

March 2, 2000

The Honorable Paul D. Tonko
New York State Assembly
Assembly Energy Committee
Capitol Building
Albany, New York 12248

The Honorable Albert Vann
New York State Assembly
Assembly Corporations, Authorities &
Commissions Committee
Capitol Building
Albany, New York 12248

Dear Chairmen Tonko and Vann:

We understand that your committees of the New York State Assembly are holding hearings to examine safety concerns about a recent steam generator tube failure at Indian Point 2 and to examine the economics and consumer impact of a potential sale of the plant. This letter will provide: (1) a summary of the ongoing activities by the Nuclear Regulatory Commission (NRC) in response to the steam generator tube failure, and (2) a brief summary of the NRC's role in any proposed transfer of an NRC operating license.

On the evening of February 15, 2000, Consolidated Edison (ConEd) declared an "Alert" at Indian Point 2 in response to a tube failure in the No. 24 steam generator. The NRC established continuous monitoring of the event by staffing our Region I Incident Response Center in King of Prussia, Pa.; by adding a team to our 24-hour Headquarters Operations Center in Rockville, Md.; and by dispatching inspectors to the site to observe both plant conditions and ConEd response activities. The NRC maintained this heightened, continuous monitoring until the evening of February 16, after ConEd had placed the plant in a "cold shutdown" condition. Throughout the event, no radioactivity above normal background conditions was detected off-site. Although there were minor releases from the plant, they were below any levels that would have posed any threat to public health and safety.

The NRC has several activities ongoing as followup to the event. First, our full-time resident inspectors, supplemented by other inspectors as needed, have continued to observe plant activities as ConEd has established the necessary plant conditions and begun inspection of all four steam generators. Second, since February 18, a special fact-finding team, called an Augmented Inspection Team (AIT), has been reviewing the event in detail. The AIT is broadly chartered to determine the sequence of events and causes for significant occurrences in the sequence (i.e., determine what happened, when, and why). The team is looking at how equipment, plant procedures, and the people performed throughout this event. As part of that review, the AIT will look into not only in-plant operations, but also ConEd's implementation of its Emergency Plan. Although we already know that ConEd met the overall objective to safely shut

down the plant, we do expect that the detailed AIT findings will identify areas for improvement. We will send you a copy of the AIT report when it is available. Third, a review is underway by the NRC Headquarters Office of Nuclear Reactor Regulation (NRR). The review of this office, which has specialized expertise in steam generators, will focus on the steam generator inspections, problem identification, root cause analysis, and corrective actions. As part of this review, NRR held a meeting with ConEd at the site on March 1, which was observed by members of the public, local officials and the media.

The NRC is making substantial efforts to be responsive to the interest that the event is receiving among members of the public and a broad range of public officials. NRC managers have briefed a number of local, county and State officials, as well as members of Congress and their staffs, on various aspects of this event. Our ongoing AIT has interacted with our normal state contacts to the extent that the state has deemed appropriate within its independent role. This is in accord with our longstanding policy of mutual cooperation with the State of New York. Also, our public affairs staff and managers have responded to many inquiries from the public and the media. Other activities have included the following:

- On February 22, a Region I manager and our State Liaison Officer participated in a meeting of the Westchester County Board of Legislators.
- On February 25, Hubert J. Miller, NRC Region I Regional Administrator, toured Indian Point 2 with Congresswoman Sue Kelly.
- On February 28, Mr. Miller met with county officials from Westchester, Rockland, Orange, and Putnam counties, as well as staff members of Senator Charles Schumer and Senator Patrick Moynihan, at Senator Schumer's New York City office.
- On February 28, Samuel Collins, Director of NRR, briefed by teleconference Congresswoman Nita Lowey and public interest groups.
- On February 29, Mr. Collins also had a teleconference briefing for Congressman Benjamin Gilman's staff.
- On March 1, the NRC staff answered questions from members of the public, after completing a meeting with ConEd (as described above).
- On March 2, Mr. Collins met with Congresswoman Sue Kelly and her staff.

Other upcoming activities include the following:

- NRC has accepted an invitation to a meeting of the Rockland County Board of Legislators, currently scheduled for March 16.
- The NRC Region I office is working to arrange an evening meeting with the public in the local area of the plant within the next couple weeks to discuss this event directly with members of the public.

- Once the current on-site fact-finding inspection (Augmented Inspection Team) has finalized its results, an exit meeting between the NRC and ConEd will be held. This will be an evening meeting open for public observation. Also, the inspection report will be posted on the NRC website.
- A followup technical meeting on steam generator issues will be held after ConEd has determined the cause of the tube failure.

We expect to continue to respond to the interests of stakeholders and to make relevant NRC information publically available.

Regarding any proposed sale of any plant, the NRC is one of a number of regulatory and oversight bodies that have a role in reviewing the proposed sale. When the NRC receives a request for transfer of an NRC Operating License, the NRC staff uses our Standard Review Plan (NUREG-1577, Revision 1) and NRC regulations (10 CFR 50.80, 50.33(f), and 50.38) to focus our review on determining the technical and financial qualifications of the buyer. The ability of the buyer to provide the proper organizational and management needs to support the plant and the availability of the buyer's resources to safely operate and decommission the plant are the primary criteria. NRC analysts have reviewed several applications for sales of nuclear plants in the past one and a half years. As part of our process, notice of the proposed license transfer is published in the Federal Register and the public, including individuals and organizations, may comment on the sale at that time. License transfer application reviews are the responsibility of NRR. Your staff had alerted us some time ago to the possibility of a State Assembly hearing and we regret that our technical experts on this topic are not available the day of your hearing.

We have coordinated this response with Ms. Radmila P. Miletich, Senior Legislative Associate. I hope this summary is of benefit to your committees. Please contact the NRC Region I State Liaison Officer, Mr. Robert Bores (610-337-5213) or me if you need additional information.

Sincerely,

/RA/

A. Randolph Blough, Director
Division of Reactor Projects

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