



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20545-0001

May 25, 1999

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MEMORANDUM TO: Chairman Jackson  
Commissioner Dicus  
Commissioner Diaz  
Commissioner McGaffigan  
Commissioner Merrifield

FROM: William D. Travers  
Executive Director for Operations

*for* *Frank J. Miraglia*

SUBJECT: STAFF REQUIREMENTS MEMORANDUM - SECY-99-010 - CLOSURE OF ORDER REQUIRING THIRD-PARTY OVERSIGHT OF NORTHEAST NUCLEAR ENERGY COMPANY'S IMPLEMENTATION OF RESOLUTION OF THE MILLSTONE STATION'S EMPLOYEES SAFETY CONCERNS (WITS 199800099)

In its staff requirements memoranda (SRMs) dated March 9 and April 28, 1999, the Commission requested the staff to provide its future plans to monitor and assess the performance of the Employee Concerns Program (ECP) and the Safety-Conscious Work Environment (SCWE) at Millstone including the criteria that will be utilized to determine if increased regulatory actions are warranted.

The Order requiring third-party oversight of the ECP/SCWE at Millstone was closed in a letter dated March 11, 1999. This letter also noted that Northeast Nuclear Energy Company (NNECO) will use Little Harbor Consultants (LHC) to conduct quarterly, independent, third-party assessments of the ECP/SCWE at Millstone to ensure that progress continues in addressing SCWE issues as the Millstone organization transitions from the Order. With the closing of the Order and the subsequent development of this plan, Region I will assume oversight responsibilities for the ECP/SCWE at Millstone.

PLANNED ACTIVITIES

The staff will use the following inspection and monitoring activities to assess the ECP/SCWE at Millstone.

Inspections

The staff will conduct an inspection at Millstone in June 1999 utilizing Inspection Procedure (IP) 40500, "Effectiveness of Licensee Controls in Identifying, Resolving, and Preventing Problems," and IP 40001, "Resolution of Employee Concerns." The staff also plans to conduct two regional initiative inspections using IP 40001 in September and December 1999, to coincide with LHC's quarterly assessments. In addition, the resident inspection staff will be utilized to provide inspection findings, anecdotal information, and insights from their ongoing resident inspections.

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### Monitoring

In concert with the above inspection activities, the staff will participate in the next three quarterly meetings at the site involving NNECO and LHC to discuss the results of LHC quarterly assessments; these meetings will be open for public observation. The staff will also review the next three LHC quarterly assessment reports for significant trends and findings. The staff will continue to closely monitor the number, content, and significance of allegations submitted to the NRC. The staff will review NNECO's quarterly performance reports, focusing on the licensee's Key Performance Indicators associated with the corrective action program and the ECP/SCWE area.

### ATTRIBUTES

The staff will assess the corrective action program, allegations, and employee concerns during its inspection and monitoring activities of the ECP/SCWE area. The staff will use the following specific attributes:

#### Licensee's Corrective Action Program (IP40500)

- the number and type of problems identified,
- NNECO is identifying significant issues,
- quality of corrective action plans, and
- timeliness.

#### Allegations

- the number received by the NRC,
- the subject matter, and
- the number and significance of substantiated issues.

#### Employee Concerns

- the number received by NNECO,
- the portion of those received alleging harassment and intimidation (H&I),
- the portion alleging H&I that are substantiated,
- the quality of corrective actions, and
- timeliness.

### ACTION CRITERIA

The staff will evaluate the preceding attributes using the following action criteria to determine whether the staff will return to normal oversight, or will increase the oversight of the ECP/SCWE at Millstone.

### Normal Oversight

Returning to normal NRC oversight of the ECP/SCWE would consist of suspending quarterly Regional Initiative 40001 inspections, and no longer actively participating in quarterly meetings between the NRC, NNECO, and LHC. Rather, the staff would remain cognizant of activities and results from LHC's quarterly assessment and reports, in a manner similar to the way the staff follows results of independent audits conducted by third parties at other facilities. Returning to normal NRC oversight would be considered during the first quarter of the year 2000 if the following criteria are met.

- NNECO is effectively managing the corrective action program and employee concerns,
- no significant degradation in the ECP/SCWE area is identified by the 40001 evaluations in June, September, and December 1999,
- no significant adverse trends are identified during LHC's quarterly assessments,
- no significant adverse trends are identified by the licensee's ECP/SCWE Key Performance Indicators, and
- NRC allegation receipt, significance, and substantiation trends continue to indicate that NNECO is effectively managing the corrective action program and employee concerns.

### Increased Oversight

Increased NRC oversight would consist of (1) continuing quarterly meetings between the NRC, NNECO, and LHC; (2) continuing quarterly Regional Initiative 40001 inspections; (3) conducting management meetings with NNECO to discuss corrective action commitments; and, if degradation continues, (4) considering the issuance of a Confirmatory Action Letter or Order. Increased NRC oversight would be considered if any of the following criteria occur:

- a substantiated case of harassment and intimidation occurs that is not appropriately addressed by NNECO,
- a significant increase occurs in NNECO's employee concern receipt, significance and substantiation rate,
- a significant increase occurs in NRC allegation receipt and significance,
- significant adverse findings are identified as a result of NRC 40500/40001 inspections, or
- a significant decline is noted in NNECO's ECP/SCWE Key Performance Indicators.

The staff explored the use of quantitative criteria to justify NRC's actions. However, the staff determined that given the nature of issues in the ECP/SCWE area, the use of such criteria would be inappropriate and, in many respects, possibly misleading and counter-productive. Accurately assessing ECP/SCWE attributes requires consideration of numerous factors. The nature of issues that arise can be more significant than the number, and they must be judged on a case-by-case basis. For example, 1 serious substantiated allegation could be more significant than 10 minor ones.

As requested by the SRM dated March 9, 1999, the staff will provide the Commission with LHC's quarterly reports, and future NRC inspection reports that discuss ECP/SCWE issues at Millstone. In addition, the staff will advise the Commission of any decline in the licensee's performance in the ECP/SCWE at Millstone, and of the staff's actions to address the declining performance.

cc: SECY  
OGC  
OCA  
OPA  
OCIO  
OCFO  
OE  
OI

As requested by the SRM dated March 9, 1999, the staff will provide the Commission with LHC's quarterly reports, and future NRC inspection reports that discuss ECP/SCWE issues at Millstone. In addition, the staff will advise the Commission of any decline in the licensee's performance in the ECP/SCWE at Millstone, and of the staff's actions to address the declining performance.

cc: [Redacted]

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