July 7, 1998

Mr. M. L. Bowling, Recovery Officer - Technical Services
c/o Ms. P. A. Loftus, Director - Regulatory
Affairs for Millstone Station
NORTHEAST NUCLEAR ENERGY COMPANY
PO Box 128
Waterford, CT 06385

SUBJECT: NRC MAINTENANCE RULE BASELINE INSPECTION REPORT 50-336/98-02 AND 50-423/98-02

Dear Mr. Bowling:

This refers to the team inspection conducted May 18 through 22, 1998, at the Millstone Nuclear Power Station. The purpose of the inspection was to review the implementation of the maintenance rule program, required by 10 CFR 50.65, at the Millstone Unit 2 nuclear generating station. In addition, the team reviewed a licensee, self identified performance criterion determination methodology issue that occurred during the recent NRC Operational Safety Team Inspection (50-423/97-83). The enclosed report presents the results of the team's inspection effort.

The team concluded that the requirements of the maintenance rule were being met at the Millstone Unit 2 nuclear generating station. Scoping, goal setting, and monitoring requirements were appropriately addressed. Your staff was generally knowledgeable in this area. Several extensive internal assessments were conducted in an effort to ensure that regulatory requirements were being met. It was evident that considerable work had been expended following the filling of the maintenance coordinator vacancy to ensure that mechanisms were in place to provide effective controls of structures, systems and components within the maintenance rule program.

However, the staff noted that the Individual Plant Evaluation (IPE) and an associated sensitivity analysis were not being maintained current in support of the assessment of established performance criteria. It is our understanding that these items will be updated not later than March 1999.

On Unit 3, previous open issues, including a Violation, were properly resolved.

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PDR ADOCK 05000336
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In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be place in the NRC Public Document Room.

Sincerely,

ORIGINAL SIGNED BY:

James T. Wiggins, Director
Division of Reactor Safety

Docket Nos.: 50-336 and 50-423
License Nos.: DPR-65 and NPF-49

Enclosure: Inspection Report 50-336/98-02 and 50-423/98-02

cc w/encl:
B. Kenyon, President and Chief Executive Officer - Nuclear Group
M. H. Brothers, Vice President - Operations
J. McElwain, Recovery Officer - Millstone Unit 2
J. Streeter, Recovery Officer - Nuclear Oversight
G. D. Hicks, Director - Unit 3
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