NOTICE OF VIOLATION

Vermont Yankee Nuclear Power Corporation
Vermont Yankee

Docket No. 50-271
License No. DPR-28
EA 98-062

During an NRC inspection conducted on December 15 - 19, 1997, a violation of NRC requirements were identified. In accordance with the "General Statement of Policy and Procedures for NRC Enforcement Actions," (NUREG 1600), the violation is listed below:

A. 10 CFR 50.65(a)(1) states, in part, that holders of an operating license shall monitor the performance or condition of SSCs, as defined by 10 CFR 50.65(b), against licensee established goals, in a manner sufficient to provide reasonable assurance that such SSCs structures, systems, and components are capable of fulfilling their intended functions. When the performance or condition of a SSC does not meet established goals, appropriate corrective action shall be taken.

10 CFR 50.65(a)(2), states that the monitoring as specified in 10 CFR 50.65(a)(1) is not required where it has been demonstrated that the performance or condition of a SSC is being effectively controlled through the performance of appropriate preventive maintenance, such that, the SSC remains capable of performing its intended function. 10 CFR 50.65© states that the requirements of this Section shall be implemented by each licensee no later than July 10, 1996.

Contrary to 10 CFR 50.65(a)(2), as of July 10, 1996, the time Vermont Yankee (the licensee) elected to not monitor the performance or condition of certain SSCs against established goals pursuant to the requirement of section (a)(1), Vermont Yankee failed to demonstrate that the performance or condition of these SSCs within the scope of 10 CFR 50.65 was being effectively controlled through the performance of appropriate preventive maintenance. Specifically, in its demonstration Vermont Yankee failed to include any unavailability measures for risk significant SSCs that were required to remain functional during refueling outages, including the residual heat removal system and 4 kV AC electrical power. Without including unavailability for these risk significant SSCs, Vermont Yankee could not demonstrate that the performance or condition of the SSCs was being effectively controlled through the performance of appropriate preventive maintenance. Unavailability measures are necessary to assure that out of service times during outages are evaluated to ensure preventive maintenance activities are adequate to effectively control the SSCs performance or condition. VY procedure 10 CFR 50.65 Implementation Guideline No. 9, "SSC Performance Monitoring," Revision 0, specified that unavailability measurement of risk significant SSCs be terminated during a refueling outage, and no acceptable alternate measurement was substituted.

This is a Severity Level IV violation (Supplement I)

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The NRC has concluded that information regarding the reason for the violation, the corrective actions taken to correct the violation and prevent recurrence and the date when full compliance was achieved was already adequately addressed and documented during this inspection. However, you are required to submit a written statement or explanation pursuant to 10 CFR 2.201 if the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to respond, clearly mark your response as a "Reply to a Notice of Violation," and send it to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555 with a copy to the Regional Administrator, Region I, and a copy to the NRC Resident Inspector at the facility that is the subject of this Notice, within 30 days of the date of the letter transmitting this Notice of Violation (Notice).

Dated at King of Prussia, Pennsylvania
the 5th day of February 1998