

November 9, 2001

EA-97-376

Mr. J. Alan Price, Vice-President -
Nuclear Technical Services/Millstone
c/o Mr. D. A. Smith, Process Owner -
Regulatory Affairs
Dominion Nuclear Connecticut, Inc.
Rope Ferry Road
Waterford, CT 06385

SUBJECT: NRC OFFICE OF INVESTIGATION CASE NOS. 1-1997-010, 1-1997-006 and
1-1997-011 (Millstone Units 1, 2 and 3)

Dear Mr. Price:

On September 27, 1999, the United States Attorney's Office, District of Connecticut, announced that Northeast Nuclear Energy Company (NNECo), the former licensee for the Millstone Station which is now operated by Dominion Nuclear Connecticut, Inc., would pay a \$5 million fine for guilty pleas for false statements made to the NRC concerning the qualifications of operators at Millstone. NNECo pled guilty to violations of the Atomic Energy Act based on inaccurate reactor operator license applications submitted to the NRC in 1996 for Units 1 and 2. The applications were inaccurate in that applicants, in some cases: (1) had not met requisites to enroll in the program; (2) had not stood under instruction watches in the control room for the required number of hours; (3) had not performed the number of significant control manipulations represented in statements submitted to the NRC; or (4) had not met some or all of the above requirements.

Subsequent to the criminal penalty imposed by the United States on NNECo, the NRC Office of Investigations (OI) completed its investigations to determine the roles of certain individuals regarding these findings. OI's findings are described in the three enclosed synopses of the investigations. Based on evidence developed during OI's investigations, the NRC staff has concluded that: (1) the former Unit 1 Supervisor of Operator Training (SOT), acting in intentional noncompliance with licensed operator training program requirements, caused two incomplete and inaccurate license applications to be signed and submitted to the NRC on June 3, 1994, and October 5, 1995, resulting in two Senior Reactor Operator (SRO) licenses being issued; and (2) the former Unit 1 Manager of Operator Training (MOT), intentionally submitted an inaccurate waiver request to the NRC on October 27, 1994, which ultimately resulted in the NRC issuing one of the aforementioned SRO licenses. The licenses of both SRO candidates were subsequently terminated, and there was insufficient evidence to conclude that any of the license candidates acted in deliberate noncompliance with program requirements. Rather, the two SRO candidates were led to believe, by their supervisors (SOT/MOT), that they had satisfied enough program requirements to take the NRC license examination.

After careful consideration, the NRC has concluded that no further action is warranted against NNECo (or its successor - Dominion Nuclear Connecticut, Inc.) because: (1) these training deficiencies were symptomatic of several performance problems that existed at Millstone in the mid-1990s; and, they also occurred prior to December 1997, when the NRC issued a \$2.1 million civil penalty to Millstone because of poor management oversight that existed at that time; (2) the \$5 million criminal penalty paid by NNECo in September 1999 was the result of these specific training issues related to inaccurate license applications; and (3) Millstone has undergone extensive management, personnel and process changes as result of these and other problems that were reviewed by the NRC prior to allowing plant restart. Additionally, an assessment of recent licensee performance does not indicate similar weaknesses exist that would warrant such action.

After careful consideration, the NRC concluded that action against the SOT and MOT is also not warranted because: (1) at the time, the existing culture at Millstone contributed to poor management of the facility; (2) the criminal penalty imposed by the United States against NNECo reflected the significant degree of the company's responsibility concerning these findings; and (3) the licensee took disciplinary action against the SOT and MOT.

No response to this letter is required. In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of the NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Reading Room).

Sincerely,

/RA/ James T. Wiggins Acting For

Hubert J. Miller
Regional Administrator

Docket Nos. 50-245; 50-336; 50-423
License Nos. DPR-21, DPR-65, NPF-49

Enclosure: OI Report Synopses

cc w/encl:

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SYNOPSIS

This investigation was initiated by the Office of Investigations (OI), Region I (RI), on April 4, 1997, to determine whether the facility licensee, Northeast Nuclear Energy Company (NNECo), and/or licensee employees deliberately submitted incomplete and inaccurate personal qualification statements (NRC Form 398s) to the NRC for Millstone Nuclear Power Station, Unit No. 1 (MP1), licensed operator candidates (candidates). Specifically, those statements certified that the candidates had successfully completed the requirements to be licensed Reactor Operators (ROs) or Senior Reactor Operators (SROs), having completed the approved Systems Approach to Training (SAT) based training program requirements for classes ending in January 1994, October 1995, and December 1996.

Based on the results of this investigation, OI concludes that the MP1 Supervisor of Operator Training (SOT) and the MP1 Manager of Operator Training (MOT), acting in intentional noncompliance with licensed operator training program requirements, caused two incomplete and inaccurate 398s to be signed and submitted to the NRC on June 3, 1994, and October 5, 1995, resulting in two Senior Reactor Operator (SRO) licenses being issued. In addition, the MP1 MOT also intentionally submitted an inaccurate waiver request to NRC:RI on October 27, 1994, which, ultimately, resulted in the NRC issuing one of the aforementioned SRO licenses.

SYNOPSIS

This investigation was initiated by the Office of Investigations (OI), Region I (RI), on March 3, 1997, to determine whether the facility licensee, Northeast Nuclear Energy Company (NNECo), and/or licensee employees deliberately submitted incomplete and inaccurate personal qualification statements (NRC Form 398s) to the NRC for Millstone Nuclear Power Station, Unit No. 2 (MP2), licensed operator candidates (candidates). Specifically, those statements certified that the candidates had successfully completed the requirements to be licensed Reactor Operators (ROs) or Senior Reactor Operators (SROs), having completed the approved Systems Approach to Training (SAT) based training program requirements for classes ending in January 1995 and July 1996.

Based on the results of this investigation, OI concludes that the MP2 Manager of Operator Training (MOT), acting in intentional noncompliance with licensed operator training program requirements, caused 12 inaccurate 398s to be signed and submitted to the NRC on July 12, 1996, resulting in five Senior Reactor Operator (SRO) and seven Reactor Operator (RO) licenses being issued.

SYNOPSIS

This investigation was initiated by the Office of Investigations, on April 4, 1997, to determine whether the facility licensee, Northeast Nuclear Energy Company (NNECo), and/or licensee employees deliberately submitted incomplete and inaccurate personal qualification statements (NRC Form 398s) to the NRC for Millstone Nuclear Power Station, Unit No. 3 (MP3), licensed operator candidates for classes ending in February 1994 and November 1995. Specifically, those statements certified that the candidates had successfully completed all requirements to be licensed as Reactor Operators or Senior Reactor Operators, in accordance with their Commission-approved Systems Approach to Training (SAT) based training.

Based on the results of this investigation, OI concludes that NNECo, through the willful actions of some Operator Training Department personnel, caused four incomplete and inaccurate 398s for MP3 licensed operator candidates signed on November 13, 1995, to be submitted to the NRC. In addition, the former Director of Training, acting in intentional noncompliance with Training program requirements, caused an incomplete and inaccurate 398, signed on November 13, 1995, to be submitted to the NRC.