



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

October 23, 1998

Mr. Martin L. Bowling
Recovery Officer - Millstone Unit 2
c/o Ms. Patricia A. Loftus
Director - Regulatory Affairs
Northeast Nuclear Energy Company
P.O. Box 128
Waterford, CT 06385

SUBJECT: NOTICE OF VIOLATION AND INDEPENDENT CORRECTIVE ACTION
VERIFICATION PROGRAM TIER 2 SPECIAL INSPECTION OF MILLSTONE
UNIT 2 (NRC INSPECTION REPORT NO. 50-336/98-213)

Dear Mr. Bowling:

From August 10, 1998, through September 3, 1998, a team from the U.S. Nuclear Regulatory Commission's (NRC's) Office of Nuclear Reactor Regulation, in accordance with guidelines outlined in SECY-97-003, "Millstone Restart Review Process," performed a Tier 2 special inspection of your Millstone Unit 2 facility. This inspection was part of an ongoing, multifaceted NRC effort to evaluate Parsons Power Group Inc.'s (Parsons) conduct of the Independent Corrective Action Verification Program (ICAVP) and the effectiveness of your Configuration Management Plan (CMP). The results of the ICAVP will provide insights that will be used by the NRC in assessing the effectiveness of your CMP and your readiness to restart Millstone Unit 2.

Selected accident mitigation systems were reviewed to assess Parsons' Tier 2 review, to verify the ability of these systems to perform their intended safety functions during postulated accidents described in Chapter 14 of the Final Safety Analysis Report (FSAR), and to determine whether the accident analysis assumptions were properly translated into instructions, procedures, and drawings. The NRC determined that Parsons successfully implemented the Tier 2 verification of critical design characteristics controlling plant configuration aspects of its NRC-approved ICAVP Audit Plan in accordance with the applicable project procedures and instructions.

The inspection findings were presented to you and your staff during a public exit meeting on October 6, 1998. The issue cited as a violation in the enclosed Notice of Violation, is described in detail in the enclosed report. The number of examples identified in this violation, as well as issues recently identified in the Tier 1 In-Scope inspection and discussed with you at the public exit meeting held on October 6, 1998 appear to be indicative of a configuration control process weakness in the translation or reconciliation of the accident analyses inputs and results with station procedures and other supporting engineering analyses that form the bases for the system design. Please note that you are required to respond to the Notice of Violation and should follow the instructions specified in it when preparing your response. We request that your response address the team's observations regarding configuration control indicated above

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in addition to the specific technical issues identified in the violation. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

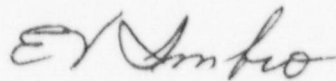
The violation described in this report has been categorized as equivalent to ICAVP Significance Level 3 findings. ICAVP Level 3 findings have been defined by the NRC to occur if a system is outside its licensing and design bases while still able to perform its intended function. In a January 30, 1998, letter to you, the Director of the Special Projects Office described the NRC's criteria for determining whether to expand the scope of the ICAVP. An important factor in making this determination is the NRC's assessment of the effectiveness of the corrective actions taken to address the findings. The NRC will assess the corrective actions taken in response to these findings as part of its review of the implementation of ICAVP-related corrective actions.

As noted earlier, this inspection was part of the NRC's ongoing assessment of the effectiveness of your CMP and Parsons' ICAVP. The findings of this inspection will be combined with the results of other NRC inspections to make an overall determination of the restart readiness of Unit 2 and your configuration management practices. However, the results from this inspection provide a measure of confidence that the Unit 2 accident mitigation systems are adequately designed and tested and will perform as assumed in accident analyses as described in Chapter 14 of the FSAR.

In accordance with Section 2.790(a) of Title 10 of the *Code of Federal Regulations* (10 CFR 2.790(a)), a copy of this letter and the enclosures will be placed in the NRC Public Document Room.

If you have any questions concerning the enclosed inspection report, please contact the project manager, Mr. Daniel McDonald, at (301) 415-1408 or Mr. Peter Koltay at (301) 415-2957.

Sincerely,



Eugene V. Imbro, Director
Millstone Independent Corrective Action
Verification Program Inspections
Associate Director for Technical Review
Office of Nuclear Reactor Regulation

Docket No. 50-336

License No. DPR-65

Enclosures:

1. Notice of Violation
2. Inspection Report 50-336/98-213

cc w/enclosures: See next page

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Original signed by:
Eugene V. Imbro, Director
Millstone Independent Corrective Action
Verification Program Inspections
Associate Director for Technical Review
Office of Nuclear Reactor Regulation

Docket No. 50-336

License No. DPR-65

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DOCUMENT NAME: TIER2.RPT

(*see previous concurrence) Review completed by Technical Editor on 10/21/98

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Letter to Mr. M. L. Bowling dated: October , 1998

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Letter to Mr. M.L. Bowling dated:

cc w/encls:

J. Streater, Vice President, Nuclear Oversight
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D. Amerine, Vice President, Engineering and Support Services
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