



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
2100 RENAISSANCE BLVD.
KING OF PRUSSIA, PA 19406-2713**

July 20, 2017

EA-17-077

Mr. Daniel G. Stoddard
Senior Vice President and Chief Nuclear Officer
Dominion Energy, Inc.
Innsbrook Technical Center
5000 Dominion Blvd.
Glen Allen, VA 23060-6711

SUBJECT: MILLSTONE POWER STATION - NRC INVESTIGATION REPORT NO. 1-2016-019

Dear Mr. Stoddard:

This letter refers to an investigation initiated on September 2, 2016, by the NRC Office of Investigations (OI) and conducted at the Dominion Energy Nuclear Connecticut, Inc. (Dominion) Millstone Power Station (Millstone). The investigation, which was completed on April 27, 2017, involved security matters that are considered sensitive information. Therefore, details of the investigation are not included in this letter, but are described in the non-public enclosures. Based on the evidence gathered during the investigation, the NRC identified one or more apparent violations that are being considered for escalated enforcement action, including a Civil Penalty, in accordance with the NRC Enforcement Policy. The current Enforcement Policy is available on the NRC's Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>. A factual summary of the OI investigation is included in the non-public Enclosure 1 to this letter. The non-public Enclosure 2 provides a description of the apparent violation(s) and preliminary assessment. Note that in accordance with NRC Enforcement Guidance Memorandum (EGM) 15-001, Rev. 1, "Documentation of Security-Related Information in Publicly-Available Cover Letters Related to Enforcement Documents," the NRC does not discuss the number of security-related apparent violations that are potentially characterized above Severity Level IV.

Before the NRC makes its enforcement decision regarding the apparent violation(s), we request that you provide information regarding Dominion's corrective actions. The written response should include: (1) the reason for the apparent violation(s) or, if contested, the basis for disputing the apparent violation(s); (2) the corrective steps that have been taken and the results achieved; (3) the corrective steps that will be taken; and (4) the date when full compliance will be achieved. You should be aware that the promptness and comprehensiveness of your actions will be considered in assessing any civil penalty(ies) for the apparent violation(s). The guidance in the enclosed excerpt from NRC Information Notice 96-28, "Suggested Guidance Relating to Development and Implementation of Corrective Action," may be helpful. Note that additional considerations requested for the written response are described in the non-public Enclosure 2 to this letter.

Enclosure contains Sensitive Unclassified Non-Safeguards Information.
When separated from its Enclosure, this document is DECONTROLLED.

The written response should be sent to the NRC within 30 days of the date of this letter. Your response may reference or include previously docketed correspondence, if the correspondence adequately addresses the required response. You should clearly mark the response as a "Response to Apparent Violation(s) in NRC Investigation No. 1-2016-019; EA-17-077," and send it to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001 with a copy to the Regional Administrator, NRC Region I, 2100 Renaissance Boulevard, Suite 100, King of Prussia, PA 19406. If an adequate response is not received within the time specified or an extension of time has not been granted by the NRC, the NRC will proceed with its enforcement decision or schedule a pre-decisional enforcement conference (PEC).

In lieu of providing this written response, you may choose to provide your perspective on this matter, including the significance, cause, and corrective actions, as well as any other information that you believe the NRC should take into consideration by: (1) requesting a PEC to meet with the NRC and provide your views in person; or (2) requesting Alternative Dispute Resolution (ADR).

If you choose to request a PEC, the meeting should be held in our office in King of Prussia, PA, within 30 days of the date of this letter. The conference will include an opportunity for you to provide your perspective on these matters and any other information that you believe the NRC should take into consideration before making an enforcement decision. The topics discussed during the PEC may include information to determine whether a violation occurred, information to determine the significance of a violation, information related to the identification of a violation, and information related to any corrective actions taken or planned.

In lieu of a PEC, you may also request ADR with the NRC in an attempt to resolve this issue. ADR is a general term encompassing various techniques for resolving conflicts using a neutral third party. The technique that the NRC has decided to employ is mediation; a voluntary, informal process in which a trained neutral mediator works with parties to help them reach resolution. If the parties agree to use ADR, they select a mutually agreeable neutral mediator who has no stake in the outcome and no power to make decisions. Mediation gives parties an opportunity to discuss issues, clear up misunderstandings, be creative, find areas of agreement, and reach a final resolution of the issues. Additional information concerning the NRC ADR program can be obtained at <http://www.nrc.gov/about-nrc/regulatory/enforcement/adr.html>. The Institute on Conflict Resolution (ICR) at Cornell University has agreed to facilitate the NRC program as a neutral third party. Please contact ICR at 877-733-9415 within 10 days of the date of this letter if you are interested in pursuing resolution of this issue through ADR. The ADR mediation session should be held in our office in King of Prussia within 45 days of the date of this letter.

Either the PEC or the ADR would be closed to public observation because the NRC's preliminary findings involve security-related matters and are based on an NRC OI report that has not been publicly disclosed. However, the time and date of the PEC or ADR will be publicly announced. Please contact Marjorie McLaughlin, Senior Enforcement Specialist, NRC Region I, at 610-337-5240 within **10** days of the date of this letter to notify the NRC which of the above options you choose.

D. Stoddard

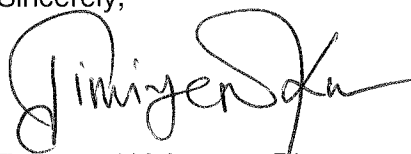
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In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be made available electronically for public inspection in the NRC Public Document Room and from the NRC Agency-wide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-material-rm/adams.html>.

Please note that final NRC investigation documents, such as the OI report described above, may be made available to the public under the Freedom of Information Act (FOIA), subject to redaction of information appropriate under the FOIA. Requests under the FOIA should be made in accordance with 10 CFR 9.23, "Requests for Records." Additional information is available on the NRC website at <http://www.nrc.gov/reading-rm/foia/foia-privacy.html>.

The apparent violation will be administratively tracked under Inspection Report Nos. 05000336/2017405 & 05000423/2017405. If you have any questions related to this matter, please contact Ms. McLaughlin at 610-337-5240.

Sincerely,


for Raymond K. Lorson, Director
Division of Reactor Safety

Enclosures:

1. (Non-Public) Factual Summary of OI Investigation Report 1-2016-019
2. (Non-Public) Apparent Violation(s) Being Considered for Escalated Enforcement Action and Preliminary Security Risk Assessment
3. NRC Information Notice 96-28, "Suggested Guidance Relating to Development and Implementation of Corrective Action"

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

Cc w/o non-public encl; w/o OOU-SRI: Distribution via ListServ

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R. Hanson, Security Department Manager
J. Semancik, Director, CT Dept of Energy and Environmental Protection