



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

May 18, 1999

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The Honorable James M. Inhofe, Chairman
Subcommittee on Clean Air, Wetlands,
Private Property and Nuclear Safety
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The Fiscal Year 1999 Energy and Water Development Appropriations Act, Senate Report 105-206, directed the Nuclear Regulatory Commission (NRC) to provide a monthly report on the status of its licensing and regulatory duties. I am pleased to transmit the fifth report which covers the month of April (enclosed).

We continue to make substantial progress on licensing and regulatory improvement initiatives. The trends for licensing action age and completion rates are favorable and continue to show improvement. All activities associated with the review of the Calvert Cliffs and Oconee license renewal applications are on schedule. The safety evaluation report representing the results of the NRC's safety review of the Calvert Cliffs license renewal application was issued on March 21, 1999. The Commission also affirmed a decision of the Atomic Safety and Licensing Board for the Oconee license renewal proceeding, which denied the contentions submitted by the petitioners and terminated the proceeding. The petitioners sought to challenge the application by Duke Energy Corporation ("Duke Energy") to renew for an additional 20-year period the operating licenses for its three Oconee Nuclear Station units. The Licensing Board found that the petitioners had standing to challenge the proposed license renewal, but that they had not submitted an admissible contention. The Board accordingly denied their request for hearing, and the Commission affirmed the Board's decision in its entirety.

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Originated by: [GTracy, EDO]

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- ▶ issued the Certificate of Compliance to Holtec International for the HI-STAR 100 dual-purpose Cask
- ▶ forwarded to the Commission recommendations for revising guidance for expanding disposal capability of uranium mill tailings impoundments and resolving other policy issues

I have enclosed the April update to the Tasking Memorandum which delineates the specific initiatives completed by the agency since August 1998 and future milestones.

Please do not hesitate to contact me if I may provide additional information.

Sincerely,



Shirley Ann Jackson

Enclosures:

1. April Monthly Report
2. Tasking Memorandum

cc: Senator Bob Graham



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

May 18, 1999

The Honorable Joe Barton, Chairman
Subcommittee on Energy and Power
Committee on Commerce
United States House of Representatives
Washington, D.C. 20515

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cc: Representative Ralph M. Hall



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May 18, 1999

The Honorable Ron Packard, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515

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cc: Representative Peter J. Visclosky



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Committee on Appropriations
United States Senate
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Enclosure 1

**MONTHLY STATUS REPORT ON THE
LICENSING ACTIVITIES AND REGULATORY DUTIES OF THE
UNITED STATES NUCLEAR REGULATORY COMMISSION**

APRIL 1999

TABLE OF CONTENTS

	<u>Page</u>
I. Implementing Risk-Informed Regulations	1
II. Nuclear Plant Assessment, Inspection and Enforcement Processes	2
III. Status of Issues in the Reactor Generic Issue Program	2
IV. Nuclear Power Plants Formerly on the Watch List	2
V. Licensing Actions and Other Licensing Tasks	3
VI. Status of Calvert Cliffs License Renewal Application	9
VII. Status of Review of Private Fuel Storage, Limited Liability Corporation's (PFS) Application for a License to Operate an Independent Spent Fuel Storage Installation (ISFSI) on the Reservation of the Skull Valley Band of Goshute Indians	9
VIII. Summary of Reactor Enforcement by Region	10

1. Implementing Risk-Informed Regulations

All currently operating nuclear power plants were licensed on the basis of a source term published in 1962. Since then significant advances have been made in understanding the timing, magnitude, and chemical form of fission product releases from severe nuclear power plant accidents. Many of these insights are a direct result of the major research effort started by the NRC and the industry after the accident at Three Mile Island (TMI). Consequently, the NRC has proposed to amend its regulations to allow holders of operating licenses for nuclear power plants to voluntarily replace the traditional source term used in design basis accident analyses with an alternative source term. The alternative source term is based on an analysis of severe accident sequences. These severe accident sequences were selected on the basis of their risk-significance. The proposed rule on this matter was published for public comment on March 11, 1999 (64 FR 12117).

The proposed source term rule would enable licensees of currently licensed power reactors to propose an alternative source term that could reduce unnecessary or ineffective requirements in the facility design basis, thereby reducing the regulatory burden. It is believed that the proposed rulemaking would also result in an improvement in the allocation of resources for both the NRC and industry. Also, there is an expectation that many of the revised source term applications will provide concomitant improvements in overall safety and in reduced occupational exposure, as well as economic benefits. The NRC staff has determined that public health and safety and the common defense and security will continue to be adequately protected if the proposed rule were implemented.

The staff continues with the application of probabilistic risk assessment (PRA) and risk insights to inservice testing (IST) and inservice inspection (ISI). With regard to the former, the staff is currently reviewing a limited-scope proposal from South Texas to extend test intervals for twelve valves from the current 18-month interval to an interval not to exceed 5 years, and a full scope proposal from San Onofre which involves safety-related pumps and valves, where test interval extensions for up to 6 years are requested for pumps and valves of low safety significance. The staff expects to complete evaluation of the South Texas proposal by June of this year, and the San Onofre proposal by October.

Concerning ISI, the NRC and the Nuclear Energy Institute (NEI) have been working together to develop a template to standardize the form and content of licensee applications to implement risk-informed inservice inspection (RI-ISI) programs. The template will simplify the preparation of a proposal for NRC review and expedite the staff evaluation by minimizing the need to request additional information. NEI expects that licensees will begin using the template in the near future.

The staff has been working with the American Society of Mechanical Engineers (ASME) and the other stakeholders to reach a consensus on a standard for PRAs. This ASME Standards document will help define the quality of PRAs to be used in applications to satisfy risk-informed regulations. Use of this standard will diminish the need for staff review of PRAs, and provide uniformity and consistency of staff review when it is determined that a detailed review is necessary. A draft of the standards document is now available for public comment.

The Office of Nuclear Reactor Regulation (NRR) is in the process of estimating the risk posed by spent fuel pools at decommissioned nuclear power plants. The study is interdisciplinary, involving technical experts in thermal hydraulics, risk analysis, criticality, dose assessment, fire protection, and structural engineering. It is intended to develop risk-informed criteria in the near term that can be used to evaluate exemption requests from newly decommissioned plants regarding emergency preparedness, safeguards, and insurance indemnification issues.

II. Nuclear Plant Assessment, Inspection and Enforcement Processes

During the past month, the staff has continued to meet on a biweekly basis with NEI and other stakeholders to refine the proposed changes to its assessment, inspection and enforcement processes. Activities include the following:

- conducted a Commission briefing on the progress made in developing improvements to the regulatory oversight processes on March 26, 1999
- completed a public workshop to provide information on the pilot plant performance indicators on April 15, 1999
- completed the first draft of the procedures for the new risk-informed baseline inspection program on March 30, 1999. The staff is in the process of finalizing the procedures to support the inspection program training session held in the vicinity of the NRC Region II office in Atlanta during the week of April 26.
- continued development of proposed changes to the enforcement policy to make it consistent with the revised oversight process
- published in the Federal Register a request for public comment on recommended improvements to the oversight processes for nuclear power reactors (follow-up to SECY-99-007A)
- conducted meetings between managers and members of the Inspection Program Branch, Office of Nuclear Reactor Regulation (NRR), with all NRC Regions to discuss the revised oversight process, answer questions, and obtain feedback
- scheduled a public workshop to provide information on the pilot regulatory oversight process for the week of May 17, 1999 in Philadelphia, PA

III. Status of Issues In the Reactor Generic Issue Program

There is no change in this area from the March 1999 report.

IV. Nuclear Power Plants Formerly on the Watch List

On April 16, 1999, the Commission approved staff recommendations concerning improvements to the Senior Management Meeting (SMM) process, which included elimination of the Agency's Watch List. The results from the April 1999 Senior Management Meeting have been reviewed and approved by the Commission and will be reflected in the June 1999 report.

On April 9, 1999, LaSalle Unit 2 entered the startup mode of operation and achieved 100 percent power on April 19, 1999.

The licensee for Clinton Nuclear Station indicated that they expected to start-up the last week in April. AmerGen Energy plans to buy Clinton Station under an "interim agreement" announced in mid-April. If finalized, the PECO Energy/British Energy venture AmerGen will obtain Clinton station, a \$275-million decommissioning fund and a guaranteed buyer, Illinois Power (IP), for the majority of the plant's power output for five years.

The Commission met on April 14, 1999, with Northeast Nuclear Energy Company, interested public stakeholders and the NRC staff regarding the readiness of Millstone Unit 2 to restart. On April 28, the Commission authorized Northeast Utilities to begin commencement of restart activities at the Millstone Unit 2 nuclear power plant. Although the NRC action gave Northeast Utilities permission to restart Millstone Unit 2, the plant's immediate resumption of operations was initially blocked by a temporary restraining order issued on April 27, 1999, by a Connecticut Superior Court judge acting on a petition filed by Fish Unlimited. The environmental organization contends the plant's restart would endanger the population of winter flounder in Niantic Bay. The court lifted the order and denied the requested injunction on May 7, 1999.

Once restart began, the NRC closely monitored the restart and power ascension of Unit 2, including round-the-clock site coverage by inspectors during key phases of the process. Northeast's plan for restart and power ascension operations, which NRC has reviewed, is designed to proceed in a gradual, deliberate manner.

V. Licensing Actions and Other Licensing Tasks

Licensing actions may be defined as requests for: license amendments, exemptions from regulations, relief from inspection or surveillance requirements, topical reports submitted on a plant-specific basis, notices of enforcement discretion, or other licensee requests requiring NRC review and approval before it can be implemented by the licensee. The FY 1999 NRC Performance Plan incorporates three output measures related to licensing actions. These are: size of the licensing action inventory, number of licensing action completions per year, and age of the licensing action inventory.

Other licensing tasks may be defined as: licensee responses to NRC requests for information through generic letters or bulletins, NRC responses 2.206 petitions, NRC review of licensee topical reports, NRR responses to regional requests for assistance, and NRC review of licensee 10 CFR 50.59 analyses and FSAR updates. The FY 1999 NRC Performance Plan incorporates one output measures related to other licensing tasks: the number of other licensing tasks completed.

The actual FY 1998 results, the FY 1999 goals and the FY 1999 results, through March 31, 1999, for the four NRC Performance Plan output measures are shown in the table below.

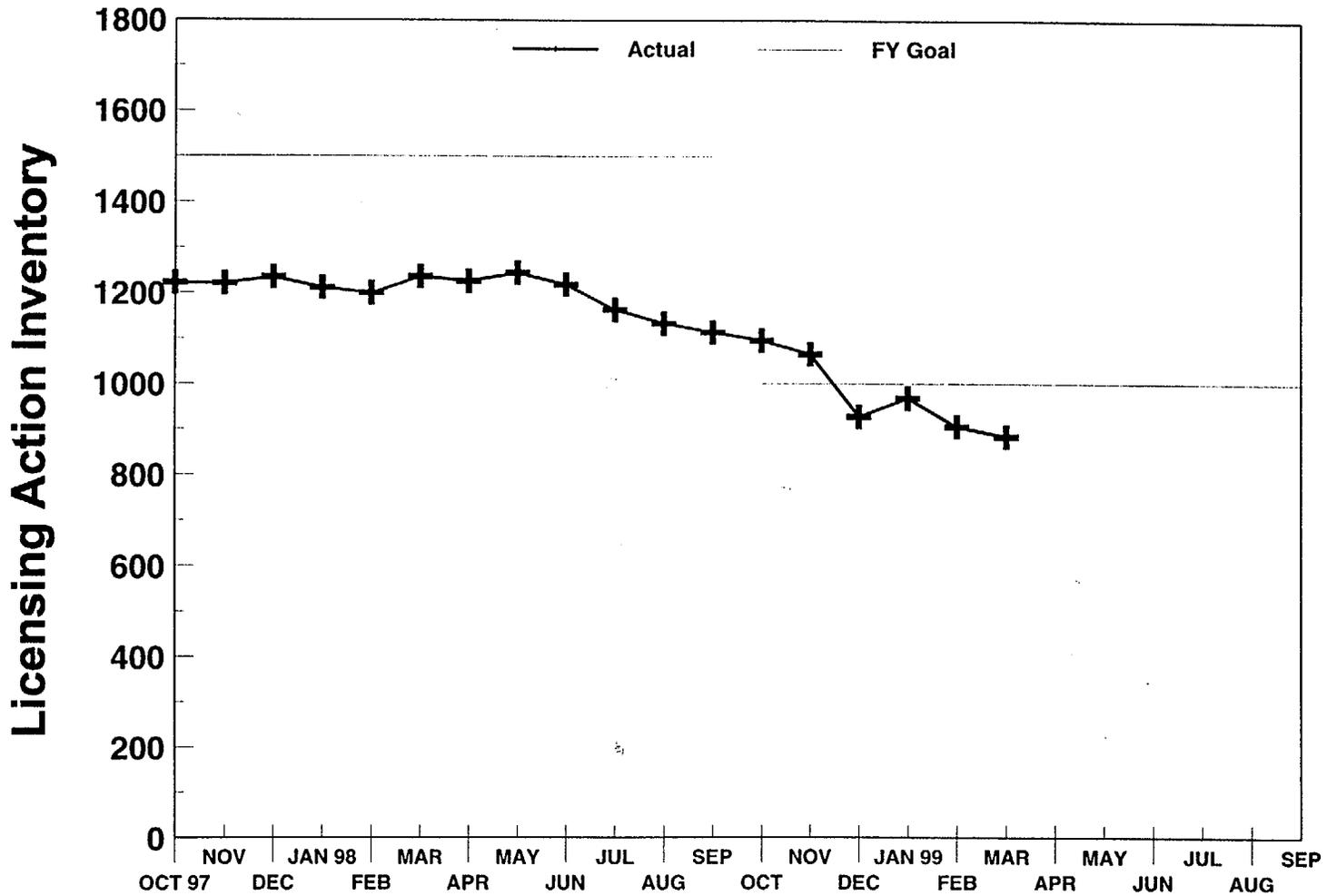
PERFORMANCE PLAN			
Output Measure	FY 1998 Actual	FY 1999 Target	FY 1999 Actual (thru 3/31/99)
Licensing actions completed per year	1425	1670	957
Size of licensing actions inventory	1113	1000	883
Age of licensing action inventory	65.6% ≤ 1 year; 86.0% ≤ 2 years; and 95.4% ≤ 3 years old	80% ≤ 1 year; 95% ≤ 2 years; and 100% ≤ 3 years old	80.3% ≤ 1 year; 94.8% ≤ 2 years; and 99.0% ≤ 3 years old
Other licensing tasks completed per year	1006	800	481

In FY 1999, NRC increased resources for completing licensing actions, such that given the current size of the inventory and the estimated number of licensing action requests, the inventory size and number of completions goals should be met by the end of the fiscal year. However, the goal for the age of the inventory has historically not been met. NRC has undertaken several initiatives to reduce the age of licensing action inventory. For instance, a special effort was initiated in mid-1998 to conduct a management review of the older items in the inventory. For each item, status was assessed, success paths for resolution were identified, and completion schedules were established. Monthly progress reports have been published and follow up management meetings have emphasized the need to meet established schedules. The NRC has made substantial progress towards meeting the licensing action age goal.

The following charts demonstrate NRC's progress in meeting the four licensing action and other licensing task output measure goals.

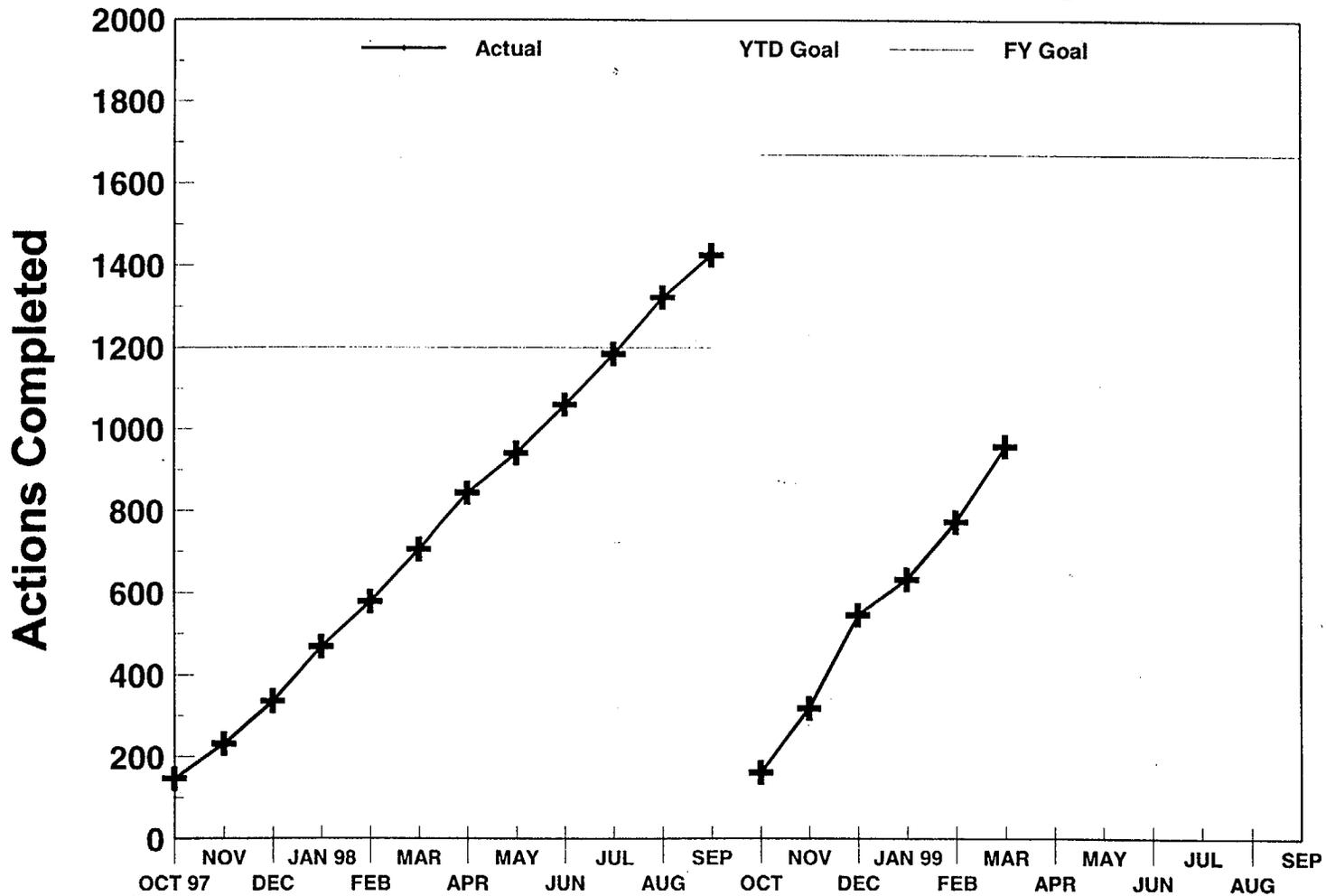
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Licensing Action Inventory



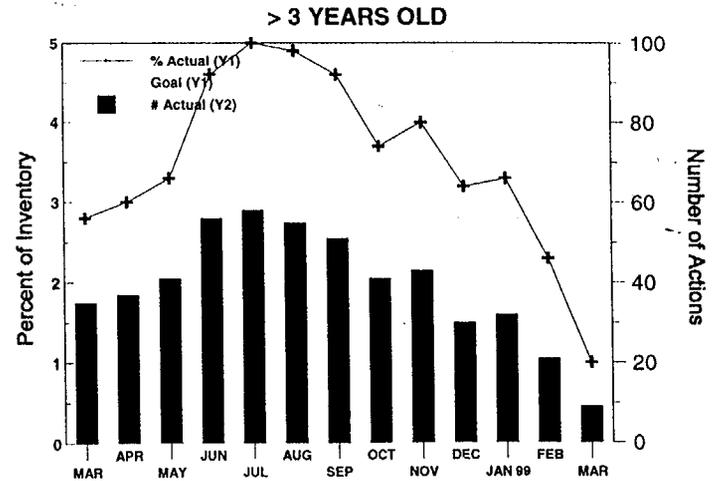
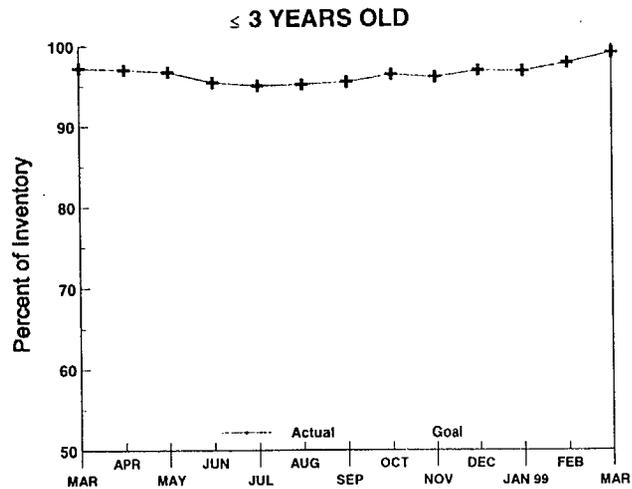
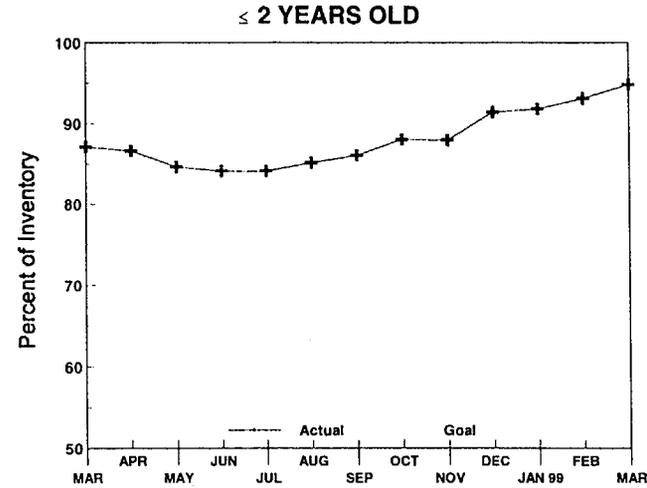
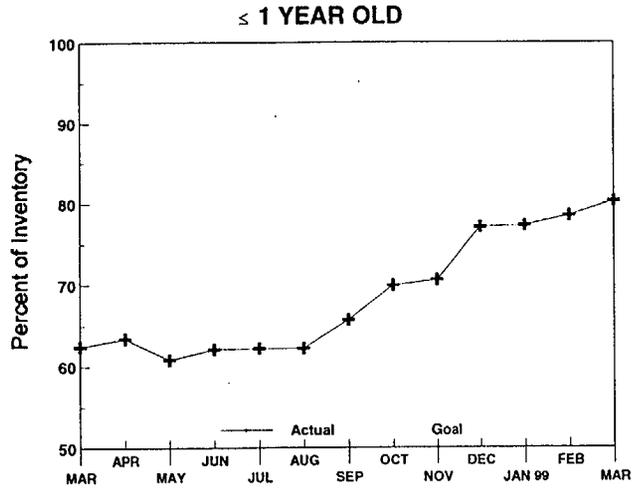
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Completed Licensing Actions



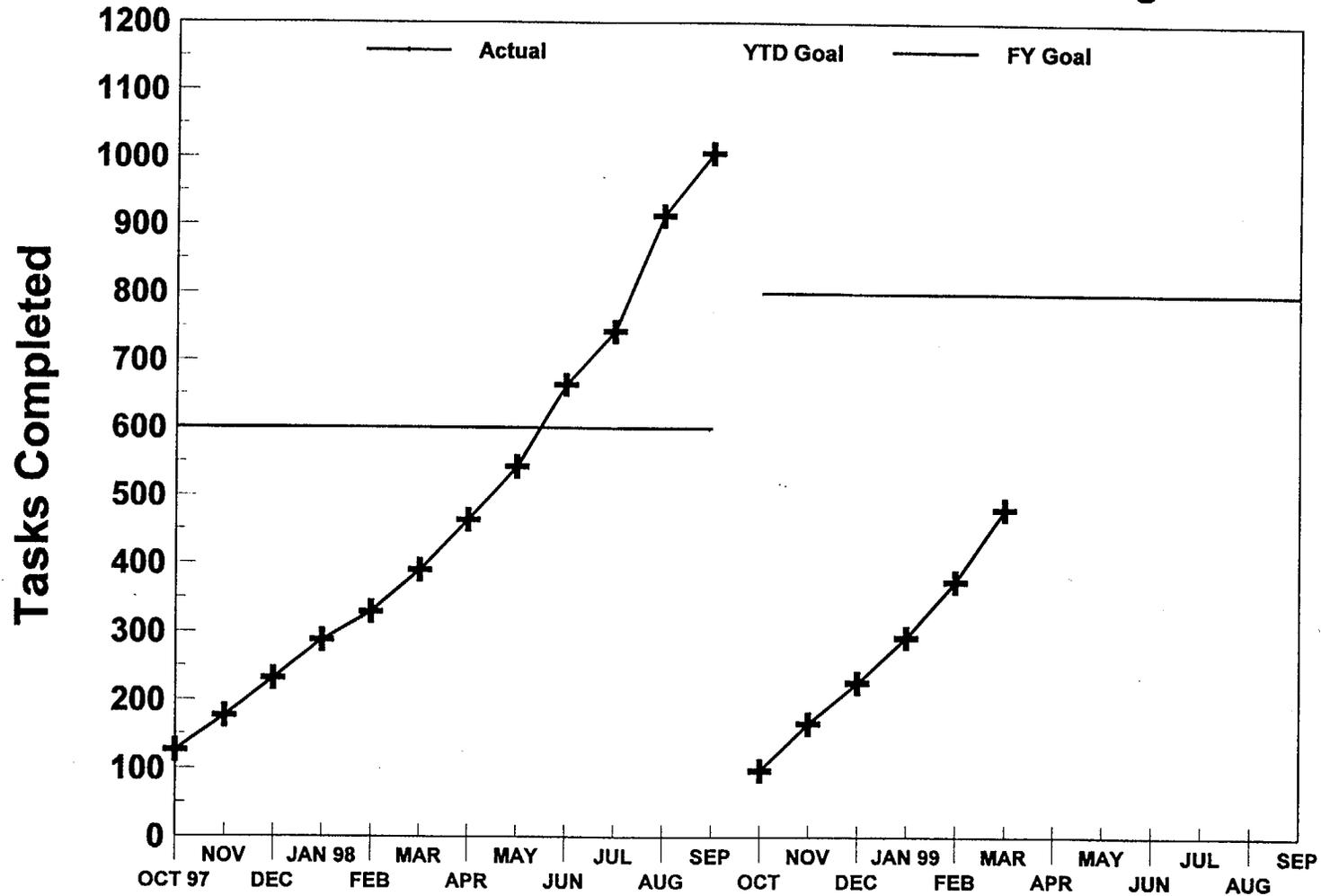
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Age of Licensing Action Inventory



Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Completed Other Licensing Tasks



VI. Status of Calvert Cliffs License Renewal Application

All activities associated with the review of the Calvert Cliffs license renewal application are on schedule. The safety evaluation report representing the results of the NRC's safety review was issued on March 21, 1999. The NRC and Baltimore Gas & Electric are currently working to resolve the open and confirmatory items. A public meeting was held on April 6, 1999, to discuss the draft environmental impact statement issued on February 24, 1999, and to obtain comments from interested members of the public. The public comment period will close on May 20, 1999. Review of the application and NRC safety evaluation report by the Advisory Committee on Reactor Safeguards began in April 1999. The NRC denied several requests to extend the duration of the public comment period on the supplement to the Generic Environmental Impact Statement on license renewal. The agency determined that such an extension was not justified and could jeopardize the timeliness of the Calvert Cliffs review schedule.

VII. Status of Review of Private Fuel Storage, Limited Liability Corporation's Application for a License to Operate an Independent Spent Fuel Storage Installation on the Reservation of the Skull Valley Band of Goshute Indians

In the last monthly update to this report, the NRC staff indicated that it was planning to hold additional environmental impact statement scoping meetings. Two additional environmental impact statement scoping meetings were held on April 29, 1999. A morning meeting was held in Salt Lake City, Utah, and an evening meeting was held in Tooele City, Utah. At these meetings members of the public commented on the proposed scope of the environmental impact statement with regard to the major federal actions to be undertaken by the U.S. Department of Interior's Bureaus of Land Management and Indian Affairs. As discussed in more detail below, the Bureau of Land Management and the Bureau of Indian Affairs are cooperating federal agencies with the NRC in the development of the environmental impact statement in support of the NRC review of the Private Fuel Storage, Limited Liability Corporation's application. The action to be taken by the Bureau of Land Management is to amend the land management plan for Skull Valley, to provide for a rail spur on land managed by the Bureau of Land Management. The action to be taken by the Bureau of Indian Affairs is the approval of the lease between Private Fuel Storage, Limited Liability Corporation and the Skull Valley Band of Goshute Indians.

As noted in the last monthly update, the NRC staff signed memoranda of understanding with the Bureau of Land Management and Bureau of Indian Affairs enabling these two agencies to be cooperating federal agencies with NRC for the development of the environmental impact statement. This results in a significant efficiency for the federal government by reducing, from three to one, the number of environmental impact statements to be prepared in association with the licensing action. In order to ensure that the interests of all three agencies are accommodated, there will be a delay of several months in the issuance of the final environmental impact statement. The staff is in the process of completing a revised schedule for the development of the environmental impact statement and will be presenting this schedule to the Atomic Safety and Licensing Board. The staff will provide the details of this revised schedule in the next update to this report. Notwithstanding the delay, the NRC believes that overall federal government efficiency is enhanced as a result of coordinating and reducing the number of environmental impact statements.

VIII. Summary of Reactor Enforcement by Region

		Reactor Enforcement Actions*				
		Region I	Region II	Region III	Region IV	TOTAL
Severity Level I	March 99	0	0	0	0	0
	FY 99 YTD	0	0	0	0	0
	FY 98 Total	0	0	0	0	0
Severity Level II	March 99	1	0	0	0	1
	FY 99 YTD	2	0	1	0	3
	FY 98 Total	3	1	1	1	6
Severity Level III	March 99	0	1	1	1	3
	FY 99 YTD	5	1	2	7	15
	FY 98 Total	46	11	15	19	91
Severity Level IV	March 99	2	5	4	2	13
	FY 99 YTD	50	42	53	60	205
	FY 98 Total	383	271	392	261	1307
Non-Cited Severity Level IV	March 99	14	28	29	19	90
	FY 99 YTD	140	92	133	122	487
	FY 98 Total	372	240	307	214	1133

*Numbers of violations are based on enforcement action tracking system (EATS) data that may be subject to minor changes following verification. The number of Severity Level I, II, III listed refer to the number of Severity Level I, II, III violations or problems. The monthly totals generally lag by 30 days due to inspection report and enforcement development.

Description of Significant Actions (Severity Level I, II, III) taken in March 1999

Northeast Nuclear Energy Company (NNECo), Millstone Supplement I, (EA 98-461)

A Notice of Violation and Proposed Imposition of Civil Penalty in the amount of \$88,000 was issued on March 9, 1999. This action was based a Severity Level II violation involving the termination of two contractor employees involved in the Motor Operated Valve (MOV) department as retaliation for engaging in protected activities. An Office of Investigations (OI) investigation confirmed those findings, noting that the terminations of the two contractor employees constituted discrimination. The termination of the employment of the two contractor employees occurred in August 1997, after the two individuals had raised concerns about the MOV program manual and the process by which the manual was being reviewed. The terminations were recommended by the then MOV Supervisor, and were supported by the then MOV Manager, both of whom were also contractor employees. Further, the recommendation was neither questioned nor objected to by the Recovery Officer involved with management oversight of the MOV program activities, after the MOV Manager briefed him on the recommendation, nor was it questioned by other Departments within NNECo, including the Contracts or Legal Departments during their reviews. Credit was warranted for identification because the licensee Employee Concerns Program identified the violation, and credit was warranted for corrective actions based on the licensee's immediate and comprehensive corrective actions. Consistent with the enforcement policy regarding the treatment of Severity Level II violations, and to emphasize the significance that the NRC attaches to any finding of discrimination, as well as the importance of current management ensuring a safety conscious work environment where employees feel free to raise safety concerns, a civil penalty was warranted in this case.

Florida Power and Light Company, St Lucie Supplement I (EA 98-513)

A Notice of Violation was issued on March 31, 1999. This action was based on a Severity Level III violation involving a lack of fire protection procedural guidance intended to implement the alternative shutdown capability in the event of a main control room evacuation. The lack of procedural guidance to ensure that a proper and expeditious operation of heating, ventilation and air conditioning equipment supporting an electrical equipment room and hot shutdown control panel room was a violation of 10 CFR 50, Appendix R, Section III.L.3. As part of its consideration of the Severity Level of this violation, the NRC independently assessed its risk significance and concluded that, although the contribution to risk of the violation when viewed in isolation may be low, when viewed in the context of the overall fire protection program at this facility, the violation is of moderate risk significance. Specifically, NRC inspections noted other deficiencies in detection and suppression capabilities at the facility which credibly increase the frequency of the conditions under which the habitability of the hot shutdown control panel room becomes an issue, and thus increase the risk. Because the facility had been the subject of escalated enforcement action within the last two years, the NRC considered whether credit was warranted for identification and corrective action in accordance with the civil penalty assessment process described in Section VI.B.2 of the Enforcement Policy. Credit was given for identification and corrective actions. As a result, no Civil Penalty was proposed in this case.

**Commonwealth Edison Company, LaSalle
Supplement VII (EA 98-560)**

A Notice of Violation was issued on March 29, 1999. This action was based a Severity Level III violation involving a supervisor at the LaSalle County Station that failed to follow Commonwealth Edison Company (ComEd) Fitness For Duty (FFD) procedures on May 11, 1998, after he detected the odor of alcohol on an employee. The supervisor did not require the employee to submit to a "for-cause" FFD test, and allowed the employee to leave the station without the employee receiving the required FFD test. These actions placed ComEd in violation of its NRC required FFD procedures. The supervisor violated 10 CFR 50.5, "Deliberate Misconduct." Because the LaSalle Station was the subject of escalated enforcement actions within the two years preceding the violation, the NRC considered whether credit was warranted for identification and corrective action in accordance with the civil penalty assessment process in Section VI.B.2 of the Enforcement Policy. Credit was given for identification because ComEd identified the violation and notified the NRC and credit was given for corrective action because of the immediate and long term measures taken. As a result, no civil penalty was proposed in this case. Investigations disclosed a second act of apparent deliberate misconduct by the supervisor involving providing false information on May 18, 1998, during the ComEd investigation into the FFD testing issue. He originally stated to ComEd investigators that he had not detected the odor of alcohol on the employee. However, at his first opportunity he voluntarily recanted that information and stated that he had actually detected the odor of alcohol. Because the FFD testing issue may have gone unresolved without the voluntary recantation of incomplete or inaccurate information, the NRC exercised enforcement discretion authorized by Section VII.B.6 of the NRC Enforcement Policy, and did not issue a violation to the supervisor for this violation of 10 CFR 50.5(a)(2).

**Southern California Edison Co., San Onofre Nuclear Generating Station
Supplement I (EA 98-563)**

A Notice of Violation was issued on March 16, 1999. This action was based on a Severity Level III violation involving Southern California Edison's identification that the Train B emergency chilled water system had been inoperable in excess of the action times required by the technical specification on two separate occasions. The train was inoperable for 22 days due to maintenance, an incorrectly set electrical demand switch, and noncondensable gases in the refrigerant on the first occasion. The train was inoperable for 26 days due to maintenance and a miswired low chilled water temperature cutout switch on the second occasion. Although a probabilistic risk assessment determined that the issue represented a "small" increase in core damage risk, the issue was significant because on both occasions one train of a safety-related system was rendered inoperable for a period of time far in excess of the Technical Specification action time while both units were operating in Mode 1. Because the San Onofre Nuclear Generating Station has been the subject of escalated enforcement action within the last 2 years, the NRC considered whether credit was warranted for identification and corrective action in accordance with the civil penalty assessment process in Section VI.B.2 of the Enforcement Policy. Credit was warranted for identification and for corrective actions. Therefore, no civil penalty was proposed in this case.



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

April 12, 1999

MEMORANDUM TO: Chairman Jackson

FROM: *WDT* William D. Travers *Frank J. Miraglia*
 Executive Director for Operations

SUBJECT: UPDATE TO STAFF RESPONSE TO TASKING MEMORANDUM
 AND STAKEHOLDER CONCERNS

Attached for your information is the staff's April update to the plan of short- and long-term actions to respond to selected issues raised during the July 30, 1998, hearing before the Senate Subcommittee on Clean Air and Wetlands, Private Property, and Nuclear Safety and the July 17, 1998, Commission meeting with stakeholders.

Additions and changes to the March 1999, update are marked in redline and strike out. Minor editorial changes have not been highlighted. Explanations for changes are provided in the associated remarks.

The staff intends to remove the portion of the short term actions that were completed prior to January 28, 1999 in the next monthly update. Since the March update, the following significant milestones have been completed:

- I. Implemented revised enforcement policy
- II. Submitted Commission paper on "regulatory significance"
- III. Published draft regulatory guide for comment endorsing NEI 98-03, "Guidelines for Updating Final Safety Analysis Reports"
- IV. Issued improved Standard Technical Specification amendment for Wolf Creek
- V. Finalized reorganization plans and completed implementation of reorganization
- VI. Demonstrated improved timeliness in the resolution of 2.206 petitions
- VII. Submitted proposed rule (SECY 99-101) for AP600 Design Certification
- VIII. Issued Part 71 Certificate of Compliance for Holtec HISTAR 100 cask
- IX. Issued Part 71 Certificate of Compliance and SER for NAC-STC/MPC cask
- X. Published revised Source Term Rulemaking in Federal Register
- XI. Submitted Commission paper (SECY 99-103) on dual regulation at in situ leach facilities

[Enclosure available in SECY]