

January 19, 2000

Eliza Wagner
Southampton College, Box 416
239 Montauk Hwy
Southampton, NY 11968

Dear Ms. Wagner:

I have been asked to respond to your letter dated October 12, 1999, to former Chairman Dicus, expressing your concerns about the continued operation of the Millstone nuclear power plants. I would like to address your concerns arising from the New York Times article dated September 28, 1999, which reported the record fine the Northeast Nuclear Energy Company (NNECO) agreed to pay as a result of their guilty plea to 25 felony counts.

As the same article points out, the Nuclear Regulatory Commission (NRC) ordered the Millstone plants to shut down as a result of some of the very problems you cited. During this period, not only were there investigations, which resulted in the historic fines, but the NRC also established a special oversight organization in the NRC Region I office and at NRC headquarters to inspect and follow the licensee's progress and efforts to address and correct management and technical problems that NRC inspectors had uncovered. The extent of the problems and the corrective actions, which eventually led to the Commission decision to allow the restart of Millstone Unit 3 and later Unit 2, are well documented in reports, public meetings, and Commission meetings. The documentation of the inspection reports and meeting activities is available either on the NRC web site <www.nrc.gov> or in the NRC Public Document Room, e-mail <pdr@nrc.gov> or call 1-800-397-4209. There is a minimal charge of \$0.08 per page of printed material should you wish to obtain a hard copy of any of the documentation.

Judge Chatigny's remark, "Ultimately, the public has to depend on the good faith, honesty and integrity of the people who manage our large companies." is fundamental to the regulatory process to ensure continued safe operation of nuclear power plants. An additional consideration, however, is the oversight role of Federal agencies, such as the NRC, in regulated industries, such as commercial nuclear power. It was, in fact, through the oversight role that many of the problems at Millstone surfaced.

The Millstone plants remained shutdown until the Commission was convinced that all of the problems that caused the units to be shut down were corrected, and that the licensee could operate the facilities safely and in compliance with the Commission's rules and regulations. There were extensive changes in management at the operating facilities and at NNECO in general. Our confidence in the new managers was an important factor in evaluating the commitment NNECO has made to ensure the safe operation of their licensed facilities. Even though the Millstone units have been authorized to operate, the NRC continues to provide extra resources to maintain an ongoing assessment of the licensee's performance. Specifically, the NRC formed the Millstone Assessment Panel (MAP) to not only assess the licensee's performance, but also to provide oversight of NRC activities, make recommendations for

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enhanced inspection activities, provide NRC management and the Commission with periodic status reports, and conduct periodic public meetings with NNECO and their contractor, Little Harbor Consultants, to discuss licensee performance.

The NRC is committed to the level of regulatory oversight needed to continue monitoring the performance of Millstone to ensure that public health and safety are adequately protected. I appreciate you bringing your concerns to the attention of the NRC.

Sincerely,

/RA/

Elinor G. Adensam, Director
Project Directorate I
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

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