LER 96-55 LER 96-56 LER 96-60	EDG Air Start System Review	SPO (I)	
103	ACR M1-97-0292, 0207, 0026, ACR M1-96-1097	Use of "Non-Q" parts in "Q" applications	SPO (I)	
104	ACR M1-97-0260	GT Air Start System Review	SPO (I)	
105	ACR M1-97-0277	Single failure vulnerability of FWCI/APR historical failure to meet ECCS acceptance criteria	SPO (I)	
106	ACR M1-97-0200	Containment isolation valves exceed allowable stroke time	SPO (I)	
107		Review deferred restart items list	SPO (I)	

	REFERENCE	MILLSTONE UNIT 1 INSPECTION ITEM	RESP	STATUS
108	MC 350 C.3.1.1 EEI 96- 05-15 EEI 97- 01-XX VIO 96-09-20	Security Issues Corrective Actions	D6S	

ENCLOSURE 2

MILLSTONE RESTART ASSESSMENT PLAN

Millstone Unit 2 Significant Items List

The following is a list of the Millstone issues that, as a minimum, require an NRC inspection and evaluation prior to restart.

	REFERENCE	MILLSTONE UNIT 2 INSPECTION ITEM	RESP	STATUS
1	MC 0350 SECTION C.1.3, C.2.1, C.2.2.a,d,e, C.3.1,a,b,c,d	MANAGEMENT OVERSIGHT AND EFFECTIVENESS; LICENSEE STAFF SAFETY CULTURE	SPO(I)	
2	MC 0350 SECTION C.1.1, C.1.3, C.1.4.g, C.3.2, C.4.f; CONFIRMATORY ORDER DATED 08/14/96	10 CFR 50.54(f)	SPO(O)	
3	MC 0350 SECTION C.1.1 AND C.1.3; C.2.2.d; UNIT 1 ACR 7007; UNIT 2 ACR 8761	DESIGN CONTROL PROCESS CHANGES TO ADDRESS UNIT 1 ACR 7007 NUMEROUS EXAMPLES OF DRAWINGS NOT REFLECTING ACTUAL PLANT CONFIGURATION	SPO(O)	
4	MC 0350 ITEM C.1.4.e, C.2.2.b,e; CONFIRMATORY ORDER DATED OCTOBER 24, 1996	EMPLOYEE CONCERNS PROGRAM	SPO(L)	
5	MC 0350 SECTION C.1.1, C.1.3, C.1.4.d-i, C.2.1, C.2.2.c,e, C.3.1.d,m; C.4.f; IP 96-04 & 08 EEI 336/96-201-30	CORRECTIVE ACTION PROGRAM TIMELINESS AND EFFECTIVENESS; SELF-ASSESSMENT PROGRAM IMPLEMENTATION AND EFFECTIVENESS; COMMITMENT TRACKING	SPO(I)	
6	MC 0350 ITEMS C.2.2.d, C.4.e,f,h,i,j	WORK PLANNING AND CONTROL: PLANT MAINTENANCE PROGRAM EFFECTIVENESS; SIGNIFICANT HARDWARE ISSUES RESOLVED; MAINTENANCE BACKLOG MANAGED AND IMPACT ON OPERATION ASSESSED; SURVEILLANCE TESTING; PLANT HOUSEKEEPING	DRS (OL)	
7	MC 0350 ITEMS C.1.3.f, C.2.1.e, C.3.2.e, C.4.f,i;	BYPASS JUMPERS, OPERATOR WORK-AROUNDS & CONTROL BOARD DEFICIENCIES	SPO(I), OSTI	

	REFERENCE	MILLSTONE UNIT 2 INSPECTION ITEM	RESP	STATUS
8	MC 0350 ITEMS C.2.1.b, C.2.2.d, C.3.1.k, C.3.3.e,f; URI 336/96-01-04; IFI 336/95- 201-03; URI 336/96-06-08	PROCEDURE QUALITY AND ADHERENCE SURVEILLANCE QUALITY - <u>NUMEROUS</u> EXAMPLES OF INADEQUATE PROCEDURES REFLECTED IN LERs AND NRC INSPECTION REPORTS ESTABLISHMENT OF ALL PROCEDURES REQUIRED BY TECHNICAL SPECIFICATION 6.8.1 REVIEW OPERATING PROCEDURES TO PRECLUDE WATER HAMMER EVENTS	SPO(O) SPO(I) OSTI	
9	MC 0350 ITEMS C.1.4.g, C.2.2.g, C.3.3.e,f; EEI 336/96-08-13, EEI 336/96- 06-05, EEI 336/96-08-06; LER 336/97-02, ACR 11104,	OPERATING PROCEDURES CONSISTENT WITH FSAR DESCRIPTION OF SYSTEM OPERATION ADEQUACY OF PROCEDURE CHANGE PROCESS TO ENSURE OPERATION IN ACCORDANCE WITH LICENSE	SPO(C)	
10	MC 0350 ITEMS C.2.1.g, C.3.3.e,f; IR 336/95-21	PROGRESS OF EMERGENCY OPERATING PROCEDURE UPGRADES; ACCEPTABILITY OF DEFERRING ABNORMAL OPERATING PROCEDURE UPGRADES	DRS (OL)	
11	MC 0350 ITEMS C.1.4.a,b,c, C.2.1.c	QUALITY ASSURANCE AND OVERSIGHT	SPO(I) NRR	
12	MC 0350 SECTION C.1.1 C.1.3, C.1.4.e, C.2.1.f-g, C.4.f,i	LICENSEE RESTART PUNCH LIST - REVIEW OF ITEMS DEFERRED UNTIL AFTER RESTART	SPO(I)	
13	MC 0350 ITEMS C.3.1.g,h,i,j,l, C.3.3.a,b,d,g	LICENSED OPERATOR STAFFING; CONTROL ROOM FORMALITY; ATTENTIVENESS TO DUTY; ATTENTION TO DETAIL; OFF-HOUR PLANT STAFFING; OVERTIME USAGE; AWARENESS TO PLANT SECURITY; AWARENESS OF EQUIPMENT STATUS; LOG KEEPING PRACTICES;	SPO(I) OSTI	
14	MC 0350 ITEMS C.3.1.e, C.3.3.c; CONFIRMATORY ACTION LETTER DATED MARCH 7, 1997	INACCURATE LICENSE APPLICATION FORMS SUBMITTED TO THE NRC FOR 12 OPERATOR LICENSES; ADEQUACY OF LICENSED OPERATOR TRAINING PROGRAM;	DRS (OL)	

	REFERENCE	MILLSTONE UNIT 2 INSPECTION ITEM	RESP	STATUS
15	MC 0350 ITEMS C.4.a,b,c,d,e,g	AUGMENTED INSPECTION COVERAGE DURING RESTART INSPECTION: OPERABILITY OF TECHNICAL SPECIFICATION SYSTEMS; OPERABILITY OF SECONDARY AND SUPPORT SYSTEMS; SYSTEM LINEUPS; RESULTS OF PRE-STARTUP TESTING; POWER ASCENSION TESTING	SPO(II) OSTI	NOTE 1
16	MC 0350 ITEMS C.2.2.g-h, C.3.1.m, C.3.2.h; NU LETTER (B16195) DATED FEBRUARY 10, 1997	EFFECTIVENESS OF EMERGENCY RESPONSE ORGANIZATION; COORDINATION WITH OFFSITE EMERGENCY PLANNING OFFICIALS; ON-SHIFT DOSE ASSESSMENT CAPABILITY	DRS(EP)	
17	MC 0350 SECTION C.5 AND C.6	DISPOSITION OF REGULATORY ISSUES: LICENSE AMENDMENTS; EXEMPTIONS; RELIEFS; ORDERS; SIGNIFICANT ENFORCEMENT ISSUES; ALLEGATIONS; AND 10 CFR 2.206 PETITIONS. COORDINATION WITH INTERESTED AGENCIES AND PARTIES.	NRR, SPO(L), OE, OI, DRS, OPA	
18	ACRs 02621, M2-96-0239 EEI 336/96-201-42 & 43	MATERIAL, EQUIP. AND PARTS LIST (MEPL) PROGRAM	NRR, DRS (SEB)	
19	ACRs M2-96-0515 & 07958 EEI 336/96-201-20; URI 336/93- 19-02	ELECTRICAL EQUIPMENT QUALIFICATION PROGRAM HIGH ENERGY LINE BREAK PROGRAM	DRS (EEB)	
20	IFI 336/95-01-01 EEI 336/96-05-09 EEI 336/95-08-01, 02, 03 & 04	GENERIC LETTER 89-10 MOTOR OPERATED VALVE PROGRAM; DYNAMIC TESTING OF AFW TERRY TURBINE STEAM ADMISSION MOV; PRESSURE LOCKING OF CONTAINMENT SUMP RECIRCULATION VALVES	DRS (SEB)	
21	MC 0350 ITEM C.3.3.e; IR 336/96-08; LICENSEE SELF-ASSESSMENTS AND QA AUDITS; ACR M2-96-0460	FIRE PROTECTION PROGRAM; APPENDIX R RELATED ABNORMAL OPERATING PROCEDURES; APPENDIX R COMPLIANCE ASSOCIATED WITH THERMO-LAG	DRS (EEB)	

	REFERENCE	MILLSTONE UNIT 2 INSPECTION ITEM	RESP	STATUS
22	ACRs M2-96-0513; EEI 336/96-06-11	CONTAINMENT SUMP SCREEN MESH SIZE & ECCS PUMP THROTTLE VALVE CLOGGING	DRS (SEB)	
23	ACRs 01991, M2-96-0449, 0467, 0654, 0655, & 0656 EEI 336/96-08-13, 14 & 15; EEI 336/96-201-03 & 41; URI 336/96-01-05	HYDROGEN MONITORS AND POST-ACCIDENT SAMPLING SYSTEM INOPERABLE AND FAILURE TO MEET DESIGN BASIS AND LICENSING BASIS	SPO(II)	
24	ACRs 08174, 04047, 06372 & 05739 URI 336/95-42-03	EXCESSIVE REACTOR COOLANT SYSTEM HEATUP AND COOLDOWN RATES; EVALUATION OF SIMULTANEOUS REACTOR COOLANT PUMP AND SHUTDOWN COOLING SYSTEM OPERATION	SPO(II)	
25	NUMEROUS ACRs; URI 336/96-06-08	ECCS PUMPS SUCTION LINE FROM RWST HAS NUMEROUS DEGRADED OR INOPERABLE PIPE SUPPORTS, MANY CAUSED BY WATER HAMMER	DRS (CMME)	
26	ACR 11252 EEI 336/96-09-10	"B" EMERGENCY DIESEL GENERATOR FAILURE - INADEQUATE CORRECTIVE ACTIONS	SPO(II)	
27	EEI 336/96-201-09	INADEQUATE DESIGN CONTROL MEASURES FOR VERIFYING ACCURACY OF INFORMATION CONTAINED IN DESIGN BASIS DOCUMENT PACKAGES	SPO(O)	
28	EEI 336/96-201-11, EEI 336/96-201-31	FAILURE TO ADEQUATELY CONTROL INSTALLATION OF TEMPORARY MODIFICATION TO THE RBCCW SURGE TANK	SPO(II) SPO(O)	
29	EEI 336/96-201-12	SEPARATION AND SINGLE FAILURE CONCERNS FOR WIDE RANGE NUCLEAR INSTRUMENTS	SPO(II) SPO(O)	
30	EEI 336/96-201-25	FAILURE TO IMPLEMENT CORRECTIVE ACTIONS CONCERNING "DUAL-FUNCTION" ISOLATION VALVES	SPO(II) SPO(O)	
31	EEI 336/96-201-28	FAILURE TO ADDRESS STATION BLACKOUT DIESEL ISSUES IDENTIFIED IN THE VECTRA ASSESSMENT	SPO(II) SPO(O)	
32	EEI 336/96-201-29	FAILURE TO IMPLEMENT CORRECTIVE ACTIONS FOR AUDIT ISSUES INVOLVING TRENDING AND PRIORITIZATION OF NON-CONFORMANCE REPORTS	SPO(II) SPO(O)	

	REFERENCE	MILLSTONE UNIT 2 INSPECTION ITEM	RESP	STATUS
33	EEI 336/96-201-36	INADEQUATE CORRECTIVE ACTION CONCERNING A SEISMIC DESIGN DEFICIENCY OF A VITAL SWITCHGEAR ROOM COOLER	DRS (CMME)	
34	EEI 336/96-08-06	IMPLEMENTATION OF CORRECTIVE ACTION OF CHANGING OPERATING PROCEDURE TO LOCK OPEN REFUELING POOL DRAIN VALVES, AS SPECIFIED IN THE FSAR, WAS INADEQUATE	SPO(I)	
35	EEI 336/96-08-08	INADEQUATE CORRECTIVE ACTION IN LER 336/96-24	SPO(I)	
36	EEI 336/96-08-10	INADEQUATE CORRECTIVE ACTIONS TO ADDRESS UNIT 1 HEAVY LOADS LIFTED OVER THE UNIT 2 VITAL SWITCHGEAR ROOM	SPO(I)	
37	EEI 336/95-44-05	ICE BLOCKAGE OF SERVICE WATER STRAINER BACKWASH LINE	SPO(I)	
38	EEI 336/96-05-11; ENFORCEMENT LETTER DATED 11/13/96	SPENT FUEL POOL FSAR UPDATES	SPO(O)	
39	EEI 336/96-04-10 URI 336/96-201-38	ERRONEOUS RBCCW FLOW VALUES IN CONTAINMENT TEMPERATURE PROFILE ANALYSIS AND FAILURE TO CONSIDER POST-ACCIDENT FLUID TEMPERATURE IN HPSI FLOW EVALUATION	DRS (SEB)	
40	LER 336/96-31	POTENTIAL STEAM GENERATOR OVERPRESSURE DUE TO RESTRICTIVE MAIN STEAM SAFETY PIPING	DRS (SEB)	
41	ACR M2-97-0023	SEIMANS COMPUTED MODEL OF REACTOR CORE LARGE AND SMALL BREAK LOSS OF COOLANT ACCIDENTS	NRR	
42	IR 336/94-201	EMERGENCY DIESEL GENERATOR FUEL DAY TANK DOES NOT SATISFY 7-DAY DESIGN BASIS CAPACITY	SPO(L)	
43	IR 336/96-08; LER 336/96-24	INAPPROPRIATE REMOVAL OF STARTUP RATE TRIP	SPO(I)	

	REFERENCE	MILI STONE UNIT 2 INSPECTION ITEM	RESP	STATUS
44	ACR 02797, ACR 09563, ACR M2-96-0153	AFW REGULATING VALVE LEAKAGE FOLLOWING A MAIN STEAM LINE BREAK COULD RESULT IN EXCEEDING CONTAINMENT DESIGN PRESSURE AFW REGULATING VALVES FAILING OPEN FOLLOWING SINGLE FAILURE IN CONTROL CIRCUIT COULD PREVENT ISOLATING A RUPTURED STEAM GENERATOR AFFECTING CONTAINMENT PEAK PRESSURE	SPO(I)	
45	ACR M2-96-0296	FAILURE OF MAIN STEAM CHECK VALVE FOLLOWING A MAIN STEAM LINE BREAK (MSLB) COULD CAUSE BOTH STEAM GENERATORS TO BLOW DOWN RESULTING IN EXCEEDING CONTAINMENT DESIGN PRESSURE. THE CONTAINMENT HAS LESS THAN ONE PSI DESIGN MARGIN FOR MSLB. THE LICENSEE'S MEPL PROGRAM DESIGNATES THE MS CHECK VALVES AS NON-QA WHICH THE LICENSEE HAS EVALUATED AS ACCEPTABLE. FSAR DESCRIBES THAT THE IMPACT DURING CHECK VALVE CLOSURE WOULD CAUSE PORTIONS OF THE DISK AND BODY CASTING TO "GO PLASTIC."	SPO(I) SPO(O)	
46	LER 336/97-02	CONTROL ROOM AIR CONDITIONING COMMON INLET DAMPER COULD BECOME STUCK CLOSED, DISABLING BOTH FACILITIES. DAMPER HAS NO MANUAL OPERATOR AS STATED IN FSAR.	SPO(I)	
47	URI 336/96-08-09	REACTOR PROTECTION SYSTEM AND ENGINEERED SAFETY FEATURE RESPONSE TIME TESTING	SPO(I)	
48	ACRs M2-96-0252 & 0542 URI 336/96-08-16	TECHNICAL SPECIFICATION LIMITS FOR INOPERABLE MAIN STEAM ISOLATION VALVES NON-CONSERVATIVE	SPO(I)	

Note 1: Since this inspection will occur following restart approval, the closure of this item will not be reflected on this list.

ENCLOSURE 3

MILLSTONE RESTART ASSESSMENT PLAN

Millstone Unit 3 Significant Items List

	REFERENCE	MILLSTONE UNIT 3 INSPECTION ITEM	RESP	STATUS
1	ACR 10773 EEI 96-06-13 LER 96-007-01 & 02	RSS AND QSS PIPING TEMPERATURE MAYBE HIGHER THAN ANALYZED (NRR REVIEW ENG. ANALYSIS, DRS INSPECT INSTALLATION)	NRR DRS	Update IR96-06
2	EEI 96-201-01	DETERMINE FSAR STATUS BEFORE RESTART	SPO(L)	
3	ACR 05715	REACTOR POWER INCREASE WHEN UNBORATED CATION DEMIN PLACED INTO SERVICE 3CHS-DEMIN2	DRP	CLOSED IR96-08
4	ACR 01895	EDG SEQUENCER CDA SIGNAL OUTPUT "A" TRAIN COMPONENTS STARTED	DRS	CLOSED IR96-09
5	ACR 01844 VIO 94-24-01	FAILURE TO ENTER AN ACTION STATEMENT WHEN MSIVS WERE CLOSED	SPO(I)	
6	ACR 04199	RC7 SEAL INJECTION FILTER "B" GASKET FAILED RESULTING IN SPILL OF COOLANT TO FLOOR DRAINS	DRP	CLOSED IR96-08
7	ACR 06092	RCS CHECK VALVE BODY TO BONNET LEAK; 3 RCS*V146	DRP	CLOSED IR96-06
8	ACR 01535	WHILE DEWATERING SPENT RESIN, THE WASTE TEMPERATURE IN THE LINER RAISED FROM 90 TO 310°F	DRP	CLOSED IR96-06
9	ACR 10543	NEED FOR ADDITIONAL REVIEW OF RESPONSE TIME TESTING FOR PROCEDURES	SPO(I)	
10	ACR 11322	CLOSURE OF PIR WITHOUT ADDRESSING DESIGN FEATURE OF AFFECTED COMPONENTS	DRP	CLOSED IR96-09
11	NU LTR (B15397) 11/1/95, ACR 10774 & 10780 EEI 96-201-04, 05 URI 96-201-40	TURBINE DRIVEN AUX FEEDWATER DESIGN CONCERNS	SPO(I)	
12	ACR 97-0317 ACR 6323 URI 96-04-13 URI 96-04-14 URI 96-04-15 IFI 94-11-09	CONTAINMENT FOUNDATION EROSION	NRR	

Revised 3/24/97

	REFERENCE	MILLSTONE UNIT 3 INSPECTION ITEM	RESP	STATUS
13	ACR 96-326 & 13427 URI 96-08-20 IR 96-201 LER 96-28 & 96-40	CCP SYSTEM OPERATION ABOVE DESIGN TEMPERATURE; 3 RHS*HCV 606/607 FAILING OPEN; AND OTHER FAILURE MODES	SPO(I)	Update IR96-08
14	ACR 7745 URI 96-01-07	SGCS OPERATIONAL CONFIGURATION CONTROL	SPO(I)	
15	ACR 96-0159 EEI 96-06-15	LETDOWN HEAT EXCHANGER LEAKAGE AND DESIGN DISCREPANCIES	SPO(I)	Update IR96-06
16	Unit 2 ACR 01935	DUAL FUNCTION VALVE CONTROL AND TESTING	SPO NRR	
17	ACR 7266	RCP SEAL HOUSING LEAKAGE AND BOLT CORROSION	DRS	
18	ACR 10562, PPR G.2 EEI 96-201-15 EEI 96-201-18 EEI 96-201-19 URI 96-201-17	CONTROL AND USE OF VENDOR INFORMATION	DRS	
19	URI 96-201-16	RESOLUTION OF AFW VALVES HELB CONCERN	SPO(I)	
20	VIO 96-59-13 MC 0350 ITEMS C.1.4.e & C.2.2.b	REVIEW OUTPUT FROM J. HANNON EMPLOYEE CONCERNS	SPO(L)	
21		FATIGUE CYCLE OPEN ITEMS IP 37750 (UNIT 2 ISSUE)	DRS	CLOSED IR96-01
22		PART 70 STORAGE AND INVENTORY IP 84750 (UNIT 1 ISSUE)	DRS	CLOSED IR96-05
23		FORMALITY OF NON-ROUTINE SECURITY ACTIVITIES AND NEW FUEL SECURITY IP 81064	DRS	CLOSED IR96-05
24	URI 96-01-08 LER 97-17	OVERLAP TESTING OF RPS/ESF	SPO(I)	Update IR97-01
25	ACR 912 URI 95-07-10 EEI 96-201-43	MATERIAL, EQUIP. AND PARTS LIST (MEPL) PROGRAM EVALUATION	DRS NRR	Update IR96-201

	REFERENCE	MILLSTONE UNIT 3 INSPECTION ITEM	RESP	STATUS
26	ACR 96-277, 0278, 627, 12832 LER 96-19,20 LER 96-35 URI 95-17-09 IFI 95-01-01 IFI 95-17-01, 02, 03, 04, 05	MOTOR OPERATED VALVE PROGRAM GL89-10	DRS	
27	PPR G.1.C, G.2 MC 0350 ITEMS C.4.e	MISSED SURVEILLANCES/TEST CONTROL	SPO(I)	CLOSED IR96-08
28	PPR G.1.C	DILUTION EVENTS	SPO(I)	CLOSED IR96-08
29	PPR G.1.C	FEEDWATER HAMMER	DRS	CLOSED IR96-01
30	IR 95-31, NU LTR (B15397) 11/1/95 PPR G.1.C, ACR 96-0855	AFW CHECK VALVE LEAKAGE	DRS	
31	PPR G.1.C, G.2 MC 0350 ITEMS C.1.3.f, C.2.1.e C.3.2.e, C.4.f.& i	WORK-AROUNDS AND ABUSE OF USE-AS-IS DEFICIENCIES	SPO(I)	
32	NOV 94-16- 05 PPR G.2 MC 0350 ITEMS C.2.2.e C.4.f,h,i	RESIDENT EMPHASIS: AWO QUALITY AND BACKLOG CONTROL	DRS	
33	IR 96-201 PPR G.2	SEISMIC II/I	DRS	
34		EFFLUENT/ENVIRONMENTAL SAMPLING AND ANALYTICAL PROFICIENCY	DRS	Update IR96-09
35		RADWASTE SYSTEMS/CONTROLS	DRS	Update IR96-08

	REFERENCE	MILLSTONE UNIT 3 INSPECTION ITEM	RESP	STATUS
36		HEAT EXCHANGER PERFORMANCE (GL 89-13)	DRS	
37	IR 96-04 EEI 96-201- 13, 21, 22, 23, 24, 26, 27, 28, 29 MC 0350 ITEMS C.1.1, C.1.3, C.1.4.d,e,g, C.2.1, C.2.2.c,e, C.3.1.d, C.4.f	REVIEW LICENSEE CORRECTIVE ACTION PROGRAMS FOR EFFECTIVENESS TO INCLUDE ACR's AND NCR's	SPO(I)	
38		REVIEW 0737 ACTION ITEMS FOR COMPLETION	SPO(I)	
39	MC 0350 ITEMS C.3.2.a,c	REVIEW ENGINEERING BACKLOGS	DRS	
40	MC 0350 ITEMS C.1.1, C.1.3, C.1.f,& g, C.4.f,i	REVIEW 50.54F ISSUES FOR RESTART/REVIEW DEFERRED RESTART ITEMS LIST	SPO	Update IR96-06
41	ACR 7007 URI 95-81-01 VIO 96-09-04 MC 0350 C.1.4.i	REVIEW SELF ASSESSMENT ROOT CAUSES AND VERIFY CORRECTIVE ACTIONS (IP40500)	SPO(I)	
42		FIRE PROTECTION PROGRAM	DRS	
43	ORDER	PHASE II OF THE ICAVP	SPO(O)	
44	ACR 12116, 96-0325 LER 96-26	CYCLE 6 BORON DILUTION ANALYSIS POTENTIALLY NON-CONSERVATIVE AND PGS FLOW RATE TO CHARGING PUMPS MAY BE IN ERROR	DRS	
45	ACR 96- 0524,08897 URI 96-06-14 LER 96-29 & 96-39	INITIAL SETTINGS FOR ECCS THROTTLE VALVES INADEQUATE AND POTENTIAL CLOGGING	SPO(I)	Update IR96-06
46	ACR 96-0183	LOW PRESSURE SAFETY INJECTION PENETRATIONS	SPO(I)	
47	ACR 96-0391	RHR HEAT EXCHANGER BOLTING SUSCEPTIBLE TO BORIC ACID	DRS	
48	ACR 10397	LLRT "AS FOUND" TOTAL LEAKAGE EXCEEDED MAX ALLOWABLE	DRP	CLOSED IR96-08

	REFERENCE	MILLSTONE UNIT 3 INSPECTION ITEM	RESP	STATUS
49	ACR 96-0324	FUEL TRANSFER TUBE BELLOWS SEAL CONNECTION NOT TESTED	DRP	CLOSED IR96-08
50	ACR 96-0446	DOCUMENTATION OF CONTAINMENT SYSTEMS DISCREPANCIES	DRS	
51	ACR 96-0339, 96-0389	WALWORTH VALVE YOKE GENERIC ISSUE	DRS	
52	ACR 10795 EEI 96-201-02,23 LER 96-005-01	SWP TEMPERATURE SWITCHES DEFEATED BY BYPASS JUMPER FOR SWP*P3A1B (BOOSTER PUMPS)	SPO(I)	
53	ACR 96-0449 URI 96-09-XX LER 96-25	PIECES OF ARCOR FOUND IN 3RSS*E1A AND 3RCC*E1C	SPO NRR	Update IR96-09
54	ACR 96-0181	NUMEROUS BOLTS ON BACK DOOR ON 4160V SWITCHGEAR MISSING	DRP	CLOSED IR96-06
55	ACR 96-0467	FAST TRANSFER TEST FAILURES	DRS	CLOSED IR96-09
56	ACR 12495	SHUTDOWN MARGIN MONITOR ALARM SETPOINT	DRS	CLOSED IR96-05
57	ACR 96-0080, 96-0081 LER 96-15, 45, 49 LER 96-015-02	POTENTIAL ELECTRICAL SEPARATION VIOLATIONS	DRS	
58	ACR 96-0557, 96-0685 EEI 96-201-33	THERMAL RELIEF VALVE SETPOINTS	SPO(I)	
59	ACR 96-0775, 9124, 0846 LER 96-33	USE OF BORAFLEX IN SFP RACKS	SPO(L)	
60	ACR 96-0718, 0821 EEI 96-09-XX	ANALYSIS OF SOV FAILURE MODES DUE TO MOPD	SPO(I)	Update IR96-09
61	UNIT 2 ACR 7923	EEQ PROCESS	DRS	

	REFERENCE	MILLSTONE UNIT 3 INSPECTION ITEM	RESP	STATUS
62	ACR 13788	TSP BASKET SAFETY EVALUATION POSSIBLY NOT VALID	SPO(I)	
63	ACR 96-0396	3MSS*MOV17D MISSED 1ST SURVEILLANCE REQUIREMENT	DRP	CLOSED IR96-08
64	ACR 08614	REACTOR PROTECTION LEAD LAG CIRCUITS MAY BE SET NONCONSERVATIVELY	DRS	CLOSED IR96-05
65	ACR 96- 0745, CR 97- 742 LER 96-36	SIL/SH VALVES POWERED FROM NONSAFETY TRAIN	SPO NRR	
66	ACR 96-0483	CCP AND CCE NON-Q COMPONENTS CAUSE Q-COMPONENTS NOT TO FAIL SAFE	SPO(I)	
67	ACR 96-0621 TAC No. M96054 URI 96-201- 14	SBO POSSIBLE OVERLOAD IN EVENT OF AN SIS ACTUATION & DESIGN ISSUES	SPO	
68		REVIEW ALLEGATIONS FOR RESTART ISSUES	SPO	
69		REVIEW ALL OPERABILITY DETERMINATIONS AND BY-PASS JUMPERS BEFORE RESTART	SPO	
70	URI 96-08-16 LERs 96-002- 01, 96-37, 96-38, 96-42, 96-43, 96-48, CAL 1-97-010	REVIEW TRM FOR TECH. SPEC. INTERPRETATIONS; EVALUATE TS AND OPER. LICENSE ISSUES	DRS	
71	MC 0350 C.1.4.i	REVIEW LICENSEE EVENT REPORTS FOR RESTART ISSUES	SPO(I)	
72		REVIEW ENFORCEMENT AND UNRESOLVED ITEMS FOR ITEMS FOR RESTART ISSUES	SPO(I)	
73	NOV 96-05- 12, IFI 96-06-17 MC 0350 C.1.4.a,b,c, C.2.1.c	REVIEW QA PROGRAM FOR ADEQUACY AND IMPROVEMENT	NRR OST'	
74	URI 96-08-18 LER 96-21	ISI/IST PROGRAM CONTROL	DRS	
75	IFI 96-08-15 IFI 96-09-17	TIA ISSUES (EDG EXHAUST & REQUIRED # OF SW PUMPS)	NRR	

	REFERENCE	MILLSTONE UNIT 3 INSPECTION ITEM	RESP	STATUS
76	IFI 96-08-17	CRACKING OF FUSE FERRULES	DRS	
77	IFI 95-44-06	POTENTIAL FREEZING OF SW BACKWASH LINES	SPO(I)	
78	URI 93-07-07, EEI 96-201- 02, 04, 05, 06, 07, 08	SAFETY ANALYSIS (50.59) PROCESS	SPO(L)	
79	EEI 96-201- 09, 15, 35, 37, 39 MC 0350 C.3.2.f	DESIGN CONTROL PROCESS REVIEW (PART OF PHASE I OF THE ICAVP)	SPO(O)	
80	ACR 97-348 EEI 96-201- 18, 19 MC 0350 C.2.1.b, C.2.2.d, C.3.1.k, C.3.3.e,f	PROCEDURE ADEQUACY AND ADHERENCE/ PUP PROCESS	SPO(I) OSTI	Update IR97-01
81	EEI 96-201- 32, 33, 34	TESTING OF SAFETY SYSTEMS	DRS	
82	EEI 96-201- 10	QUALITY ASSURANCE RECORDS	SPO(I)	
83	NU LETTER (316195), 2/10/97 MC 0350 ITEMS C.2.2.g, h, C.3.1.m, C.3.2.h & IFI 95-36-01	EFFECTIVENESS OF EMERGENCY RESPONSE ORG; COORDINATION WITH OFFSITE EP OFFICIALS; DOSE ASSESSMENT CAPABILITY	DRS	
84	MC 0350 ITEM C.3.1.I EEI 96-05-15, EEI 97-01-XX, U1 VIO 96- 09-20	SECURITY ISSUES - CORRECTIVE ACTION AND REVIEW	DRS	
85	ACR 96-496, 457, 620, 1072, 97- 039, 128, 409 LER 97-03, 97-15	OTHER RSS AND RELATED DESIGN BASIS CONCERNS	DRS NRR	

ENCLOSURE 4

MILLSTONE RESTART ASSESSMENT PLAN

MILLSTONE UNIT ALL UNITS

RESTART APPROVAL (MC0350)

The following items are considered applicable to the restart of all Millstone Units:

RESPONSIBILITIES AND AUTHORITIES

		NEED	STATUS	RESP
4.0 1	<u>Director, Special Projects Office (SPO)</u> . Notifies the Executive Director for Operations (EDO) and the Commission, as appropriate, of the NRC actions taken concerning shutdown plants and the proposed followup plan.	X	C	NRR
4.0 2	<u>Director, Special Projects Office</u> a. Discusses with the Deputy Executive Director for Nuclear Reactor Regulation, Regional Operations and Research, the Office of Enforcement (OE), and NRR, as appropriate, the need for an order or confirmatory action letter (CAL) specifying the actions required of the licensee to receive NRC approval to restart the plant and the proposed followup plan.	X	C	DSPO
	b. Decides, in consultation with the NRR Associate Director for Projects, whether this manual chapter applies to a specific reactor restart.	X	C	DSPO
	c. In coordination with the NRR Associate Director for Projects, decides whether to establish a Restart Panel.	X	C	DSPO
	d. Develops a written Restart Assessment Plan, including a case-specific checklist, to assign responsibilities and schedules for restart actions and interactions with the licensee and outside organizations.	X	C	RAP

		NEED	STATUS	RESP
	e. Coordinates and implements those actions prescribed in the Restart Assessment Plan that have been determined to be the Office of Special Project's responsibility. These include, when appropriate, interactions with State and local agencies and with regional offices of Federal agencies.	X		RAP

	f. In conjunction with NRR, reviews and determines the acceptability of licensee's corrective action program.	X		RAP SRI OSTI NRR
	g. Approves restart of the shutdown plant, following consultation with the EDO and the Director of NRR, and approval/vote by the Commission.	X		DSPO

4.03	Director SPO			
	a. Acts as the focal point for discussions within NRR to establish the appropriate followup actions for a plant that has been shut down.	X		DSPO
4.04	Deputy Director, Licensing			
	a. Coordinates participation in followup conference calls and management discussions to ensure that the Director SPO are directly involved, when appropriate, in followup action.	X		DSPOL
	b. Coordinates and implements actions prescribed in the Restart Assessment Plan that have been determined to be Licensing's responsibility. These include, where applicable, appropriate NRC Office or NRR Division interaction with other Federal agencies (e.g., Federal Emergency Management Agency (FEMA), Department of Justice (DOJ)) pursuant to any applicable Memoranda of Understanding.	x		DSPOL

		NEED	STATUS	RESP.
B.1	<p>INITIAL NRC RESPONSE</p> <p>The facts, the causes, and their apparent impacts should be established early in the process. This information will assist the NRC in characterizing the problems, the safety significance, and the regulatory issues. Early management appraisal of the situation is also important to ensure the proper immediate actions are taken. The following items should have been completed or should be incorporated into the CSC as appropriate. Refer to Section 5.02 of this manual chapter for additional information.</p>	NA		
	a. Initial notification and NRC management discussion of known facts and issues	NA		
	b. Identify/implement additional inspections (i.e. AIT, IIT, or Special) (Region).	NA		
	c. Determine need for formal regulatory response (i.e. order or CAL).	NA		
	d. Identify other parties involved (i.e., NRC Organizations, other Federal agencies, industry organizations).	NA		

		NEED	STATUS	RESP.
B.2	<p>NOTIFICATIONS</p> <p>Initial notification of the event quickly communicates NRC's understanding of the event and its immediate response to the parties having an interest in the event. Notification to regional and headquarters offices of cognizant Federal agencies may be appropriate. As the review process continues, additional and continuing notifications may be required.</p>	NA		
	a. Issue Daily and Directors Highlight (NRR).	NA		
	b. Issue preliminary notification (Region).	NA		
	c. Conduct Commissioner assistants' briefing.	NA		
	d. Issue Commission paper (NRR).	NA		
	e. Cognizant Federal agencies notified (i.e., FEMA, EPA, DOJ).	NA		
	f. State and local officials notified (Region).	NA		
	g. Congressional notification (NRR)	NA		

PROCESS B.3

		NEED	STATUS	RESP.
B.3	<u>ESTABLISH AND ORGANIZE THE NRC REVIEW PROCESS</u>			
	a. Establish the Restart Panel.	X	C	RAP
	b. Assess available information (i.e. inspection results, licensee self-assessments, industry reviews).	X		RAP
	c. Obtain input from involved parties both within NRC and other Federal agencies such as FEMA, EPA, DOJ.	X		RAP
	d. Conduct Director SPO briefing.	X		RAP
	e. Conduct NRR Executive Team briefing (NRR).	X	C	RAP
	f. Develop the case-specific checklist (CSC).	X	C	RAP
	g. Develop the Restart Assessment Plan.	X	C	RAP
	h. Director SPO approves Restart Assessment Plan.	X	C	DSPO
	i. NRR Director approves Restart Assessment Plan.	X	C	DNRR
	j. Implement Restart Assessment Plan.	X		RAP
	k. Modify order as necessary	X		NRR

		NEED	STATUS	RESP.
B.4	<u>REVIEW IMPLEMENTATION</u>			
B.4.1	<u>Root Causes and Corrective Actions</u>			
	a. Evaluate findings of the special team inspection.	X		OSTI RAP
	b. Licensee performs root cause analysis and develops corrective action plan for root causes.	X		NU OSTI

	c. NRC evaluates licensee's root cause determination and corrective action plan.	X		RAP OSTI
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		NEED	STATUS	RESP
B.4.2	<p>B.4.2 Assessment of Equipment Damage</p> <p>For events where equipment damage occurs, a thorough assessment of the extent of damage is necessary. A root cause determination will be necessary if the damage was the result of an internal event. The need for independent NRC assessment should be considered. The licensee will need to determine corrective actions to repair, test, inspect, and/or analyze affected systems and equipment. These actions are required to restore or verify that the equipment will perform to design requirements. Equipment modifications may also be required to ensure performance to design requirements.</p> <p>Potential offsite emergency response impact for external events such as natural disasters, explosions, or riots should be considered. NRR should obtain information from FEMA headquarters reaffirming the adequacy of State and local offsite emergency plans and preparedness if an event raises reasonable doubts about emergency response capability.</p>	NA		
	a. Licensee assesses damage to systems and components.	NA		
	b. NRC evaluates licensee damage assessment.	NA		
	c. Licensee determines corrective actions.	NA		
	d. NRC evaluates corrective actions.	NA		

		NEED	STATUS	RESP.
B.4.3	<u>Determine Restart Issues and Resolution</u> The establishment of the restart issues that require resolution before restart demands a clear understanding of the issues and the actions required to address those issues by both the NRC and the licensee. This section outlines steps to determine the restart issues and NRC's evaluation of their resolution.	X		RAP
	a. Review/evaluate licensee generated restart issues.	X		RAP
	b. Independent NRC identification of restart issues	X		RAP
	c. NRC/licensee agreement on restart issues.	X		RAP
	d. Evaluate licensee's restart issues implementation process.	X		RAP
	e. Evaluate licensee's implementation verification process.	X		SRI

		NEED	STATUS	RESP.
B.4.4	<u>Obtain Comments</u> Since some shutdowns involve a broad number of issues, solicitation of comments from diverse sources may be appropriate. The decision to solicit comments from a group and the level of participation should be made on a case-by-case basis. Input from these groups should be factored into the restart process when they contribute positively to the review. Note: If needed, comments concerning the adequacy of state and local emergency planning and preparedness must be obtained from FEMA headquarters through NRR.	X		RAP
	a. Obtain public comments.			
	b. Obtain comments from State and Local Officials (Region).	X		SLO
	c. Obtain comments from applicable Federal agencies.	X		RAP
B.4.5	<u>Closeout Actions</u> When the actions to resolve the restart issues and significant concerns are substantially complete, closeout actions are needed to verify that planned inspections and verifications are complete. The licensee should certify that corrective actions required before restart are complete and that the plant is physically ready for restart. This section provides actions associated with completion of significant NRC reviews and preparations for restart.			RAP OSTI
	a. Evaluate licensee's restart readiness self-assessment.	X		
	b. NRC evaluation of applicable items from Section C "ISSUES" complete.	X		RAP
	c. Restart issues closed.	X		RAP SRI OSTI
	d. Conduct NRC restart readiness team inspection.	X		OSTI

e.	Issue augmented restart coverage inspection plan.	X		OSTI
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		NEED	STATUS	RESP.
	f. Comments from other parties considered.	X		RAP
	g. Determine that all conditions of the Order/CAL are satisfied.	X		RAP
	h. Re-review of Generic Restart Checklist complete.	X		RAP SRI
B.5	<u>RESTART AUTHORIZATION (B.5)</u> When the restart review process has reached the point that the issues have been identified, corrected, and reviewed, a restart authorization process is begun. At this point the Restart Panel should think broadly and ask: "Are all actions substantially complete? Have we overlooked any items?"			
	a. Prepare restart recommendation document and basis for restart.	X		RAP
	b. NRC Restart Panel recommends restart	X		RAP
	c. No restart objections from other applicable HQ offices.	X		MCKee
	d. No restart objections from applicable Federal agencies.	X		RAP
	e. DSPO concurs in restart recommendation	X		DSPO
	f. NRR Director concurs in restart recommendation.	X		DSPOL
	g. EDO concurs in restart recommendation when required.	X		EDO
	h. Conduct ACRS briefing when requested (NRR).	X		SPO

	i. Conduct Commission briefing when requested.	X		DSPO
	j. Commission approves in restart authorization.	X		COMM
	k. DSPO authorizes restart.	X		EDO

B.6	<u>RESTART AUTHORIZATION NOTIFICATION (B.6)</u>	NA	RAP
	<p>Notify the applicable parties of the restart authorization. Notifications should generally be made using a memorandum or other format consistent with the level of formality required. Communication of planned actions is important at this stage to ensure that NRC intentions are clearly understood.</p>		
	a. Commission (if the Commission did not concur in the Restart Authorization or as requested) (NRR).	NA	RAP
	b. EDO (if the EDO did not concur in the restart recommendation or as requested) (NRR).	NA	EDO
	c. Congressional Affairs (RAP).	X	OCA
	d. ACRS (a briefing may be substituted for the written notification if the ACRS requests a briefing) (NRR).	X	SPJ
	e. Applicable Federal agencies.	X	RAP
	f. Public Affairs.	X	OPA
	g. State and local officials.	X	SLO
	h. Citizens or groups that expressed interest during the restart approval process.	X	RAP

ISSUES

		NEED	STATUS	RESP.
C.1.1	<u>Root Cause Assessment</u>			
	a. Conditions requiring the shutdown are clearly understood.	X		RAP
	b. Root causes of the conditions requiring the shutdown are clearly understood.	X		RAP
	c. Root causes of other significant problems are clearly understood.	X		RAP
	d. Effectiveness of the root cause analysis program.	X		RAP
C.1.2	<u>Damage Assessment</u>			
	a. Damage assessment was thorough and comprehensive.	NA		
	b. Corrective actions clearly restored systems and equipment or verified they can perform as designed.	NA		
C.1.3	<u>Corrective Actions</u>			
	a. Thoroughness of the corrective action plan	X		RAP
	b. Completeness of corrective action programs for specific root causes.	X		SRI
	c. Control of corrective action item tracking.	X		SRI OSTI
	d. Effective corrective actions for the conditions requiring the shutdown have been implemented.	X		SRI OSTI
	e. Effective corrective actions for other significant problems have been implemented.	X		SRI OSTI
	f. Control of long-term corrective actions.	X		SRI OSTI
	g. Effectiveness of the corrective action verification process.	X		SRI OSTI

		NEED	STATUS	RESP.
C.1.4	<u>Self-Assessment Capability</u> The occurrence of an event may be indicative of potential weaknesses in the licensee's self-assessment capability. A strong self-assessment capability creates an environment where problems are readily identified, prioritized, and tracked. Effective corrective actions require problem root cause identification, solutions to correct the cause, and verification methods that ensure the issue is resolved. Senior licensee management effectiveness in ensuring effective self-assessment is treated separately.			
	a. Effectiveness of Quality Assurance Program.	X		RAP
	b. Effectiveness of Industry Experience Review Program.	X		OSTI
	c. Effectiveness of licensee's Independent Review Groups.	X		SRI OSTI
	d. Effectiveness of deficiency reporting system.	X		SRI OSTI
	e. Staff willingness to raise concerns.	X		OE RAP
	f. Effectiveness of PRA usage.	X		OSTI
	g. Effectiveness of commitment tracking program.	X		SRI RAP
	h. Review applicable external audits	X		OSTI
	i. Quality of 10 CFR 50.72 and 50.73 reports.	X		SRI
		NEED	STATUS	RESP.
C.2.1	<u>Management Oversight and Effectiveness</u> a. Goals/expectations communicated to the staff.	X		OSTI
	b. Demonstrated expectation of adherence to procedures.	X		SRI OSTI
	c. Management involvement in self-assessment and independent self-assessment capability	X		RAP

	d. Effectiveness of management review committees.	X		SRI OSTI
	e. Management's demonstrated awareness of day-to-day operational concerns.	X		SRI OSTI
	f. Management's ability to identify and prioritize significant issues.	X		SRI OSTI
	g. Management's ability to coordinate resolution of significant issues.	X		SRI OSTI
	h. Management's ability to implement effective corrective actions.	X		SRI OSTI

C.2.2	<u>Management Support</u>			
	a. Impact of any management reorganization.	X		RAP
	b. Effective and timely resolution of employee concerns.	X		RAP
	c. Adequate engineering support as demonstrated by timely resolution of issues.	X		DRS OSTI
	d. Adequate plant administrative procedures.	X		SRI PE
	e. Effective information exchange with other utilities.	X		SRI OSTI
	f. Participation in industry groups.	NA		
	g. Effectiveness of Emergency Response Organization.	X		DRS
	h. Coordination with offsite emergency planning officials.	X		DRS

		NEED	STATUS	RESP.
C.3.1	<u>Assessment of Staff</u>			
	a. Demonstrated commitment to achieving improved performance.	X		RAP SRI OSTI
	b. Demonstrated safety consciousness.	X		OSTI SRI
	c. Understanding of management's expectations and goals.	X		OSTI

	d. Understanding of plant issues and corrective actions.	X		OSTI SRI
	e. Qualifications and training of the staff.	X		OSTI
	f. Staff's fitness for duty.	NA		
	g. Attentiveness to duty.	X		OSTI
	h. Level of attention to detail.	X		OSTI
	i. Off-hour plant staffing.	X		SRI
	j. Staff overtime usage.	X		SRI SRI
	k. Procedure usage/adherence.	X		SRI PE
	l. Awareness of plant security.	X		DRS
	m. Understanding of offsite emergency planning issues.	X		DRS
C.3.2	<u>Assessment of Corporate Support and Site Engineering Support</u>	X		OSTI
	a. Corporate staff understanding of plant issues.	X		OSTI
	b. Corporate staff site specific knowledge.	X		OSTI
	c. Effectiveness of the corporate/plant interface meetings.	X		OSTI
	d. Corporate involvement with plant activities.	X		OSTI
	e. Effectiveness of site engineering support.	X		DRS
	f. Effectiveness of the site design modification process.	X		DRS
	g. Effectiveness of licensing support.	X		RAP
		NEED	STATUS	RESP.
	h. Coordination with offsite emergency planning officials.	X		RAP
C.3.3	<u>Operator Issues</u>			
	a. Licensed operator staffing meets requirements and licensee goals.	X		OSTI
	b. Level of formality in the control room.	X		OSTI SRI

	c. Effectiveness of control room simulator training.	X		DRS
	d. Control room/plant operator awareness of equipment status.	X		OSTI SRI
	e. Adequacy of plant operating procedures.	X		SRI PE
	f. Procedure usage/adherence.	X		SRI OSTI
	g. Log keeping practices.	X		OSTI

C.4	<u>ASSESSMENT OF PHYSICAL READINESS OF THE PLANT</u>			
	a. Operability of technical specification systems.	X		OSTI
	b. Operability of required secondary and support systems.	X		OSTI
	c. Results of pre-startup testing.	X		SPO OSTI
	d. Adequacy of system lineups.	X		OSTI
	e. Adequacy of surveillance tests/test program.	X		OSTI
	f. Significant hardware issues resolved (i.e. damaged equipment, equipment ageing, modifications).	X		OSTI
	g. Adequacy of the power ascension testing program.	X		OSTI SRI
	h. Effectiveness of the plant maintenance program.	X		OSTI DRS
	i. Maintenance backlog managed and impact on operation assessed.	X		OSTI
	j. Adequacy of plant housekeeping and equipment storage.	X		OSTI

		NEED	STATUS	RESP.
C.5	<u>ASSESSMENT OF COMPLIANCE WITH REGULATORY REQUIREMENTS</u>			
	a. Applicable license amendments have been issued.	X		FIAP
	b. Applicable exemptions have been granted.	X		RAP
	c. Applicable reliefs have been granted.	X		RAP

d.	Imposed Orders have been modified or rescinded.	X		RAP
e.	Significant enforcement issues have been resolved.	X		RAP OE
f.	Allegations have been appropriately addressed.	X		RAP SRI PE
g.	10 CFR 2.206 Petitions have been appropriately addressed.	X		NRR
h.	Atomic Safety and Licensing Board hearings have been completed.	NA		

C.6	<u>COORDINATION WITH INTERESTED AGENCIES AND PARTIES</u>			
a.	Federal Emergency Management Agency	X		DRS
b.	Environmental Protection Agency	X		RAP
c.	Department of Justice	X		OE OI
d.	Department of Labor	X		OE
e.	Appropriate State and local officials	X		SLO
f.	Appropriate public interest groups	X		RAP
g.	Local news media	X		3OPA

ENCLOSURE 5

LICENSING ISSUES REQUIRED FOR RESTART
MILLSTONE UNIT 1

No.	TAC No.	Issue	Status
1	M96062	Safety/Relief Valve Electrical Design Modification	Under staff review.
2	M97934	Response Time Testing Clarification/Modification	Under staff review.
3	M98123	Allowable Outage Times Revisions	Under staff review.

Note: The licensee indicated they plan to submit two additional licensing issues which will be needed prior to restart.

LICENSING ISSUES REQUIRED FOR RESTART
MILLSTONE UNIT 2

No.	TAC No.	Issue	Status
1	M92879	Cont. Rm. Emer. Vent Sys.- TSs	Under Review
2	M94105	Steam Gen Blowdown. Mont.- TSs	Under Review
3	M94623	Cont. Iso. Valves- TSs	Need Add. Info.
4	M97741	Org Structure & Titles- TSs	Under Review
5	M97746	Met. Tower Inst.- TSs	Need Add. Info.
6	M97680	Siemens LOCA Anal.- Evaluation	Under Review
7		Ultimate Heat Sink- TSs	Submit 03/31/97
8		Enclosure Bldg - TSs	Submit 03/31/97
9		ESFAS Time Delay- TSs	Submit 04/14/97
10		EDG Fuel Oil- TS Basis Change	Submit 04/21/97
11		Spent Fuel Vent Sys.- TSs	Submit 04/30/97
12		Shut Dwn. Cooling- TSs	Submit 04/30/97
13		Press. PORV- TSs	Submit 04/30/97
14		DNB Parameters- TSs	Submit 04/30/97
15		Rx Trip Setpoints SG Safety Valv.-TSs	Submit 04/30/97
16		RCS P-T Curves- TSs	Submit 04/30/97

LICENSING ISSUES REQUIRED FOR RESTART
MILLSTONE UNIT 3

No.	TAC No.	Issue	Status
1	M92798	Modifies MSIV surveillance and action statements.	Under staff review.
2	M95469	Modifies the description of the time constants associated with the Overtemperature and Overpressure Delta-T calculations.	Amendment No. 134, issued March 11, 1997.

Note: The licensee has indicated that it plans to submit approximately 23 licensing issues which will be needed prior to restart.

PROJECT PLANNING SCHEDULE

MILLSTONE UNIT 3
4/15/97

ID	Task Name	Start	Finish	Qtr 1, 1997			Qtr 2, 1997			Qtr 3, 1997			Qtr 4, 1997			Qtr 1, 1998		
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
1	CMP UNIT 3 IMPLEMENTATION*	6/3/96	7/14/97															
2	ICAVP UNIT 3 IMPLEMENTATION**	5/27/97	9/2/97															
3	NRC ICAVP INSPECTIONS	6/30/97	11/14/97															
4	NRC ICAVP IN-OFFICE REVIEW/ DOCUMENT	11/3/97	12/19/97															
6	INSPECTION PROGRAM	2/14/97	10/12/97															
6	FEMA NOTIFICATION	9/30/97	10/12/97															
7	EMPLOYEE CONCERNS PROGRAM INSPEC	8/18/97	8/29/97															
8	LICENSE AMENDMENTS	3/5/97	10/12/97															
9	OPERATIONAL SAFETY TEAM INSPECTION	10/21/97	11/24/97															
10	RESTART ASSESSMENT PANEL REVIEW	11/25/97	12/8/97															
11	EDO/DIR NRR BRIEF	12/12/97	12/12/97															
12	COMMISSION BRIEFING	12/19/97	12/19/97															

- * Configuration Management Program (CMP) carried out by the licensee.
- ** ICAVP carried out by Sargent & Lundy contractor.



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0801

April 7, 1997

Mr. Bruce D. Kenyon
President and Chief Executive Officer
Northeast Nuclear Energy Company
P.O. Box 128
Waterford, CT 06385-0128

Dear Mr. Kenyon:

This letter provides conditional approval of your proposed contractor, Sargent & Lundy (S&L), for the conduct of the Millstone Units 1 and 3 Independent Corrective Action Verification Program (ICAVP), pending completion and submittal of the enclosed certifications of financial independence by S&L and the Licensee's corporate officials. On the basis of the information provided in your submittals of December 18, 1996, January 15, February 21, and March 26, 1997, and the discussions at the meetings of February 5 and March 18, 1997, we have concluded that S&L has the technical expertise and nuclear design experience necessary to conduct the ICAVP review at Millstone Units 1 and 3. We have also concluded that S&L is sufficiently independent of the Licensee and its design contractors for the conduct of the ICAVP.

Concerns were raised by the Nuclear Energy Advisory Council (NEAC) for the State of Connecticut and by members of the public on the independence of the contractor. The NRC has chosen to adopt a practical standard of independence between the ICAVP contractor and the Licensee. In making our determination, we balanced the need to ensure adequate financial independence with the need to ensure that the contractor had the necessary skills and experience to effectively conduct the ICAVP. We found that S&L was sufficiently independent from the design and operation of Millstone Units 1 and 3 in that it has not been involved in design activities that would affect its ability to perform the ICAVP, with the following exceptions: (1) seismic qualifications, specifications, standards, and procedures for Millstone Unit 1 and (2) interactions between nonseismic Category 2 systems and seismic Category 1 safety systems at Millstone Unit 3. On the basis of our review of the information submitted, we find that these two areas represent a conflict of interest and shall not be reviewed by S&L during the ICAVP. If review of these areas is necessary during performance of the ICAVP, it shall be handled by a party other than S&L.

Regarding S&L's financial independence from the Licensee, we found sufficient independence in that, organizationally, S&L, its subsidiaries, its Retirement Plan, and its Savings Investment Plan do not directly own any Licensee stock, bonds, or other financial instruments issued by Northeast Utilities (NU), Northeast Nuclear Energy Company (NNECO), or other entities named on the Millstone Units 1 and 3 operating licenses. In addition, each of the proposed ICAVP team members will be required to provide a written statement regarding conflict of interests that includes financial interests.

Enclosure 3

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158P

Mr. Bruce D. Kenyon

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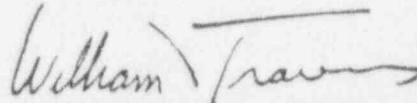
As previously described, we have concluded that S&L has sufficient technical and financial independence to conduct an objective review. However, this approval is conditioned upon the submittal of the enclosed certifications of financial independence by the corporate officials of the NNECO and S&L (Enclosure 1). A detailed discussion of the basis for our approval is provided in Enclosure 2.

To ensure the continued independence of the ICAVP team, a communication protocol will be established as part of the contractor's audit plan. This protocol shall include the reporting procedures discussed in the Confirmatory Order of August 14, 1996. The staff will approve the protocol after discussions with the contractor during the staff's review of the audit plan.

As we discussed in our letter of January 13, 1997, and subsequent meeting on February 5, 1997, we will withhold final approval of individual team members until completion of our interviews in conjunction with our review of the proposed audit plan. The staff will conduct interviews with each team member to verify that he or she is technically and financially independent and to determine whether the member's technical qualifications and experience are consistent with his or her assigned role as defined in the audit plan. In addition, we request that all team members complete the enclosed Conflict-of-Interest Statement to document their financial and technical independence (Enclosure 3). These statements will be collected from S&L when the NRC staff conducts the interviews.

Please contact Eugene Imbro at (301) 415-1490 if you need any additional information or clarification of the enclosures.

Sincerely,



William D. Travers, Director
Special Projects Office
Office of Nuclear Reactor Regulation

Enclosures:

1. Certification of Financial Independence
2. Results of the Staff's Review of the Proposed ICAVP Contractor for Millstone Units 1 and 3
3. Conflict-of-Interest Statement

Certification of Financial Independence

I, _____, being first duly sworn, depose and state:

That I am President, Sargent & Lundy (the Contractor).

That I am authorized to provide the following certification on behalf of the Contractor to the U. S. Nuclear Regulatory Commission.

That the Contractor does not own stock, bonds, or other financial instruments issued by Northeast Utilities or its subsidiaries, the organizations that performed the original design for Millstone Units 1 and 3, the suppliers of the nuclear steam supply systems for the Units 1 and 3 and other entities named on the operating licenses for Units 1 and 3.

Date

Certification of Financial Independence

I, Bruce D. Kenyon, being first duly sworn, depose and state:

That I am President and Chief Executive Officer, Northeast Nuclear Energy Company (the Licensee).

That I am authorized to provide the following certification on behalf of the Licensee to the U. S. Nuclear Regulatory Commission.

That the Northeast Nuclear Energy Company and the other co-license holders for Millstone Units 1 and 3 do not own stock, bonds, or other financial instruments issued by Sargent & Lundy or its subsidiaries.

Bruce D. Kenyon
President and Chief Executive Officer

Date

RESULTS OF THE STAFF'S REVIEW OF THE PROPOSED ICAVP CONTRACTOR FOR MILLSTONE UNITS 1 AND 3

INTRODUCTION

On August 14, 1996, the U. S. Nuclear Regulatory Commission (NRC) issued a Confirmatory Order to Northeast Nuclear Energy Company (NNECO, or Licensee) requiring completion of an Independent Corrective Action Verification Program (ICAVP) before the restart of any Millstone unit. The order directs the Licensee to obtain the services of an organization independent of the Licensee and its design contractors to conduct a multidisciplinary review of Millstone Units 1, 2, and 3.

The purpose of the ICAVP, as stated in the Confirmatory Order, is to confirm that the plant's physical and functional characteristics are in conformance with its licensing and design bases. The ICAVP audit required by the NRC is expected to provide independent verification, beyond the Licensee's quality assurance and management oversight, that the Licensee has identified and satisfactorily resolved existing nonconformances with the design and licensing bases; documented and utilized the licensing and design bases to resolve nonconformances; and established programs, processes, and procedures for effective configuration management in the future.

BACKGROUND

The Licensee submitted information regarding the proposed selection of Sargent & Lundy (S&L) as the contractor for the Unit 3 ICAVP on December 18, 1996. The submittal included the principal criteria used in evaluating the contractor bids, a discussion of the methodology used in the bid selection process, program elements to be covered by the ICAVP scope, and guidelines for the communication protocol. The submittal also included resumes of the proposed ICAVP team members. In its submittal, the Licensee stated that S&L is financially and organizationally independent of Northeast Utilities (NU) and its co-license holders, and its subsidiaries, and the design contractors for the Millstone units. Additions and corrections to the proposal were submitted on January 8, February 21, and March 26, 1997.

The Licensee submitted the proposed selection of S&L as the contractor for the Unit 1 ICAVP on January 15, 1997. This submittal included additional resumes for proposed team member substitutes.

On February 5, 1997, the staff held a public meeting with the Licensee to discuss the contractor selection process and to respond to staff questions that were provided to the Licensee by letter on January 13, 1997. The staff also held an evening meeting with the public on February 5, 1997, to obtain comments regarding the proposed contractor.

On February 21, 1997, the Licensee submitted additional information regarding the proposed selection to respond to questions and comments from the meeting on February 5, 1997. The submittal included responses to NRC questions regarding the financial independence of S&L, previous work performed by S&L for the Licensee, restrictions on future work for the Licensee,

ICAVP team member substitution, S&L's differing professional opinion process, quality assurance program requirements, the ICAVP organization, and ICAVP staffing and experience levels.

During the staff's evaluation of the submitted information, the staff raised additional questions regarding the financial independence of S&L. On March 12, 1997, the NRC requested that the Licensee provide additional information regarding the financial holdings of S&L's retirement plan and restrictions on S&L from performing future work for the Licensee. On March 26, 1997, the Licensee submitted additional information regarding these issues.

STAFF EVALUATION

The staff conducted a review of the information submitted by the Licensee regarding the proposed contractor, S&L, to ensure that the contractor selected to perform the ICAVP is technically and financially independent of the Licensee and its design contractors, and technically capable of effectively performing the ICAVP.

To complete this task, the NRC's ICAVP oversight staff performed the following activities:

1. Evaluated whether the proposed contractor has any financial interest or had any technical involvement with the design or construction of the subject Millstone units.
2. Evaluated whether the proposed contractor has adequate technical and managerial qualifications to conduct the ICAVP.
3. Evaluated whether the proposed specialists have the appropriate technical background to participate in the ICAVP. The evaluation included a preliminary review of individual team member resumes.

The staff will conduct interviews with each team member during review of the audit plan. This effort will also confirm that the individual specialists have no financial interests in NU or other entities named on the operating license, the nuclear steam supply system (NSSS) vendor, or the architect-engineer (AE) for the subject Millstone unit by means of a Conflict-of-Interest Statement. In addition, the statement will require the team members to confirm that they have had no prior technical involvement with the subject Millstone unit.

DISCUSSION

1. Company's Technical Experience

As stated in the Confirmatory Order of August 14, 1996, the Licensee was directed to obtain the services of an organization, independent of the Licensee and its design contractors, to conduct a multidisciplinary review of the Millstone units. The purpose of the ICAVP is to verify the adequacy of the Licensee's efforts to establish adequate design bases and design controls, including translation of the design bases into operating procedures, maintenance procedures and testing practices; verification of system performance; and implementation of modifications since issuance of the initial facility operating licenses. The review must be comprehensive and

incorporate appropriate engineering disciplines so that the NRC can be confident that the Licensee has been thorough in identifying and resolving problems. Therefore, the contractor must have sufficient breadth and depth of technical experience in nuclear power plant design requirements to perform an adequate review.

The Licensee's submittal states that proposed contractor S&L has corporate experience that includes the design of 13 boiling-water reactors (BWR) and 14 pressurized-water reactors (PWR). For example, S&L was the AE for Braidwood (PWR), Byron (PWR), Clinton (BWR), Dresden (BWR), Fermi (BWR), LaSalle (BWR), Quad Cities (BWR), and Zion (PWR).

On the basis of the staff's review of the resumes in the proposal, it appears that, in general, the engineering disciplines needed for the review are being provided by the contractor. Some of the proposed team members have expertise in several areas. The 37 proposed team members possess adequate expertise in the areas of mechanical engineering, electrical engineering, civil/structural engineering, nuclear engineering, instrumentation and control engineering or design, reactor plant operations, and probabilistic risk assessment. The NRC will give its final approval of the S&L proposed team members following interviews conducted in conjunction with NRC review of the ICAVP audit plan.

The staff has previously reviewed a similar independent design review conducted by S&L. A S&L vertical slice review (VSR) was performed in 1988 and 1989 at Watts Bar Nuclear Plant. The VSR provided an independent, systematic, structured, and comprehensive evaluation of the adequacy of the design and construction of Watts Bar structures, systems, and components. The VSR reviewed the component cooling and emergency auxiliary power systems. The VSR also compared licensing requirements and design-basis documents with design output documents (e.g., drawings and construction specifications) and with installed hardware and associated quality records. The VSR was conducted in accordance with a formal plan that the NRC had reviewed. The VSR identified approximately 500 discrepancies. An NRC team inspected the VSR effort and the results were documented in Inspection Reports 50-390/88-09 (February 27, 1989) and 50-390/89-02 (May 2, 1989). The team inspections found that the VSR review performed by S&L was thorough and adequate. A summary of the NRC inspection of the VSR is provided in NUREG-0847, Supplement No. 17, "Safety Evaluation Report related to the operation of Watts Bar Nuclear Plant Units 1 and 2," dated October 1995.

In addition, S&L performed a review similar to the proposed ICAVP on the Hope Creek facility as part of the Independent Design Verification Program (IDVP) requested by the NRC prior to the issuance of the facility's initial operating license. A summary of this effort, which was performed with direct NRC inspection oversight, is contained in NUREG-1048, Supplement 5, "Safety Evaluation Report related to the Operation of Hope Creek Generating Station," dated April 1986.

S&L has recently been selected as an NRC contractor to conduct similar design-related inspections at nuclear power facilities. This competitive selection provides additional justification to conclude that this organization has the technical experience to conduct the ICAVP. (Details of the contract between NRC and S&L are provided in Section 6 below.)

On the basis of the information in the Licensee's submittals and the staff's previous experience with S&L, the staff concluded that the proposed contractor has the technical expertise and experience to conduct this complex, multidisciplinary review.

2. Company's Technical Independence

During the selection process, the Licensee established an essential criterion that the supplier must be independent of NU and its design contractors. The Licensee's submittal states that S&L was not involved in the original design of any of the Millstone units. The staff's review of NRC records indicates that S&L was not the AE for any Millstone unit. The AEs for the Millstone units were as follows:

Millstone Unit 1	Ebasco
Millstone Unit 2	Bechtel
Millstone Unit 3	Stone & Webster

The Licensee's submittal also states that S&L has received approximately \$707,000 in revenues from the Licensee in the past 10 years. The staff requested additional details regarding the work performed by S&L to determine whether a potential conflict exists.

The Licensee provided additional details at the meeting of February 5, 1997, regarding the contractor's work activities at Millstone as a primary contractor or as a subcontractor. The staff reviewed the summary of the work performed by S&L and found several areas of potential conflict. In 1986, S&L assisted the Licensee in developing seismic qualifications, specifications, standards, and procedures for Millstone Unit 1. In addition, in 1985, S&L conducted an analytical study regarding interaction between nonseismic Category 2 systems and seismic Category 1 safety systems at Millstone Unit 3. S&L has also performed work pertaining to a standardized fuse control process and life cycle management. To address these potential areas of conflict, the staff requested that the Licensee provide the specific actions that would be taken if ICAVP audit plan activities resulted in the need to review the adequacy of previous S&L work. In the Licensee's submittal of February 21, 1997, the Licensee stated that prior involvement of S&L would be handled on a case-by-case basis, and that the NRC's ICAVP oversight team would be notified of the circumstances of the involvement and how each case would be handled before proceeding with the work.

The staff concluded that, in general, the case-by-case approach would be acceptable. The staff found that S&L's work pertaining to the standardized fuse control process and life cycle management does not affect its ability to perform the ICAVP. However, because of the involvement of S&L in the development of the seismic qualifications, specifications, standards, and procedures for Millstone Unit 1, and its involvement in an analytical study regarding interaction between nonseismic Category 2 systems and seismic Category 1 safety systems at Millstone Unit 3, S&L shall be excluded from conducting reviews of these two areas during its performance of the ICAVP at the respective Millstone units.

3. Company's Financial Independence

To effectively balance the need to have an organization that has the required technical capabilities to perform the ICAVP with the need for that organization to have adequate financial and technical independence, the NRC has chosen to adopt a practical standard of independence between the ICAVP contractor and the Licensee. This standard recognized that relatively few organizations have the necessary technical capabilities to perform the ICAVP, and allowed NNECO sufficient latitude to propose for NRC approval, a contractor that has the requisite experience and capabilities to conduct a credible technical review as set forth in the Confirmatory Order issued by the NRC on August 14, 1996. The financial independence criteria discussed by the NRC staff with NNECO at a publicly held meeting on September 24, 1996, stated that (1) the proposed contractor should have no ownership interest in NU, and (2) the proposed contractor should have no current involvement with the unit being reviewed.

The Confirmatory Order of August 14, 1996, directs the Licensee to obtain the services of an organization independent of the Licensee and design contractors. The Licensee stated in its submittal that S&L did not own or control Licensee stock and had no financial interest in the Licensee, any of its subsidiaries, or its design contractors. The Licensee's submittal on February 21, 1997, included a "Certification of Ownership Interests" in which S&L affirmed that it and its subsidiaries did not hold, directly or indirectly, stock or other ownership interests in any of the entities listed on the Units 1 and 3 operating licenses, the respective NSSS vendors (General Electric and Westinghouse) or the respective original AE organizations (Ebasco, now owned by Raytheon, and Stone & Webster). The "Certification of Ownership Interests" also stated that although S&L had no ownership interest as indicated above, its Retirement Plan and Savings Investment Plan (including its 401(k) plan) may have direct or indirect ownership interests in one or more of the entities previously discussed. However, the investments made by the Retirement Plan were made through a Trust Fund and S&L did not participate directly in the selection of individual securities in which the Trust Fund invests. The staff requested further information on both the Retirement Plan and the Savings Investment Plan. A summary of holdings of the Retirement Plan dated February 28, 1997, indicated no ownership interest in any of the above-mentioned entities. The investment options from which employees participating in the Savings Investment Plan can select were provided, along with prospectuses. The staff reviewed these items and concluded that the investment options are managed independent of S&L and each individual investment option is widely diversified. Therefore, the staff finds S&L to be sufficiently financially independent of the Licensee and design contractors to conduct the ICAVP required by the Confirmatory Order.

The other criterion for independence discussed by the staff at the meeting of September 24, 1996, was that the proposed ICAVP contractor should have no current involvement with the Licensee at the unit being reviewed. S&L had no current involvement with either Units 1 or 3 before it was proposed by NNECO as the ICAVP contractor. In addition to the NRC criterion, the Licensee further restricted the selection of a contractor to one that had limited past involvement with NNECO. The Licensee's submittal stated that while S&L has annual revenues of more than \$200 million, it had only received approximately \$700,000 in revenues from the Licensee over the past 10 years. The Licensee concluded that these small revenues in comparison to the annual revenues of S&L did not comprise a sufficient financial interest on which to question the objectivity of the contractor. The staff agrees with this conclusion.

The Licensee's submittal stated that S&L did not provide for any restrictions on future work at Millstone. To ensure an objective review, the staff requested that the Licensee further discuss restrictions on future work. At the meeting of February 5, 1997, the Licensee stated that the contract will preclude any future S&L work within 6 months of completion of the ICAVP to resolve discrepancies identified in the ICAVP review. Although this course of action would impose some restrictions, the staff requested that the Licensee review the proposal. The staff was concerned that followup work, even 6 months after completion of the ICAVP, could call into question the objectivity of the ICAVP review. During subsequent discussions, the Licensee agreed to a 12-month restriction on future work for S&L at all NU facilities. These discussions were the subject of a followup letter dated March 12, 1997. The Licensee's response dated March 26, 1997, stated that S&L will be restricted from performing or seeking new work at any NU facility for the duration of the ICAVP contract and that S&L will not seek work at any NU facility for 12 months following the completion of the ICAVP project for Millstone Units 1 and 3. This restriction is similar to that imposed by the NRC on its contractors. Therefore, the staff finds this restriction acceptable.

4. Technical Experience of Team Members

As previously stated, the staff's review found that the appropriate technical disciplines are being provided by the contractor. However, the staff intends to review each resume in detail and to conduct interviews of each proposed member at a later date. The resume review and interviews will be conducted concurrent with the staff's review of the proposed audit plan and team structure. This separate review and approval is necessary so that the NRC staff can evaluate the adequacy of each team member's expertise and experience, with an understanding of the specific tasks that the ICAVP team members will perform during the review.

The Licensee's submittal states that S&L's proposal did not discuss a plan for possible substitution of team members. The submittal also states that the need for a stated position regarding substitution of project team members will be factored into the contract award so that new members and substitutions will be made using an approved process. The staff requested that this issue be discussed further at the meeting of February 5, 1997. At that meeting, the Licensee stated that the S&L procedure for substituting personnel would be provided to the NRC for approval. The procedure for substitution of personnel will be reviewed and approved during NRC's review and approval of the audit plan.

5. Technical and Financial Independence of Team Members

The Confirmatory Order of August 14, 1996, states that in evaluating the independence of each team member, the factors the NRC staff will consider include, but are not limited to, whether the individual has had prior involvement in design reviews for the Licensee and whether the individual has any financial interest in the Licensee. The Licensee's submittal stated that all proposed team members had been screened to ensure that they have no prior involvement with design reviews for the Licensee.

The staff reviewed the resumes provided by the Licensee to verify that the proposed team members have not had prior involvement in design reviews at Millstone. On the basis of a preliminary review of the resumes, the staff determined that none of the proposed team members had prior involvement in the design, design reviews, operation, testing, or maintenance of Millstone Units 1 and 3.

As discussed at the meeting on February 5, 1997, and in an earlier letter of January 13, 1997, the staff will withhold final approval of the individual team members until completion of individual interviews and review of the proposed audit plan. The staff will conduct interviews of all team members to verify that they are technically and financially independent, and to determine whether the members' technical qualifications and experience are compatible with their assigned roles as defined in the audit plan. In addition, the staff will request that all team members complete a Conflict-of-Interest Statement to document their financial and technical independence. These statements will be collected from S&L when the staff conducts the interviews.

6. Public Comments

The Nuclear Energy Advisory Council (NEAC) and the public have expressed concerns, regarding the independence and objectivity of S&L, at meetings held by the NRC with the public and at meetings of the NEAC at which the NRC has been asked to participate. These comments can be grouped into several categories: (1) S&L derives a substantial portion of its income from the nuclear industry, (2) the ICAVP contractor will be selected and paid by the Licensee, (3) S&L has been proposed by the Licensee to conduct the ICAVP at more than one unit, (4) S&L is currently under contract to the NRC to provide technical expertise in the conduct of design-related inspections, and (5) S&L has previously performed work at Millstone. The staff has considered and weighed these comments in its evaluation of S&L as the possible ICAVP contractor.

The NRC staff has responded to these comments in the public forums previously noted and its responses are summarized as follows:

a. S&L Involvement in the Nuclear Industry

The review of the design of a commercial nuclear power plant and its operating procedures requires specialized knowledge of NRC regulatory guidance, design standards, and facility operation. This knowledge is held by those individuals and organizations that work in the commercial nuclear power generation industry. A review performed by individuals and organizations without this specialized knowledge would not give the NRC and the public a sufficient level of confidence that NNECO programs have been effective in identifying and correcting problems.

b. S&L Payment by NNECO

It is the responsibility of the Licensee to operate its facility in a safe manner, maintain the facility in compliance with its licensing bases, and identify and resolve any problems. Therefore, it is appropriate that the Licensee assume any cost associated with the

ICAVP. Further, the ICAVP process will impose rigid communication protocols to control the NNECO/S&L interaction, and it will be closely overseen by the NRC, with NEAC observing the NRC oversight function. These actions provide substantial assurance of an independent objective review by the contractor.

c. Conduct of an ICAVP at Units 1 and 3

The conduct of an ICAVP by a single contractor at more than one unit does, in the view of some members of the public, create the perception of a biased outcome. However, as previously described, the staff is confident that the ICAVP process, including NRC oversight, will provide substantial assurance that the review of each unit will be thorough and of sufficient scope and depth to provide insights into the effectiveness of the Licensee's corrective action process.

d. Current S&L Work for the NRC

The NRC awarded contract NRC-03-96-028 to S&L on October 1, 1996. The total estimated cost for full performance of the contract is \$1,845,431. The contract is for nuclear AE technical assistance for design inspections. Under this contract, S&L will provide a PWR team of five design specialists. These specialists will perform design inspections to assist the NRC in determining whether operating nuclear power plants meet their original design bases. The period of the contract is 2 years, beginning from October 1, 1996, with two 1-year renewal options. The fact that S&L was selected by NRC to perform design reviews indicates that, in the staff's judgment, it is a technically capable organization.

The NRC contract restricts S&L, during the term of the contract, from entering into consulting or other contractual arrangements with a nuclear power plant to perform any work that results from the inspections. Since S&L has been selected by the Licensee to perform the ICAVP at Millstone Units 1 and 3, S&L will be restricted from participating in the NRC's design inspections of these units under NRC's contract NRC-03-96-028.

The ICAVP process was modeled after the IDVP required by the NRC of Licensees in the 1980s before the NRC would grant an initial operating license. The IDVP was not independent of the NRC but relied upon a design review conducted by a contractor independent of the original design organization and overseen by the NRC. Similarly, the ICAVP was not intended to establish independence from the NRC.

e. Prior Work by S&L at Millstone

Proportional to its total annual revenue of \$200 million, S&L has had minimal involvement with NNECO (\$0.7 million over the preceding 10 years). This represents 0.035 percent of S&L's gross revenue during that 10-year period. Further, the NRC has restricted S&L from directly reviewing prior work or work performed under programs developed by S&L for the Licensee, for example, Unit 1 seismic qualification.

7. Other Issues

Differing Professional Opinions

Because of the history of employee concerns issues at Millstone, the staff requested that the proposed contractor provide a description of the process used to handle differing professional opinions (DPO) that may arise among the staff performing the ICAVP. In its submittal of February 21, 1997, the Licensee stated that the DPO process would include a step to notify the NRC of the initiation of a DPO and its resolution. In addition, the S&L process instruction covering the DPO process was included in the audit plan submitted for NRC's approval on March 19, 1997. The NRC staff's review of the audit plan will include a review of the S&L process instruction covering the DPO process.

CONCLUSION

On the basis of the information provided in the Licensee's submittals of December 18, 1996, January 15, February 21, and March 26, 1997, and the discussions at the meetings of February 5, 1997, and March 18, 1997, the staff has concluded that S&L has the technical expertise and nuclear design experience necessary to conduct the ICAVP review at Millstone Units 1 and 3. In addition, the staff concluded that S&L has sufficient technical and financial independence to conduct an objective review but restricted S&L from performing reviews of (1) seismic qualifications, specifications, standards, and procedures for Millstone Unit 1, and (2) interactions between nonseismic Category 2 systems and seismic Category 1 safety systems at Millstone Unit 3. However, this approval is conditioned upon submittal of the certification of financial independence by both a corporate official of the Licensee and S&L.

As discussed in a letter of January 13, 1997, and subsequent meeting on February 5, 1997, the staff will withhold final approval of the individual ICAVP team members until it completes individual interviews and reviews the proposed audit plan.

CONFLICT-OF-INTEREST STATEMENT

MILLSTONE - Independent Corrective Action Verification Program (ICAVP)

Proposed Consultant

Consultant's Employer

My participation in the Millstone Unit ____ ICAVP [() does () does not] involve situations or relationships in which I had direct previous involvement with activities at the plant that I will be reviewing and I [() have () do not have] conflicting roles that might bias my judgment in relation to my work on the ICAVP. In addition

1. () I have not been previously employed by Northeast Nuclear Energy Company (NNECO) or any of its predecessors.

() I have been previously employed by NNECO or some of its predecessors. (State the nature of the employment.)
2. () I have not previously provided design or engineering services to NNECO for the subject Millstone unit as a contractor or a subcontractor.

() I have previously provided design or engineering services to NNECO for the subject Millstone unit as a contractor or a subcontractor.
3. () I have no other business relations (member of NNECO's Board of Directors, member of an Offsite Review Committee, etc.) with NNECO for the subject Millstone unit that may create the appearance of a conflict of interest.

() I have other business relations with NNECO for the subject Millstone unit that may create the appearance of a conflict of interest.
4. () I have not been previously employed by the subject Millstone unit's architect-engineer (AE) (_____), the nuclear steam supply system (NSSS) vendor (_____), or any of their predecessors associated with design or construction of the subject Millstone unit.

() I have been previously employed by the subject Millstone unit's AE (_____), the NSSS vendor (_____), or one or more of their predecessors associated with design or construction of the subject Millstone unit. (State the nature of the employment.)
5. () I, and my immediate family, do not own or control financial interests (stocks, bonds, mutual funds, etc.) in NNECO, the subject Millstone unit's AE (_____), or the NSSS vendor (_____).

() I, or a member of my immediate family, own or control financial interests (stocks, bonds, mutual funds, etc.) in NNECO, the subject Millstone unit's AE (_____), or the NSSS vendor (_____).

Proposed Consultant

Consultant's Employer

6. ☐ Members of my immediate family are not employed by NNECO, the subject Millstone unit's AE (_____), or the NSSS vendor (_____) associated with design or construction of the subject Millstone unit.
- ☐ Members of my immediate family are employed by NNECO, the subject Millstone unit's AE (_____), or the NSSS vendor (_____) associated with design or construction of the subject Millstone unit. (State the nature of the employment.)
7. ☐ My close relatives (aunts, uncles, first cousins) are not employed by NNECO, the subject Millstone unit's AE (_____), or the NSSS vendor (_____) in a management capacity.
- ☐ My close relatives (aunts, uncles, first cousins) are employed by NNECO, the subject Millstone unit's AE (_____), or the NSSS vendor (_____) in a management capacity. (State the nature of the employment.)
8. Have you been promised any additional compensation, reward or anything of value, contingent upon the position you take on any issue being considered by you in connection with the subject Millstone unit ICAVP? If yes, provide a detailed description of the circumstances.
- ☐ NO ☐ YES. Explain.
9. Do you know of any reason, whether or not inquired about in this questionnaire, that would affect your ability to be completely objective in performing any of the tasks assigned to you in connection with the subject Millstone unit's ICAVP? If yes, provide a detailed description of the circumstances.
- ☐ NO ☐ YES. Explain.
10. Are you aware of anything that might create a perception that you would not act with objectivity in performing any of the tasks assigned to you in connection with the subject Millstone unit's ICAVP? If yes, provide a detailed description of the circumstances.
- ☐ NO ☐ Yes. Explain.

I certify that the statements I have made on this form are true, complete, and correct to the best of my knowledge and if the circumstances surrounding the responses change during performance of the ICAVP for the subject Millstone unit, I will inform the NRC of those changes.

Signature

Date

In the above statements, the term "employed" is construed to mean any form of employment, either direct, as a contractor, or as a subcontractor. The term "immediate family" includes the interviewee's children, stepchildren, spouse, parents, stepparents, mother-in-law, father-in-law, brothers-in-law, sisters-in-law, or any person living with the interviewee.



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

April 7, 1997

Mr. Neil S. Carns
Senior Vice President
and Chief Nuclear Officer
Northeast Nuclear Energy Company
c/o Mr. Richard T. Laudenat
Director - Regulatory Affairs
P.O. Box 128
Waterford, CT 06385

Dear Mr. Carns:

The U.S. Nuclear Regulatory Commission's (NRC's) Order to Northeast Nuclear Energy Company (NNECO) dated October 24, 1996, required NNECO to submit the name of a proposed third-party organization to oversee the implementation of a comprehensive plan for reviewing and dispositioning safety issues raised by NNECO employees. The Order requires NRC's approval of the proposed organization and also provides for relaxation of the Order upon demonstration of good cause by NNECO.

This letter provides the conditional approval of your proposed contractor, Little Harbor Consultants, Inc. (LHC), for the independent, third-party oversight program (ITPOP) organization overseeing the implementation of the employee safety concerns program. This letter also relaxes part of the NRC's Order of October 24, 1996, concerning the inclusion of Ms. Garde as a member of the ITPOP team.

On the basis of the information provided in your submittals of December 23, 1996, January 14, and February 4, 1997, and the discussions at the meeting on February 5, 1997, we have concluded that LHC has the technical expertise and appropriate independence to conduct the ITPOP at the Millstone facility. We have concluded that the various technical disciplines needed for the ITPOP are adequately represented by the resumes included in your submittals and from our telephone interviews conducted on March 4, 1997.

A detailed discussion of the basis for NRC's approval is given in Enclosure 1. Although we have received certifications of financial independence from each of the proposed members of the ITPOP, we have not obtained certifications of financial independence of NNECO and LHC from each other. Therefore, our approval of LHC as the third-party organization is conditional pending submittal of the enclosed certifications of financial independence by the corporate officials of the licensee and LHC (Enclosure 2).

As stated in our letter of January 30, 1997, and discussed at the meeting on February 5, 1997, after we approve an organization and receive the proposed oversight plan, we will conduct additional resume reviews, and possibly interviews, to confirm that individuals are appropriately assigned tasks in their areas of expertise.

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Enclosure 5

This letter also relaxes part of the NRC's Order of October 24, 1996. In our letter of February 14, 1997, we noted that two people, Ms. Garde and Dr. Wood, have direct, previous involvement with NNECO. We noted that Dr. Wood's involvement in the probabilistic risk assessment (PRA) for Millstone Unit 3 and Ms. Garde's work on the employee safety concerns comprehensive plan appear to represent direct, previous involvement with activities at the Millstone station that the organization will be overseeing. Therefore, the inclusion of Dr. Wood and Ms. Garde on the ITPOP team would be contrary to the Order unless good cause was documented for relaxation. By letter dated February 28, 1997, you requested relaxation of the Order for Ms. Garde and Dr. Wood.

I grant relaxation of the Order for Ms. Garde to be a member of the ITPOP team. We agree that the addition of someone like Ms. Garde to the ITPOP team brings a valuable perspective of both the employee and the whistleblower and addresses one of the topic areas raised in our letter of January 30, 1997. It also addresses one of the areas of concern raised by members of the public at the public meeting on February 5, 1997. In your letter of February 28, 1997, you indicate that appropriate administrative controls will be placed on Ms. Garde's involvement with the ITPOP to ensure that any actual or potential conflicts are avoided.

However, I deny the relaxation of the Order that would permit Dr. Wood to be a member of the ITPOP team. We find that you did not provide an adequate basis in your February 28 letter for relaxing the Order for Dr. Wood. The NRC staff does not consider that sufficient justification has been provided with respect to Dr. Wood's providing unique skills necessary to the ITPOP. Because of his previous involvement with NNECO and the insufficient justification provided by NNECO, the staff does not consider that his participation would be indispensable to the ITPOP mission. Although you consider Dr. Wood's previous work for NNECO as serving in an advisory capacity in connection with the development of the PRA for Millstone Unit 3, you did not provide adequate justification or good cause for relaxing the Order.

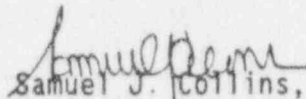
On February 5, 1997, the NRC held a meeting with members of the public to receive comments on the proposed ITPOP organization, LHC. A discussion of the public's comments is included in Enclosure 1.

Neil S. Carns

- 3 -

Please call Phillip McKee at (301) 415-2040 if you need any additional information or clarification of the enclosures.

Sincerely,


Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

Docket Nos. 50-245, 50-336, and 50-423

Enclosures: 1. Results of the Staff
Review of the Proposed
ITPOP Organization
2. Certifications of Financial Independence

cc w/encls: See next page

RESULTS OF STAFF REVIEW OF PROPOSED INDEPENDENT
THIRD-PARTY OVERSIGHT PROGRAM CONTRACTOR

Introduction

On October 24, 1996, the NRC issued an Order to Northeast Nuclear Energy Company (NNECO), the licensee for Millstone, requiring (1) a comprehensive plan for resolving the Millstone station employees' safety concerns and (2) an independent, third-party oversight program (ITPOP) organization to oversee NNECO's implementation of the employee safety concerns program (ESCP). The ITPOP organization must be independent of NNECO and its vendor and architect-engineer (AE) contractors. The ITPOP is to provide independent verification that the licensee's ESCP effectively resolves employee concerns.

The Order states that the NRC staff will approve the ITPOP organization to ensure that the organization has qualified individuals who will conduct the review adequately and independently of NNECO.

The purpose of the ITPOP, as stated in the Order, is to confirm that Millstone's ESCP resolves and disposes of employee safety concerns. The ITPOP audit required by the NRC is expected to provide independent verification, beyond the licensee's quality assurance and management oversight, that NNECO has identified and satisfactorily resolved ESCP concerns and has established programs, processes, and procedures for effective ESCP management in the future.

Background

On December 23, 1996, NNECO submitted information on the proposed selection of Little Harbor Consultants, Inc. (LHC), as the contractor or organization for the Millstone ITPOP. The submittal identified the principal individuals involved in each major aspect of the ITPOP and their resumes. The submittal also included the proposed ITPOP team structure.

On January 14, 1997, NNECO submitted additional information on the ITPOP organization. The information included a copy of LHC's technical proposal and independence certification statements signed by the team members.

On January 30, 1997, the NRC sent a letter to NNECO requesting additional information about the ITPOP organization. One of the questions asked NNECO to describe any experience or qualifications of LHC or the proposed team in assessing ESCPs from the perspective of employees.

On February 5, 1997, the staff held a public meeting with NNECO to discuss the ITPOP organization selection and to receive answers to staff questions. Before the meeting, NNECO provided the staff with a February 4, 1997, letter that proposed the addition of two people to the ITPOP team. NNECO proposed to add Mr. James K. Perry, Jr., and Ms. Billie P. Garde.

Enclosure 1

In the evening of February 5, 1997, the NRC staff held a public meeting in the Waterford Town Hall to receive comments from the residents of Waterford on NNECO's selection of LHC as the ITPOP organization to oversee NNECO's ESCP.

On February 14, 1997, NNECO responded to the staff's questions.

Also on February 14, 1997, the NRC staff sent a letter to NNECO stating that in reviewing its letters, the NRC staff noted that two people, Ms. Garde and Dr. Wood, have had direct, previous involvement with NNECO. The NRC staff stated that while it agreed that adding someone like Ms. Garde to the oversight team brings a valuable perspective of the employee and of the whistleblower and addresses one of the topic areas raised in NRC's letter of January 30, 1997, the NRC staff found that Ms. Garde did not meet a provision of the Order. Dr. Wood also did not meet this provision.

The February 14 letter stated that if NNECO wanted to pursue having Dr. Wood or Ms. Garde or any other individual having direct, previous involvement at NNECO, participate as a member of the ITPOP team, NNECO needs to demonstrate good cause for the NRC to relax the provisions of the Order.

On February 28, 1997, NNECO sent a letter requesting a relaxation of the Order for Dr. Wood and Ms. Garde.

On March 4, 1997, the NRC staff conducted interviews by telephone with each of the ITPOP team members. The staff asked questions on the individuals' qualifications, his or her role on the ITPOP team, and the anticipated level his or her participation.

Staff Evaluation

The Order states that the NRC staff must approve the ITPOP organization. The staff conducted a review of the information submitted by NNECO on the proposed ITPOP organization, LHC, to ensure that the team members selected to perform the ITPOP are technically and financially independent of NNECO, the NSSS vendors, and the architect-engineers (AEs).

To complete this evaluation, the NRC staff performed the following activities:

- a. Determined whether the proposed ITPOP organization, LHC, has any financial interest or had any technical involvement with the Millstone station.
- b. Determined whether LHC has adequate technical and managerial qualifications to conduct the ITPOP.
- c. Determined whether LHC specialists have the appropriate technical background to participate in the ITPOP. The evaluation included a review of the individual team member resumes.
- d. Interviewed each individual team member of LHC. The staff may conduct additional resume reviews, and possibly, interviews

concurrent with its review of the proposed ITPOP plan and organizational structure to assure that individuals are appropriately assigned to tasks within their expertise. This approach would permit the NRC staff to evaluate the adequacy of the team's expertise and experience, with an understanding of the specific tasks that each member will perform in the review.

Discussion

LHC Organization

LHC is a sub-chapter S corporation formed in 1992 to serve as the corporate vehicle for the consulting practice of its President, John W. Beck. LHC has assembled individuals to perform the ITPOP. Many of the ITPOP members have worked together before on activities associated with Comanche Peak and at Tenera Corporation.

The ITPOP team currently has 12 members covering the following areas of expertise: management, operations, engineering, maintenance, ESCP, safety analysis, regulatory, legal, training. The individual for health physics, chemistry, and radwaste has since decided to leave the team because his company has decided to pursue other work, which may pose a conflict of interest. LHC has stated that they will find a substitute for this position.

Future New Team Member Selection Process

The selection of new team members will be made using the same criteria and methodology used in assembling the current team. After successfully verifying the independence of the new team member, information on the new team member will be forwarded to the NRC for review and approval. LHC intends to allow the new team member to begin to participate in ITPOP activities as soon as the independence verification process is completed by NNECO and information on the individual has been sent to the NRC. Should the NRC not approve the new team member, compensatory actions will be taken, such as secondary review of the work the individual had performed, based on the nature of the NRC's rejection of the individual. This process will be formalized in the ITPOP project controls that will be prepared by LHC and approved by the NRC.

Verification of Financial and Organizational Independence of LHC from NNECO

The President of LHC, Mr. John W. Beck, certified that he has never worked as a contractor or consultant to Northeast Utilities System, Northeast Utilities Service Company (NU), or Northeast Nuclear Energy Company. NNECO has reviewed the NU purchase order database and determined that LHC, as a corporate entity, has never been under contract to NU. As discussed below, the NRC has received certificates of financial independence from each of the proposed members of the ITPOP. Certification of financial independence of LHC from NNECO and NNECO from LHC has not been received. Therefore, staff approval of LHC as the third-party organization will be contingent upon certification of financial independence by the corporate officials of the licensee and LHC.

Each LHC team member executed a certification that addresses organizational, experience, and financial independence from NU and NNECO and copies of these

certifications have been provided in licensee submittals. Each team member certified that they had not been an employee or director of Northeast Utilities System, Northeast Utilities Service Company, or Northeast Nuclear Energy Company or owned or directly controlled any equity position or bonds from these companies. None of the team members has had, up until the time of being named to the ITPOP team, unescorted access to any NU nuclear facility. The individual certifications and licensee correspondence identified that four individuals proposed as team members had some past consultant involvement with NU. The past involvement of these individuals, other than that of Ms. Garde and Dr. Wood, was peripheral to Millstone site activities. Relaxation to the Order with respect to Ms. Garde is provided in the succeeding paragraph. The NRC staff has not provided relaxation from the Order for Dr. Wood. In cases where some manner of past involvement with NU or NNECO has occurred, as is the case with Ms. Garde, individual-specific administrative controls will be imposed on the individual's involvement on the ITPOP to ensure they are not involved in assessment of activities relating to their previous involvement.

Ms. Garde provided consulting services in December 1996 and January 1997 to the team of employees NNECO charged with the development of the ESCP Comprehensive Plan for Millstone. Her consulting services on that project have ended with the publication of the Plan on January 31, 1997. In a February 28, 1997, letter, NNECO requested relaxation of the NRC Order to allow Ms. Garde to participate as an ITPOP team member of LHC. The letter states that Ms. Garde has spent the majority of her legal career representing employees in the nuclear and energy industry in connection with retaliation claims. She has experienced, first hand, harassment and intimidation by her employer, including termination from her job for exposing criminal misconduct of her supervisor. She has represented over 500 individual employees in legal proceedings involving various aspects of harassment, intimidation, and discrimination. Her activities have put her in positions to evaluate ESCPs at many of the nuclear power plants with such programs.

The NRC staff believes that relaxation of the Order should be granted for Ms. Garde to be a member of the LHC team. The staff agrees that adding someone like Ms. Garde to the oversight team brings a valuable perspective of the employee and of the whistleblower and addresses one of the topics raised in its January 30, 1997, letter. It also addresses one of the areas of concerns raised by members of the public at the February 5, 1997, public meeting. In its letter of February 28, 1997, NNECO indicates that appropriate administrative controls will be placed on Ms. Garde's involvement with the ITPOP to ensure any actual or potential conflicts are avoided.

NNECO characterizes Dr. Wood's prior work as serving in an advisory capacity in connection with the development of the PRA for Millstone Unit 3. NNECO describes Dr. Wood's as someone whose background in safety analysis and related analytical techniques will provide a unique perspective to ITPOP. The NRC staff does not consider that sufficient justification has been provided with respect to Dr. Wood's providing unique skills necessary to the ITPOP. Because of his previous involvement with NNECO and the insufficient justification provided by NNECO, the staff does not consider that his participation would be indispensable to the ITPOP mission. Therefore, relaxation of the Order that would permit Dr. Wood to be a member of the ITPOP team is denied.

The staff, in meetings with members of the public near the Millstone facility, has received comments on the issue of the independence of LHC from NNECO.

The principle comment from several members of the public is that LHC is not truly independent because most of its team members have worked in the nuclear industry before. The NRC staff notes that the NRC Order states that, "The third-party organization chosen to oversee the conduct of the Licensee's comprehensive plan must be independent of the Licensee, such that none of its members has had any direct, previous involvement with the activities at the Millstone Station that the organization will be overseeing." The NRC staff has evaluated LHC and believes that with one exception, where a relaxation to the Order will be granted, that LHC and the team members have not had any direct previous involvement with NNECO. The staff does not view team members' previous nuclear industry experience as a factor which would significantly impact their ability to fairly evaluate NNECO's implementation of its ESCP. As a practical matter, some nuclear industry experience is necessary to facilitate the team's evaluation of technical issues which are raised to the ESCP.

Experience in Assessing ESCPs from the Perspective of the Employees

NNECO provided the following information in this area.

Mr. John W. Beck was involved in the development of a methodology used in assessing the effectiveness of ESCPs and characterizing nuclear safety cultures. The methodology was developed to elicit the response of employees using structured interviews. The output was then synthesized into underlying themes and recommendations for improvement. The themes and recommendations were then verified in a series of employee-led workshops, facilitated by the consultant. Mr. Bob Engelmeir worked at South Texas on the ESCP.

Most of Ms. Billie Garde's work in the nuclear utility has been on the behalf of employees. Her training and teaching consultations in assisting nuclear utility management develop a better appreciation of what motivates and is important to the whistleblower is fundamentally driven by her understanding and familiarity with the perspective of the employee. This is particularly beneficial with respect to employees who have become disaffected for reasons having to do with intimidation, harassment, or discrimination.

The staff, in meetings with members of the public near the Millstone facility, has received comments on the issue of previous experience of the LHC team members.

One comment received from the public was that LHC has too many team members who are managers or executives. The NRC staff agrees that LHC has many team members who have previous experience in management or held executive positions. The staff believes that this situation is not necessarily detrimental because these team members' management experience would be beneficial in facilitating the oversight of the implementation of the ESCP at Millstone. Their experience also would help in communicating to management potential improvements in the ESCP. However, the staff does believe it is important to have a team member who represents the employees or

whistleblowers' perspective. This issue is discussed further in the following response.

Another comment received from the public was that LHC has no team member representing the perspective of the employee. The NRC staff agrees that LHC was lacking in team members representing the employee's perspective. In its January 30, 1997, letter requesting additional information from NNECO on LHC, the NRC staff asked NNECO to describe any experience or qualifications of LHC or the proposed team in assessing employee concerns programs from the perspective of the employees. In response to this question, NNECO proposed in a February 4, 1997, letter to supplement the team with two team members. One of the team members is Ms. Garde who was a whistleblower herself and has represented numerous employees in cases against utilities involving harassment, intimidation, or discrimination. The NRC staff agrees that adding someone like Ms. Garde to the oversight team brings a valuable perspective of the employee and of the whistleblower.

Experience in Root Cause Evaluations, Developing Corrective Actions, and Implementing Corrective Actions

In its January 30, 1997, letter and in its March 4, 1997, interviews, the NRC staff asked for the ITPOP members experience in this area. The staff received the following information. While the entire LHC team has not worked together as a team on past projects, various team members have worked together and individually on projects that required them to perform root cause evaluations and to develop and implement corrective actions. A few examples where team members have demonstrated the ability to identify root causes and develop and implement corrective actions are: (1) Independent Comanche Peak Review Team; (2) Comanche Peak Operational Readiness Evaluation; (3) Commonwealth Edison Evaluation of Nuclear Division Performance; (4) Zion Station Diesel Generator Task Force; and (5) South Texas ESCP.

Level of Participation

The NRC staff discussed the level of participation of the team members because LHC is a shell corporation bringing in individual consultants to staff the ITPOP project. LHC states that it has obtained a commitment from each team member to support the ITPOP project for its duration. LHC anticipates that Messrs. Beck and Griffin will be involved on, essentially, a full-time basis, and either Mr. Beck or Mr. Griffin will maintain a full-time site presence at Millstone for the duration of this effort. The team members will be involved on an as-needed basis, as required by structured interview activities and specific technical issue demands. This level of effort will average 1 to 2 weeks per month, depending on the nature of the ITPOP activities.

LHC Process to Handle Differing Professional Opinions

The LHC team will attempt to reach a consensus for all findings and recommendations resulting from the oversight activities. This objective creates an atmosphere in which team members must vigorously defend their particular views to other involved team members, when differing opinions exist. Should there be instances where team consensus cannot be reached, the applicable oversight report will identify that a differing professional

opinion exists and include a written description of the differing professional opinion prepared by the dissenting team member(s).

Conclusion

Based on the various submittals from NNECO, the telephone interviews, the meeting with NNECO, and the public meeting with the residents of Waterford, the NRC staff concludes that LHC is an acceptable selection by NNECO as the ITPOP organization to oversee the implementation of the ESCP at Millstone.

Certification of Financial Independence

I, John W. Beck, being first duly sworn, depose, and state:

That I am President, Little Harbor Consultants, Inc. (the Contractor).

That I am authorized to provide the following certification on behalf of the Contractor to the U.S. Nuclear Regulatory Commission (NRC).

That the Contractor does not own stock, bonds, or other financial investment mechanisms in Northeast Nuclear Energy Company, the Licensee to whom the NRC issued an October 24, 1996, Order requiring an independent, third-party oversight program (ITPOP).

John W. Beck, President

Certification of Financial Independence

I, Neil S. Carns, being first duly sworn, depose, and state:

That I am President and Chief Executive Officer (CEO), Northeast Nuclear Energy Corporation (the Licensee).

That I am authorized to provide the following certification on behalf of the Licensee to the U.S. Nuclear Regulatory Commission (NRC).

That the Licensee does not own stock, bonds, or other financial investment mechanisms in Little Harbor Consultants, Inc., the Contractor proposed by the Licensee to fulfill the requirements of the NRC's Order of October 24, 1996.

Neil S. Carns, President and CEO

Northeast Nuclear Energy Company

Millstone Nuclear Power Station
Units 1, 2, and 3

cc:

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