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Docket Nos. 50-213

50-265

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RE: 55 FR 53220
 SECY-90-347

Mr. Samuel J. Chilk
 Secretary of the Commission
 U.S. Nuclear Regulatory Commission
 Washington, DC 20555

Attention: Docketing and Service Branch

Dear Mr. Chilk:

Haddam Neck Plant
 Millstone Nuclear Power Station, Unit Nos. 1, 2, and 3
Response to SECY-90-347, Regulatory Impact Survey Report

This letter is being submitted by Connecticut Yankee Atomic Power Company (CYAPCO) and Northeast Nuclear Energy Company (NNECO) in response to the NRC request, dated December 20, 1990, for comments on SECY-90-347, "Regulatory Impact Survey Report," dated October 9, 1990. A Federal Register Notice of the availability of the SECY paper was also published on December 27, 1990.

We commend the NRC Staff management for the actions being taken to identify regulatory impact concerns, and the progress on proposing and implementing solutions. SECY-90-347 condenses information learned by the NRC from numerous sources, down to a handful of underlying causes, that the Staff is proposing to resolve as three issues:

1. The cumulative effect of requirements,
2. The scheduling of inspections, and
3. The training of NRC Staff personnel.

We believe the actions proposed in SECY-90-347 will achieve important improvements in these three areas. Our comments provided later in this letter provide additional perspectives and examples that support the Staff's proposals in these areas.

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However, there is an underlying root concern in much of the regulatory impact information that the Staff could address in a more straightforward manner. Simply stated, the role of the NRC Staff and the role of licensees is not appropriately maintained in some interactions. There remain instances of nonproductive tension, and unnecessarily adversarial interfaces associated with the present system.

As an example, NRC Staff personnel go beyond their regulatory role when they attempt to do the licensee's job, or try to impose a better idea (in their view). NRC points of view are too frequently represented or misunderstood as requirements, when in fact they may only be individual views on how to manage, engineer, design, operate, or maintain plants in areas which are the licensee's responsibility. The NRC should establish a regulatory framework and assess compliance to it, and allow licensees to manage their resources to most effectively operate within that framework.

The adverse impacts of not adhering to defined roles for the regulators is repeated throughout the sources of information used by the Staff in preparing SECY-90-347. Some examples are:

- o NRC dominates licensee resources.
- o Many inspection practices and positions taken are counterproductive.
- o Subjective NRC opinions are represented as regulatory expectations in thousands of interactions each year.
- o Licensees acquiesce to avoid confrontation and achieve higher Systematic Assessment of Licensee Performance ratings.
- o Licensees need to be freer to manage their own resources.
- o Inspectors and reviewers enforce obedience to individual interpretations, going beyond NRC regulations, through formal and informal communication.

A specific ongoing issue where NRC positions will apparently be imposed, when there is no clear need for new regulations, is the Emergency Response Data System (ERDS). By letter dated August 14, 1990, (1) CYAPCO and NNECO notified the NRC of our voluntary participation in the ERDS project for all four of our nuclear units. CYAPCO and NNECO are working closely with the NRC contractor to implement the ERDS. We strongly believe that a rule

(1) E. J. Mroczka letter to the U.S. Nuclear Regulatory Commission, dated August 14, 1990, "Haddam Neck Plant and Millstone Nuclear Power Station, Unit Nos. 1, 2, and 3 Emergency Response Data System."

governing ERDS implementation should not be promulgated. We maintain that the Staff has not provided adequate justification for the rule pursuant to the requirements of 10CFR50.109. Nevertheless, if the rulemaking process continues, then the numerous concerns we expressed in our letter of December 21, 1990, (2) should be considered.

We greatly appreciated the opportunity to comment on the proposed ERDS rule and supporting documents, and trust the comments will be valuable in establishing a final regulation, should that option be chosen. However, we strongly maintain that new regulations should not be promulgated unless the thresholds established by 10CFR50.109 are met. In this case, we believe they are not. Ironically (and illustrative of the concerns expressed previously in this letter), if the regulation is promulgated as proposed, we may be forced to seek certain technical exemptions in order to implement a superior system at reduced cost. A far more preferable approach is to continue ERDS implementation on a voluntary basis. We believe this rulemaking represents an opportunity for the NRC to respond in the spirit articulated in regulatory publications associated with the Regulatory Impact Survey.

Regarding the three issues that the Staff is proposing to address in SECY-90-347, we provide specific comments as follows:

1. The Cumulative Effect of Requirements

CYAPCO and NNECO would also like to take the opportunity to provide comments on the Integrated Regulatory Requirements Implementation Schedule (IRRIS), as discussed in Enclosure 1 of SECY-90-347. As presented in the background section of the enclosure, the Integrated Safety Assessment Program (ISAP) addressed, among other things, the opportunity to establish and maintain a formal process mutually beneficial to the NRC Staff and the licensee to manage new requirements and the associated implementation schedules. Since we view IRRIS and ISAP as conceptually similar, we view the new IRRIS proposal as an affirmation of our ISAP experience.

We are encouraged to see the IRRIS process address plant-specific items with little safety enhancement going to the bottom of the prioritization list, and even not being implemented. This is congruent with our "threshold" concept. Furthermore, IRRIS would allow a licensee to balance its resources and bring stability to schedules. Cost could be a criterion used in prioritization, as well

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- (2) E. J. Mroczka letter to S. J. Chilk, U.S. Nuclear Regulatory Commission, dated December 21, 1990, "Haddam Neck Plant and Millstone Nuclear Power Station, Unit Nos. 1, 2, 3 Emergency Response Data System, Comments on Proposed Rule."

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as impact on an area within the plant of several work activities. Both of these concepts have also been considered within our ISAP.

As you recall, we have had ISAP in operation at our Haddam Neck Plant and at Millstone Unit No. 1 for years, since the ISAP pilot program. We believe that our existing ISAP currently fulfills the three objectives of the IRRIS opportunity described in SECY-90-347:

Provide a simple mechanism that will encourage early implementation of plant modifications offering the most safety for resources spent; help to evaluate and set balanced priorities for an entire set of pending requirements; and help to avoid duplication of efforts to enhance safety.

The ISAP has allowed us to better manage the cumulative effect of the NRC's generic requirements and communications and our initiated efforts. We have conducted plant-specific, integrated assessments of proposed modifications, based on Probabilistic Risk Assessment (PRA) and experience to improve the level of safety. The resulting prioritized ranking of projects are periodically submitted to NRC Staff in comprehensive ISAP reports which include Integrated Implementation Schedules to enhance communication between the NRC Staff and Northeast Utilities (NU).

The ISAP program was also mentioned in NU's Individual Plant Examination (IPE) response to the NRC Staff. Any proposed plant modifications, which result from the IPE, will be evaluated and scheduled accordingly in the ISAP, as described in NUREG-1335.

We have had docketed plans for some time and will be submitting the initial ISAP report for Millstone Unit No. 3 shortly. These previously docketed plans also describe our intention to expand ISAP to Millstone Unit No. 2 following completion of the respective PRA, as discussed in NUREG-1335.

Again, we applaud the NRC Staff for acknowledging the mutual benefits that an IRRIS/ISAP type process can provide to the Staff and the licensee. We also appreciate your continuing to extend the invitation for ISAP participation⁽³⁾ as well as offering utilities the IRRIS option. We look forward to working with the Staff to more meaningfully implement the "threshold" concept in ISAP. We believe the development of the IRRIS process will present an excellent

(3) For example, the enclosure to SECY 90-347 states: "However, the NRC continues to offer the opportunity to any licensee to do an integrated safety assessment."

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opportunity to complete the institutionalization of this important concept in ISAP.

While we view the ISAP framework to be the optimum one, there continue to be opportunities to further improve our interactions with respect to finalizing plant modifications and scheduling their implementation. An example of possible detrimental effects of cumulative regulatory requirements concerns the implementation of the Station Blackout (SBO) rule. Millstone Unit No. 3 received its Safety Evaluation Report (SER) on SBO on August 27, 1990, which initiated the 2-year implementation schedule for any required hardware modifications. However, we have since learned that the NRC is contemplating resolution of Generic Issue 23, RCP Seal Failure, by issuing a generic letter under 10CFR50.54(f) which would request licensees to adopt new assumptions to be used for SBO and thus potentially invalidate our SBO analyses and the associated NRC SER.

If it evolves that more conservative assumptions regarding RCP seal leakage are adopted, the adequacy of the planned SBO modifications is jeopardized. At this juncture, we are having difficulty arriving at the proper course of action. On the one hand, we could continue implementation of current plans, and find that our efforts are wasted because of the final outcome of Generic Issue 23. Conversely, we could suspend current implementation efforts, find that the resolution of Generic Issue 23 does not adversely impact our SBO plans, and be criticized by the NRC for not implementing the modifications on the originally anticipated schedule.

To date, we have not been able to find a vehicle to bring this situation to the attention of the Staff for resolution. Given recent past practice with respect to issuance of Generic Letters under 10CFR50.54(f), we are also skeptical as to the rigor of the backfitting analysis which would support the forthcoming Generic Letter. In summary, the current regulatory process seems to involve knowledgeable and well-intentioned people fulfilling their individual responsibilities, but management of their "cumulative effect" would appear to be lacking. In today's environment, resource efficiency is vital, and we encourage the Staff to pursue improvements in this area as expeditiously as possible. We would also welcome an opportunity to discuss the above described issue on a plant-specific basis.

2 The Scheduling of Inspections

We also support the NRC's plan to improve the scheduling and control of inspections and their impacts. This concern was conveyed to the NRC in our informational letter entitled "Impact of Inspections and Special Meetings," dated October 6, 1989. We reiterated our concern in our "Response to Generic Letter No. 90-01 Regulatory Impact Survey" dated March 1, 1990.

An example in this area concerns the recent scheduling of the Electrical Distribution System Functional Inspections (EDSFIs) for CYAPCO and MNECO plants. In late 1990, Region I informed us of the original schedule to conduct three EDSFIs within six months of each other at the Haddam Neck Plant and Millstone Unit Nos. 1 and 2. While we were appreciative of the advance notice for the two Millstone units, the large resource expenditure (particularly within our Generation Electrical Engineering Branch) required of us to support these inspections, refueling outages, and other activities were apparently not factored into the proposed inspection schedule. Following several telephone discussions, the Region did agree to perform only two EDSFIs (at Haddam Neck and Millstone Unit No. 1) separated by approximately six months. We look forward to an enhanced dialogue with the Staff in the area of scheduling inspections.

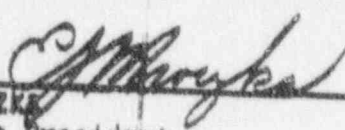
3. The Training of NRC Staff Personnel

We have no specific comments regarding the training of NRC Staff personnel. We believe the actions proposed in SECY-90-347 will result in improvements in this area.

We trust that these comments will be useful to you, and we would be pleased to respond to any questions you may have.

Very truly yours,

CONNECTICUT YANKEE ATOMIC POWER COMPANY
NORTHEAST NUCLEAR ENERGY COMPANY


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Senior Vice President

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