

IN RESPONSE, PLEASE
REFER TO: M980501A/B

May 19, 1998

MEMORANDUM TO: L. Joseph Callan
Executive Director for Operations

FROM: John C. Hoyle, Secretary /s/

SUBJECT: STAFF REQUIREMENTS - BRIEFING ON SELECTED ISSUES
RELATED TO PROPOSED RESTART OF MILLSTONE UNIT 3,
8:30 A.M. AND 1:00 P.M., FRIDAY, MAY 1, 1998,
COMMISSIONERS' CONFERENCE ROOM, ONE WHITE FLINT
NORTH, ROCKVILLE, MARYLAND (OPEN TO PUBLIC
ATTENDANCE)

The Commission was briefed by the licensee, Little Harbor Consultants, numerous other interested groups and individuals, and the NRC staff related to:

- 1) the Employee Concerns Program and safety conscious work environment (ECP/SCWE),
- 2) deferred items (backlog) management, and
- 3) oversight and quality assurance

at the Millstone facility in relation to the recovery of Unit 3.

The Commission agrees with the NRC staff's conclusion, as presented in SECY-98-090, "Selected Issues Related to Recovery of Millstone Nuclear Power Station Unit 3," and as discussed at the May 1, 1998 Commission meeting -- that the licensee has made appropriate improvements such that these issues are acceptable to support restart of Unit 3, subject to the following conditions:

- 1) Little Harbor Consultants will continue third party oversight of the ECP/SCWE until the Commission decides third party oversight is no longer necessary.
- 2) In addition to the quarterly review of licensee information on licensee execution of its backlog management plan, the staff will carry out a team inspection using NRC Inspection Procedure 40500 before Millstone Unit 3 completes its next refueling outage to ensure licensee commitments on backlog management are being fulfilled; and
- 3) The 40500 team inspection identified in Item 2 will also assess the ongoing effectiveness of the licensee's oversight and quality assurance programs.

The staff should update the Commission, prior to the next Commission meeting related to

Millstone Unit 3 readiness for restart, with the following information:

- 1) any significant new information related to the above three areas,
- 2) a summary of the staff's independent assessment of the issues associated with the licensee's Focus 98 document that used the term "isolate cynics."

(EDO) (SECY suspense: 6/2/98)

In future Commission meetings dealing with the recovery of other Millstone units, the staff should include information on the status of the ECP/SCWE at the Millstone station. Part of the future briefing(s) should include recommendations for the necessity of continuing the third party oversight in this area. Further, the staff should provide information to the Commission on a quarterly basis regarding the licensee's management of its backlog.

(EDO) (SECY suspense: quarterly update: 8/21/98
third party oversight: 12/15/98)

The Commission is not, at this time, providing its authorization for the restart of Millstone Unit 3. The Commission plans to consider this matter at the next Commission meeting. Should the Commission authorize restart following the scheduled June 2 meeting or subsequently, this would entail changing the watch list status of Unit 3 from Category 3 to Category 2. As a Category 2 plant, the EDO would be responsible for 1) verifying that the appropriate aspects of NRC Inspection Manual Chapter 0350, "Staff Guidelines for Restart Authorization," are complete and 2) approving commencement of actions to restart Unit 3.

cc: Chairman Jackson
Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
OGC
CFO
CIO
OCA
OIG
Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail)
PDR - Advance
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