

**From:** Eliot Brenner *- OPA*  
**To:** Roy Zimmerman  
**Date:** Mon, Aug 2, 2004 11:57 AM  
**Subject:** NYTimes

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*releasee*  
*EB*

Roy ..the first item in the attached "reader," the new electronic version of the blue folders that make their way around, is the letter from POGO that has been leaked to the NY Times.

Eliot

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CHAIRMAN

UNITED STATES  
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

August 1, 2004

The Honorable George V. Voinovich, Chairman  
Subcommittee on Clean Air, Climate Change,  
and Nuclear Safety  
Committee on Environment and Public Works  
United States Senate  
Washington, D.C. 20510

Dear Mr. Chairman:

The Fiscal Year (FY) 2004 Energy and Water Development Appropriations Act, House Report 108-212 and Senate Report 108-105, directed the Nuclear Regulatory Commission (NRC) to continue to provide a monthly report on the status of its licensing and regulatory duties. The initial reporting requirement arose in the FY 1999 Energy and Water Development Appropriations Act, Senate Report 105-206. On behalf of the Commission, I am pleased to transmit the sixty-seventh report, which covers the month of June 2004. I am also providing more recent information in this cover letter in order to keep you fully and currently informed of NRC's licensing and regulatory activities.

The previous report provided information on a number of significant activities. These activities included publishing a final rule applicable to the use of the Licensing Support Network (LSN) and the electronic hearing docket in the licensing proceeding on the disposal of high level radioactive waste at Yucca Mountain, Nevada; participating in and evaluating, along with the Federal Emergency Management Agency, a full emergency preparedness exercise at the Indian Point nuclear power plant; and establishing that the NRC will conduct a detailed engineering inspection at the Vermont Yankee Nuclear Station in August 2004 that we believe is appropriate for addressing our oversight responsibilities regarding public health and safety in conjunction with the requested 20 percent power uprate.

I would like to update you on the status of power uprate activities. Since November 3, 2003, the staff approved power uprates for two nuclear power plant units, resulting in a combined increase of about 45 megawatts-electric (MWe). This brings the total number of power uprates approved since 1977 to 101, resulting in a combined increase of approximately 4183 MWe to the Nation's electric generating capacity. The staff, as of July 29, is reviewing power uprates for 10 nuclear power plant units. If approved, these power uprates would result in a combined increase of an additional 965 MWe to the Nation's electric generating capacity. In July 2004, the staff conducted a survey of all licensees to obtain information regarding their plans for submitting power uprates over the next 5 years. Based on this survey and information obtained since the survey, licensees plan to request power uprates for 18 nuclear power plant units over the next 5 years. If approved, these power uprates would result in an increase of about 947 MWe. Based on the results of the July 2004 survey and the models the staff developed for reviewing power uprates, approximately 29 full-time equivalent staff will be used for reviewing the power uprates expected over the next 5 years. These resources are budgeted.

Power uprates are considered among the most significant licensing actions and are being reviewed in a timely manner. Because of the wide interest in power uprate licensing actions, we established a power uprate web site that is accessible from our home page (<http://www.nrc.gov>). Maintaining safety remains the staff's highest priority when conducting power uprate reviews, and the staff will ensure that the goal to maintain safety is not compromised in order to meet timeliness and resource expenditure goals. The staff continues to face challenges with technical issues including steam dryer failures (Quad Cities), various flow-induced vibration issues (Quad Cities and Dresden), and ultrasonic flow meter reading abnormalities (Byron, Braidwood, and Fort Calhoun). Due to extensive public interest and correspondence from various public officials, public interest groups, and other stakeholders, the staff continues to focus attention on activities related to the Vermont Yankee extended power uprate review. As noted above, to meet these challenges, the staff has dedicated resources to resolve these issues.

As reported previously, Vermont Yankee was conducting an investigation of two fuel rod segments missing from their container in the spent fuel pool. Vermont Yankee announced on July 13 that the missing spent fuel rod segments were located in a different container in the spent fuel pool. The NRC is continuing to monitor Entergy's activities to evaluate the licensee's compliance with NRC material control and accountability regulations.

As noted in last month's report, NRC dispatched an Augmented Inspection Team (AIT) to the Palo Verde Nuclear Generating Station, located near Wintersburg, Arizona, and operated by Arizona Public Service Company, to form a better understanding of the causes of, and the plant response to, the loss of off-site power which resulted in the shutdown of the three reactors at the site on June 14. While one of the six on-site emergency diesel generators failed, the three reactors were safely shutdown and placed in a stable condition. Immediate corrective actions implemented by the licensee for continued safe operation of the facility were reviewed and determined to be acceptable by the NRC. The team found that a number of system failures, as well as procedure and human performance issues, complicated the event and recovery efforts. On July 12, 2004, a public meeting was conducted in Goodyear, Arizona, to discuss the team's preliminary findings. The AIT's report was issued on July 16. NRC will conduct a follow-up inspection in the near future to evaluate the licensee's corrective actions.

Recently, the Commission and the NRC staff also:

- completed an off-site power system operational readiness inspection at all nuclear power plants to assess electrical grid reliability and availability of off-site power. The staff is assessing the results of these inspections and will take appropriate regulatory action, if necessary. NRC staff also met with Federal Energy Regulatory Commission (FERC) staff on June 21, 2004, to discuss grid reliability issues. FERC staff shared their impressions regarding the ongoing North American Electric Reliability Council (NERC) audits. NRC staff discussed the ongoing reviews of the results of the off-site power system operational readiness inspection.
- received a non-emergency event notification on July 16 from the permanently shut-down Humboldt Bay Nuclear Plant in Eureka, California, of a nuclear material accountability discrepancy related to the spent fuel inventory. Specifically, the discrepancies concern documentation from 1968 related to three fuel rod segments, each about 18 inches in

length and about one-half inch in diameter, that were originally scheduled to be shipped to Battelle Institute in Ohio for a study, but subsequently were not shipped because the study was canceled. A more detailed review of records and a complete search of the spent fuel pool is underway to establish and verify the location of the three fuel rod segments. NRC inspectors have been on site and are fully aware of the status of these issues.

- approved a request by the Nuclear Management Company to increase the generating capacity of the Palisades nuclear power plant, located near South Haven, Michigan, by 1.4 percent. The NRC staff determined that the licensee could safely increase the power output of the reactor primarily through increased feedwater flow measurement accuracy. The power uprate at the plant increases the net generating capacity of the plant from 780 to 792 megawatts-electric (MWE).
- issued an Order designating G. Paul Bollwerk III, Chief Judge of the agency's Atomic Safety and Licensing Board Panel, as *Pre-License Application Presiding Officer for Yucca Mountain*. Consistent with the Commission's Order, Judge Bollwerk has delegated that authority to a three member Atomic Safety & Licensing Board (69 FR 42218, dated July 14, 2004). This Board will be responsible for resolving any disputes concerning certification of the electronic availability of documents related to the Department of Energy's expected application for a license for a high-level waste repository at Yucca Mountain, Nevada.
- met with the public in Peekskill, New York, to discuss the licensing and regulatory programs that will govern plans to construct and operate a dry cask interim storage facility (also known as an Independent Spent Fuel Storage Installation [ISFSI]) for spent nuclear fuel at the Indian Point 2 and 3 nuclear power plants. Indian Point is located in Buchanan, New York, and is operated by Entergy Nuclear Northeast. There are currently about 30 such ISFSIs at nuclear power plants across the country.
- conducted a public meeting in Piketon, Ohio, on June 23 to discuss United States Enrichment Corporation (USEC) Inc.'s proposed commercial gas centrifuge uranium enrichment facility (American Centrifuge Plant or ACP) to be sited at the Portsmouth Gaseous Diffusion Plant site in Piketon. USEC anticipates submitting its license application for the ACP in August 2004. During this meeting, the NRC described the proposed project, the licensing process that will be utilized in reviewing the license application, and opportunities for public input. The NRC staff also discussed the processes that will be utilized to develop its Environmental Impact Statement and to inspect the ACP.
- conducted the second quarterly management meeting with Louisiana Energy Services (LES) staff on June 24 to discuss management issues related to the gas centrifuge uranium enrichment plant proposed to be located in Eunice, New Mexico. Both NRC and LES staffs indicated that good progress has been made to date and that all goals have been met ahead of schedule. NRC staff is reviewing LES' responses to Requests for Additional Information and will communicate if additional clarification or information is needed. LES indicated that it intends to select an architect-engineer in August. The Atomic Safety & Licensing Board held a pre-hearing conference in Hobbs, New Mexico,

on June 15 to discuss proposed contentions raised on the LES gas centrifuge uranium enrichment plant. Staff from the New Mexico Environment Department, New Mexico Attorney General's office, and Nuclear Information and Resource Service/Public Citizen made presentations on their proposed contentions. The discussions followed the written filings made by the parties. The Atomic Safety and Licensing Board has admitted ten of the contentions for the hearing.

- dispatched a special inspection team to the Clinton Nuclear Power Plant in order to understand better the circumstances surrounding an automatic reactor shutdown and unexpected response of some plant equipment to the shutdown. The plant, located in Clinton, Illinois, is operated by AmerGen Energy Company, a subsidiary of Exelon Generation Company. On July 13, an automatic reactor shutdown occurred as a result of a trip of the main power transformer. The transformer trip was caused by a lightning strike which led to a disturbance on the electric grid. The main transformer connects the power from the plant generator to the electric grid.
- published in the Federal Register, dated June 30, 2004 (69 FR 39515), a notice of a license renewal application request and opportunity to request a hearing for Safety Light Corporation, located in Bloomsburg, Pennsylvania. The licensee is authorized to manufacture devices containing tritium at its facility.
- received a final application from the State of Minnesota for a Section 274b Agreement under the Atomic Energy Act. An NRC interoffice team is reviewing the application for compatibility with NRC's regulatory program and adequacy to protect public health and safety. Minnesota may then be designated an "Agreement State" and will regulate the safe use of certain radioactive materials within the State.

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

Sincerely,



Nils J. Diaz

Enclosure:  
Monthly Report

cc: Senator Thomas R. Carper

Identical letter sent to:

The Honorable George V. Voinovich, Chairman  
Subcommittee on Clean Air, Climate Change,  
and Nuclear Safety  
Committee on Environment and Public Works  
United States Senate  
Washington, D.C. 20510  
cc: Senator Thomas R. Carper

The Honorable Ralph M. Hall, Chairman  
Subcommittee on Energy and Air Quality  
Committee on Energy and Commerce  
United States House of Representatives  
Washington, D.C. 20515  
cc: Representative Rick Boucher

The Honorable Pete V. Domenici, Chairman  
Subcommittee on Energy and Water Development  
Committee on Appropriations  
United States Senate  
Washington, D.C. 20510  
cc: Senator Harry Reid

The Honorable David L. Hobson, Chairman  
Subcommittee on Energy and Water Development  
Committee on Appropriations  
United States House of Representatives  
Washington, D.C. 20515  
cc: Representative Peter Visclosky

The Honorable James M. Inhofe, Chairman  
Committee on Environment and Public Works  
United States Senate  
Washington, D.C. 20510  
cc: Senator James Jeffords

The Honorable Joe Barton, Chairman  
Committee on Energy and Commerce  
United States House of Representatives  
Washington D.C. 20515  
cc: Representative John D. Dingell