

July 16, 1998

SECY 98-173

For: The Commissioners
From: James L. Blaha, Assistant for Operations, Office of
the EDO
Subject: WEEKLY INFORMATION REPORT - WEEK ENDING JULY 10,
1998

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*No input this week.

James L. Blaha
Assistant for Operations, OEDO

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Office of Nuclear Reactor Regulation
Items of Interest
Week Ending July 10, 1998

Meeting with BWROG Appendix R Subcommittee

On June 30, 1998, the Plant Systems Branch and Electrical Engineering Branch staff in the Office of Nuclear Reactor Regulation attended a public meeting of the Boiling Water Reactors Owner's Group (BWROG) Appendix R Subcommittee. The purpose of the meeting was to discuss the efforts of the BWROG to address technical issues associated with post-fire safe shutdown circuit analysis. The staff commented on the BWROG Appendix R Subcommittee work to date and future activities. The staff agreed to attend future meetings of the subcommittee and to provide feedback on a BWROG post-fire safe shutdown circuit analysis guidance document that the BWROG Appendix R Subcommittee is developing. Representatives of the BWROG Appendix R Subcommittee stated that the BWROG may submit its guide as a topical report for staff review and endorsement. The staff will issue a meeting summary.

Post-Fire Safe Shutdown Circuit Analysis Workshop

On July 23, 1998, the Office of Nuclear Reactor Regulation will hold a public workshop on post-fire safe shutdown circuit analysis in the Rockville/Bethesda area. (Hotel conference room contracting action is in progress.) The overall objective of the workshop is to enhance staff, public, and industry communications on technical issues associated with the analysis and protection of post-fire safe shutdown circuits. Specifically, the workshop will provide an opportunity for the NRC staff to publicly articulate staff concerns regarding circuit analysis and to obtain direct input from the public and the power reactor industry regarding their experiences and perspectives. The workshop will include panel discussions during which attendees may ask questions and offer comments. The staff will also accept issue papers from members of the public and industry throughout this day long meeting. The staff will consider the information obtained during the workshop in establishing a final course of action to resolve the issues.

NFPA Technical Committee on Nuclear Facilities Meeting

The Plant Systems Branch (SPLB), Office of Nuclear Reactor Regulation, and the Office of Regulatory Research (RES) staff attended the NFPA Technical Committee on Nuclear Facilities meeting in Quincy, Massachusetts, to continue the work toward the

development of a performance-based, risk-informed fire protection standard for NPPs.

The group is making substantial progress in developing the standard. The current draft standard requires meeting the traditional defense-in-depth aspects for nuclear fire protection and the performance of a site-wide fire risk assessment to insure an acceptable level of overall fire safety. The standard allows either a performance-based or proscriptive approach in meeting the defense in-depth criteria.

The group will meet again in Chicago in September 1998, to finalize the draft standard for public comment.

Oconee Nuclear Station Units 1, 2, and 3

On July 6, 1998, a Notice of Enforcement Discretion (NOED) was verbally approved to allow continued operation of Oconee Units 1, 2 and 3. The issue involved the method that the licensee had used, since initial operation, to flow-test the Penetration Room Ventilation System. In this case, the flow test employed an orifice-plate which is not permitted by the industry standard referenced in the Technical Specification (TS). The licensee had received a Level IV violation, which they had denied. Once the licensee's denial was denied by Region II, the licensee applied for the NOED. The NOED was formally issued on July 8, 1998, and an exigent license amendment is in preparation.

Callaway

On July 7, 1998, the NRC met with representatives from Union Electric Company (UE) to discuss the status of the NRC's review of UE's proposed technical specification amendment to allow the installation of electrosleeves in the Callaway Plant steam generators. In a May 20, 1998 letter to UE, in which the staff discussed concerns regarding UE's responsiveness to requests for information pertaining to the review, the staff indicated it was interested in meeting with UE to understand UE's plans relative to the electrosleeving amendment, including UE's views of the alternatives discussed in the letter. The staff has determined that to date, UE has not provided the technical basis required to approve the use of the electrosleeve technology, primarily due to problems of inspectability of the reactor coolant pressure boundary once the sleeves are installed. Representatives from Framatome Technologies, the developer of the electrosleeve process, and representatives from TVA (Sequoyah) and Duquesne Light (Beaver Valley) were also present and participated in the meeting. Duquesne Light has requested approval to install

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electrosleeves in the Beaver Valley steam generators and is working with UE and Framatome Technologies in addressing the staff's questions on this new technology.

UE indicated that it, as well as Duquesne Light, planned to pursue an alternative amendment that would limit the period of time electrosleeves would be installed and in service to two operating cycles while the issue of inspectability is being resolved. In addition to providing a supplement to the proposed amendment, specifically requesting the limited use of the electrosleeves, UE and Duquesne Light indicated that they will submit an updated topical report, which will fully respond to the staff's questions applicable to a two cycle amendment and include a risk assessment for a two cycle amendment. In addition, UE will provide an analysis of the root cause(s) of the quality assurance issues contained in the submittals provided to the staff for review, and the corrective actions taken to prevent recurrence. UE will include in the analysis, summaries of (1) the reports from the audits performed at Framatome Technologies, (2) UE and Framatome Technologies procedures that permitted the problems to occur, and (3) revised or new procedures that will prevent recurrence. Duquesne Light will also respond to the quality assurance issues as they apply to Framatome Technologies. UE and Duquesne Light indicated that the above information will be submitted to the staff for review by August 31, 1998.

To date, the Callaway Plant has been the lead plant pursuing approval for the installation of electrosleeves, with installation planned for Fall 1999. However, Duquesne Light indicated they would like to install electrosleeves in the Beaver Valley Unit 2 steam generators in early 1999. The utilities will notify the staff in the near future if a change in the lead plant will be made.

At the conclusion of the meeting, Framatome Technologies presented a summary of its efforts in pursuing techniques for inspection of the reactor coolant pressure boundary following installation of electrosleeves.

Lasalle Units 1 and 2

The NRC plant performance review panel met with Commonwealth Edison Company (ComEd) on July 1, 1998, to discuss the status of LaSalle County Station's restart plan. The NRC is meeting with ComEd approximately biweekly until the first unit is restarted. The licensee has stated that it will be ready to restart Unit 1 on July 28, 1998, and will reach 100 percent power in late August. At the July 1, 1998 meeting, the licensee stated that it

had completed the site readiness assessments including system readiness reviews, department readiness reviews, and regulatory program reviews. During the next few weeks, the licensee will complete testing, turnover of systems to operations, and corporate assessments. The NRC began its Restart Readiness Team Inspection on July 6, 1998, and is to be completed on July 17, 1998. All licensing actions required for restart have been issued. Before authorizing restart, the NRC must close the open 0350 items, close the CAL issues, and hold a public meeting with the licensee.

Management Changes

Niagara Mohawk Power Corporation has announced that Nicholas Paleologos will become the Plant Manager at Nine Mile Point Unit 2 (NMP2) on August 17, 1998. Paleologos is currently Executive Assistant to the President at the Institute of Nuclear Power Operations, and will be working at NMP2 through INPO's Loaned Employee program for two years. Paleologos, age 59, currently lives in Smyrna, Georgia. Kim Dahlberg, the acting NMP2 plant manager, will return to his duties as Vice President of Special Projects.

Office of Nuclear Material Safety and Safeguards
Items of Interest
Week Ending July 10, 1998

Meeting with Nuclear Energy Institute and Industry on Dry Cask Storage Issues

On July 1-2, 1998, Spent Fuel Project Office management and staff met with industry representatives at a Nuclear Energy Institute (NEI) sponsored meeting to discuss dry cask storage issues. The meeting, which was noticed and open to the public, was held at the Willard Inter-Continental Hotel in Washington, D.C., and was attended by approximately 120 individuals representing cask vendors, fabricators, utilities, and contractors. The meeting was held in a round table fashion and included opening remarks from Ralph Beedle, Senior Vice President of NEI. Topics included sessions on staff guidance to applicants on process and schedules, ASME Code implementation, accident analyses, thermal issues, cask stability and seismic considerations, failed fuel and retrievability issues, shielding issues and selective loading of casks (e.g., older fuel on the outside).

Presentation to the American Society for Quality

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On June 26, 1998, staff from the Spent Fuel Project Office (SFPO) gave a presentation to members of the Energy and Environmental Division of the American Society for Quality (ASQ). This division of ASQ is involved with the power production community. Most of the attendees were quality assurance (QA) managers from various power plants across the country. SFPO discussed the Nuclear Regulatory Commission's experience regarding the inspection of QA program implementation for radioactive material transportation cask certificate holders, independent spent fuel installation licensees, cask vendors, and cask fabricators. Recent inspection findings and related agency enforcement actions were also discussed.

Seminar on Radioactivity in the Scrap Recycling Process

On June 28-29, 1998, a representative from the Division of Industrial and Medical Nuclear Safety (IMNS) attended and delivered a presentation at a seminar on Radioactivity in the Scrap Recycling Process in Orlando, Florida. The IMNS presentation focused on information to assist scrap handlers in identifying products that may contain radioactive material before the products are shredded or melted. The presentation provided seminar participants with a general overview of the uses and industries that use radioactive material, visual clues that may indicate the presence of radioactive material, and pictures of typical sources and devices containing radioactive material.

The Institute of Scrap Recycling Industries presented the seminar to provide participants with an understanding of the dangers involved with radioactive material and the fundamentals of detecting, identifying, and dealing with radioactive materials that enter the scrap recycling process. Other presentations included an overview of present and future regulations in this area, case studies of incidents where scrap recyclers breached radioactive sources (one in Goiania, Brazil, and one in Reading, Pennsylvania), and training sessions in radioactivity and radiation detection. Approximately sixty participants and presenters attended the seminar, including representatives from the Department of Energy, the Environmental Protection Agency, the Pennsylvania Department of Environmental Protection, steel manufacturing plants, radiation monitoring equipment manufacturers, and health physics consultants.

Center for Nuclear Waste Regulatory Analyses' Software Wins Industry Award

R&D Magazine selected the 3DSTRESS software developed at the Center for Nuclear Waste Regulatory Analyses (CNWRA) as one of

the year's 100 most technologically significant products. This is a prestigious distinction in the research and development industry. CNWRA developed 3DSTRESS as a tool for analyzing the tendency for fractures or faults to shear (slip) or dilate (increase aperture) in support of the Nuclear Regulatory Commission's (NRC) high-level waste program. The code enables the visualization of the results using color-coding of the planes of failure. NRC and CNWRA staff are using 3DSTRESS to evaluate site conditions at the proposed high-level waste repository at Yucca Mountain. NRC staff may access the code via the Computerized Risk Assessment and Data Analysis Lab (go to internal NRC home page - click Program offices/NMSS/CRADAL/software).

Texas Hearing Judges Recommend Denial of Sierra Blanca Low-Level Waste Disposal Facility License Application

On July 7, 1998, the two administrative law judges who presided over the hearing for the Texas low-level waste (LLW) disposal facility in Sierra Blanca, Texas, recommended that the application be denied. They found that two of the seventeen areas examined in the hearing did not have sufficient information in the application. The two areas are the characterization of a fault directly beneath the site, and the potential negative socioeconomic impacts from the facility. The findings in the other areas were favorable, including a finding on the need for the facility. The judges findings will be forwarded to the Texas Natural Resources Conservation Commission (TNRCC), the organization that implements the Nuclear Regulatory Commission Agreement State program in Texas for LLW facility licensing. The TNRCC may issue a final decision granting or denying the application, or remand the application to the judges to obtain more information from the applicant.

Nuclear Regulatory Commission Staff's Preliminary Comments on the Department of Energy's Total System Performance Assessment Associated with the Viability Assessment for the Proposed Geologic Repository at Yucca Mountain, Nevada

In a letter dated July 6, 1998, Division of Waste Management staff transmitted its comments on the Department of Energy's (DOE's) approach to developing its total system performance assessment that will support the Viability Assessment (TSPA-VA). A series of three technical exchanges held over the last year provided Nuclear Regulatory Commission (NRC) staff with the opportunity to understand DOE's approach to modeling system performance at Yucca Mountain. In addition, these exchanges allowed the staff to receive feedback from DOE and other affected

parties on its approach to conducting independent evaluations of system performance for the proposed Yucca Mountain facility. The overall objective of these technical exchanges was to facilitate the staff's eventual review of DOE's formal TSPA-VA. Latest indications are that DOE expects to complete the VA and transmit it to the Secretary of Energy in September 1998. DOE has indicated that it will provide NRC staff access to a near final draft of the TSPA-VA in the July-August time frame.

Using opportunities provided by the technical exchanges to review the TSPA-VA as DOE develops it, the staff identified a number of concerns with the approach which were noted informally at the meetings and subsequently transmitted to DOE in the July 6, 1998, letter. Because there is no explicit statutory requirement for NRC to review DOE's VA, the reason for having these exchanges and providing comments to DOE is to identify potential licensing vulnerabilities. It is expected that DOE would address these comments in assessments undertaken to identify activities needed to support a defensible license application, assessments that will be included as part of the VA. Specific concerns identified by the staff included the absence of information on why certain radionuclides were screened out of the analysis used to calculate doses; the need to provide the technical basis for assuming long-term performance of waste package materials; the apparent use of optimistic assumptions in modeling flow and transport of radionuclides that result in substantial delays in the arrival of contamination at the receptor location; and concerns related to procedural issues including how the results of formal expert elicitations are incorporated into the TSPA.

Both NRC and DOE staff believe that the technical exchanges were very productive. Further, it is believed that the exchange of information early in the developmental stages of the VA will prevent major misunderstandings about DOE's approach and expedite NRC staff's eventual review.

Training at Savannah River

During July 6-10, 1998, staff from the Division of Fuel Cycle Safety and Safeguards attended a training course and plant tour at the Department of Energy's (DOE's) Defense Waste Processing Facility (DWPF) at DOE's Savannah River Site (SRS). This training was hosted by DOE's SRS to train the DOE Regulatory Unit staff from Hanford on the DWPF high-level waste vitrification technology and operating experience. Under an interagency memorandum of understanding, the Nuclear Regulatory Commission (NRC) has been assisting DOE's Regulatory Unit, during the first phase of the Hanford Tank Waste Remediation Systems

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Privatization, in its efforts to develop a regulatory program consistent with the regulatory concepts and principles of NRC in anticipation of a possible future transition of regulatory authority from DOE to NRC.

Management Meetings at Nuclear Fuel Services, Inc.

On July 9, 1998, representatives from the Division of Fuel Cycle Safety and Safeguards attended a management meeting at Nuclear Fuel Services (NFS), Inc., which was requested by the Nuclear Regulatory Commission. At this meeting, which is open to the public, NFS discussed the status of its Performance Management Program. This program was initiated in response to a May 1996 incinerator fire and seeks to define and improve existing management control systems, and subsequently audit system performance.

Nuclear Material Reporting

On July 9, 1998, staff from the Division of Fuel Cycle Safety and Safeguards (FCSS) met with a representative of the Nuclear Energy Institute (NEI) to discuss nuclear material reporting issues. The NEI representative was interested in why the Nuclear Regulatory Commission requires a twice a year submittal of the material balance report. During the discussion, FCSS staff noted that a recent internal review of nuclear material reporting requirements recommended that the subject twice a year report be modified to once a year. FCSS staff also noted to NEI that another recommendation from the internal review is to clarify that the reporting of the plutonium content in spent fuel is to occur only at the time the spent fuel is discharged from the reactor. Changes to the reporting requirements to incorporate these recommendations will be pursued through rulemaking. The NEI representative was very pleased with the information staff provided and noted that NEI would relay this information to the power reactor operators at a meeting later this month.

Office of Nuclear Regulatory Research
Items of Interest
Week Ending July 10, 1998

RES Public Meeting on Evaluating Monitoring Strategies for the
Unsaturated Zone

RES staff, in consultation with NMSS staff, organized a one-day public meeting in the NRC Headquarters Auditorium on July 9th to present important research findings to the NRC staff, Agreement State regulators, other Federal Agencies, DOE national laboratory scientists and the public. The research study, developed in response to an NMSS user need statement, field tested four different monitoring strategies related to subsurface flow and transport above the water table. The research study originally focused on low-level waste facility and site reviews, was later extended to incorporate decommissioning site issues. The research results provide technical bases for review of monitoring programs which may be required at decommissioning sites involving restrictions to ensure stabilized waste conditions. The research presentation, "Evaluating Monitoring Strategies for the Unsaturated Zone: Lessons Learned at the Maricopa Field Site" was made by Dr. Peter J. Wierenga, Dr. Art Warrick, Dr. Michael Young and Mr. Lon Hoffman from the University of Arizona's Department of Soil, Water and Environmental Sciences. The research findings focused on: monitoring strategies and components tested; description of the Maricopa field site and water application experiments conducted over a range of saturations; performance measures addressed in the field testing; advantages and disadvantages of the monitoring systems tested including reliability and durability; statistical tools available for analyzing the various monitoring datasets; and costs related to emplacement and servicing of the monitoring systems tested. The public meeting was well attended with over 50 scientists and engineers from the U.S. Geological Survey, DOE, EPA, Agricultural Research Service, DOE national laboratories, the CNWRA, Agreement States, private consulting firms, and RES, NRR and NMSS staff. Research results including the lessons learned presented at this public meeting will be documented in two NUREG/CR's to be available in the Fall.

Office of Administration
Items of Interest
Week Ending July 10, 1998

Acquisition training

On July 9, 1998, the Division of Contracts and Property Management conducted its Acquisition for Project Managers module, "Developing Proposal Evaluation Criteria." This module focuses on the importance of developing appropriate technical evaluation factors for a procurement action and the relationship of technical and cost evaluation.

External Regulation of DOE Facilities

During the week of July 20, 1998, DFS will participate in the NRC's pilot program for the external oversight of DOE facilities. A DFS representative will be part of the NRC team that will inspect the Receiving Basin for Offsite Fuel (RBOF) located at DOE's Savannah River site to evaluate what changes or additions may be necessary if RBOF had to be in compliance with NRC regulations for the protection of classified matter.

Garage Repair Project

At NRC's request GSA has placed the One White Flint Garage Repair project on hold. ADM plans to complete negotiations for additional repair work identified during a recent "re-mapping" of the garage prior to initiating work. We expect that the project start date will be delayed two weeks to complete negotiations.

Chief Information Officer
Items of Interest
Week Ending July 10, 1998

Freedom of Information and Privacy Act Requests Received during
the 4-Day Period of June 03, 1998 - July 10, 1998:

Millstone, Dow Corning RTV fire barrier seals. (FOIA/PA-98-266)

Calvert Cliffs, 20-yr extension license renewal request for
licenses DPR-53 & DPR-69 dated 4/8/98. (FOIA/PA-98-267)

Vacancy Announcement 9860015, Licensing Assistant.
(FOIA/PA-98-268)

Mailing list, NRC publications, electronic format.
(FOIA/PA-98-269)

Dry cask storage, 4/6/98 letter from Norrby & Engstrom, Swedish
Nuclear Power Inspectorate. (FOIA/PA-98-270)

Site 170 W. Providencia Ave., Burbank, CA, all correspondence
related to. (FOIA/PA-98-271)

Mid-American Interconnected Network, NRC '97 report regarding
evaluation of reliability of the electric grid and offsite power
to nuclear plants. (FOIA/PA-98-272)

OI reports related to alleged discrimination, 5-93-023 and 5-93-
023R. (FOIA/PA-98-273)

Millstone, Northeast Nuclear Energy Co., correspondence to/from
NRC 6/17/98 through 6/29/98. (FOIA/PA-98-274)

SRM ComSecy 98-005, Systematic Review of the Commission's
Internal Procedures. (FOIA/PA-98-275)

IMPAC list. (FOIA/PA-98-276)

Office of Human Resources
Items of Interest
Week Ending July 10, 1998

Departures		
DOLAN, Maria	POLICY & PROGRAM DEV SPEC	HR
POOLE, Sandra	SECRETARY	RII

Office of Public Affairs
Items of Interest
Week Ending July 10, 1998

Media Interest

The Associated Press is preparing a detailed story on the Davis-Besse tornado event.

The Cleveland Plain Dealer has run a series of articles on allegations

Five reporters attended the AIT exit meeting and press conference at WNP-2, which included a telephone interview with National Public Radio and a television reporter.

Press Releases	
Headquarters:	
98-112	NRC Order to Pennsylvania Power & Light Confirms Fire Barrier Corrective Actions at Susquehanna Units
98-113	Note to Editors: ACRS meeting postponement
98-114	NRC Advisory Committee on Reactor Safeguards to Meet in Atlanta July 29
98-115	Commission to Meet With Stakeholders July 17
98-116	Chairman to be Inducted Into National Women's Hall of Fame
98-117	Note to Editors: ACRS meeting
98-118	NRC Order to the Virginia Power Confirms Fire Barrier Corrective Actions at Surry Units 1 and 2
Regions:	
I-98-77	Note to Editors: Calvert Cliffs meeting
I-98-78	Duke Engineering & Services to Brief NRC Staff on Region I Work
I-98-79	NRC Proposes \$110,000 Civil Penalty Against Consolidated Edison for Testing, Repair Violations at Indian Point 2 Nuclear Plant
I-98-80	NRC Issues \$55,000 Civil Penalty Against Peco Energy Company for Violations Involving Ineffective Valve Repairs at Limerick

II-98-50	NRC Names New Senior Resident Inspector at Hatch Nuclear Power Plant
III-98-41	NRC Staff to Hold Predecisional Enforcement Conference on Possible Operator Examination Violation at Dresden Plant
III-98-42	NRC Staff to Meet With Public to Discuss Future Dresden Unit 1 Decommissioning Activities
IV-98-28	NRC Inspection Team to Meet With WNP-2
IV-98-29	NRC to Meet With Washington Public Power Supply System to Discuss Apparent Violation at WNP-2

Office of the Secretary
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Documents Released to Public	Date	Subject
Decision Documents		
1. SRM on Secy-98-127	7/9/98	Draft Proposed Policy Statement on the Medical Use of Byproduct Material
Commission Voting Record on 98-127	7/9/98	(same)
2. SECY-98-051	3/16/98	Guidance Support of Final Rule on Radiological Criteria for License Termination
SRM on 98-051	7/8/98	(same)
Commission Voting Record on 98-051	7/8/98	(same)
Information Papers		
1. SECY-98-161	7/1/98	The Westinghouse AP600 Standard Design as it Relates to the Fire Protection and the Spent Fuel Pool Cooling Systems
2. SECY-98-147	6/25/98	Weekly Information Report - Week Ending June 19, 1998
Memoranda		
1. M980630B	7/9/98	Staff Requirements - Briefing on Performance Assessment Progress in HLW, LLW, and SDMP, Tuesday, June 30, 1998
2. M980630A	7/10/98	Staff Requirements - Meeting with Commonwealth Edison, Tuesday, June 30, 1998

Commission Correspondence

No Commission Correspondence was released to the public this week.

Federal Register Notices Issued

1. Advisory Committee on Reactor Safeguards; Subcommittee Meeting on Reliability and Probabilistic Risk Assessment; July 17, 1998, Meeting Postponed.
2. Advisory Committee on Reactor Safeguards; Subcommittee Meeting on Safety Research Program; Notice of Meeting on July 17, 1998.
3. Conam Inspection, Inc.; Docket No. 30-31373-CivP; Notice of Evidentiary Hearing (September 14-18, 1998).

Region I
Items of Interest
Week Ending July 10, 1998

Calvert Cliffs

On July 9, 1998, Region I closed out the Confirmatory Action Letter that dealt with actions the licensee committed to take to acceptably control high-risk radiological work activities during the past outage.

Pre-Decisional Enforcement Conference With Professional Quality Testing, Inc.

On July 7, 1998, Region I conducted a predecisional enforcement conference with Professional Quality Testing, Inc. During an inspection on March 24 and May 27, 1998, three apparent violations were identified concerning the security of licensed material and the storage of material and maintenance of records at an unlicensed site. The licensee described the circumstances surrounding the occurrence of the security violations and the corrective actions taken. These were apparent repeat violations. The licensee reportedly mailed an amendment request to NRC subsequent to the previous inspection to add the unlicensed site to the license, but the request was never received by NRC. The licensee continued operations under the assumption that the NRC had acted favorably on the request.

Washington Hospital Center Update

A follow-up inspection was conducted June 29 - July 2, 1998 to examine the licensee's progress regarding commitments made in a Confirmatory Action Letter (CAL) issued March 2, 1998 and other aspects of the licensed program including waste handling and management oversight of the Radiation Safety Program. The CAL remains open pending resolution of resource issues.

Altoona Hospital

An NOV and \$2750 Civil Penalty (CP) were issued May 14, 1998. The licensee responded by paying the CP but contested one SL IV violation for failure to secure licensed materials. The staff is reviewing the licensee's request to withdraw the violation.

Region II
Items of Interest
Week Ending July 10, 1998

Duke Power Company - Oconee

On July 7, the Regional Administrator along with Region II and NRR staff was at the Oconee Nuclear Station to attend management meetings to discuss NRC Management Oversight Group (MOG) issues and to receive an update on the Oconee Recovery Plan. During plant tours, substantial improvements in plant housekeeping were noted. The licensee projected completion of the Recovery Plan at the end of 1998.

Duke Power Company - Catawba and McGuire

On July 8, representatives of Duke Power Company and the Catawba and McGuire Power Plants met with the Regional Administrator and NRC staff to discuss Duke's program for maintenance and testing of ice condensers. The meeting was open to the public and was observed by representatives of other licensees with ice condenser containments.

Nuclear Fuel Services, Inc.

The Regional Administrator, accompanied by the NMSS Director, Division of Nuclear Materials Safety, met with Nuclear Fuel Services, Inc. in Erwin, Tennessee on July 9 to discuss the Performance Management Program and the Naval Fuel Project schedule.

On July 9, the NRC readiness inspection for startup of the down blending of high enriched uranium was completed. The licensee plans initial system operations following completion of remaining testing.

Southern Nuclear Operating Company, Inc. - Hatch

Representatives from Southern Nuclear Operating Company, Inc. were in the Regional Office on July 9 to present a Hatch self-assessment to Regional and NRR staff. The licensee discussed its achievements, challenges, and major initiatives during the SALP period. They also discussed planned investments into the facility in preparation for potential license renewal.

Region III
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Predecisional Enforcement Conference with Commonwealth Edison
Company - Dresden

On July 7, 1998, a Predecisional Enforcement Conference was conducted in the Region III Office, Lisle, Illinois, between management representatives from Commonwealth Edison Company and members of the NRC staff. The conference was conducted to discuss an apparent programmatic problem with the utility's overall security of materials related to an NRC reactor operation examination at the Dresden Nuclear Power Station.

Management Meeting with American Electric Power Company - D. C.
Cook

On July 9, 1998, a management meeting was conducted at the Training Building at the D.C. Cook Nuclear Power Plant, Bridgeman, Michigan, between management representatives from American Electric Power Company and members of the NRC staff. The meeting discussed the status and effectiveness of performance improvement activities implemented as part of the D.C. Cook plant's restart plans. The utility presented its restart schedule for Unit 1 to the NRC at the meeting. The utility indicated that proposed maintenance activities will extend into late October, followed by a three to six week unit heat-up and start-up period.

Region IV
Items of Interest
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WNP-2 Augmented Inspection Team Exit Meeting

The Regional Administrator and Team Leader for the Augmented Inspection Team (AIT) conducted a public exit meeting and press conference at the WNP-2 site on July 8, 1998. The AIT was in response to the June 17, 1998 fire main rupture that flooded two ECCS equipment rooms

Management Meeting with Omaha Public Power District

On July 10, 1998, Region IV conducted a meeting with the staff and management of the Omaha Public Power District (OPPD) at the Fort Calhoun site. This meeting was held to discuss proposed changes to the switchyard at the facility, which are being planned to improve the reliability of the transmission network in the Mid-Continent Area Power Pool (MAPP). The licensee provided information related to the scope, schedule, potential risk, and regulatory implications of the project.

San Onofre Fuel Fabrication Problems

On July 7, 1998, Southern California Edison (SCE) issued a Stop Work Order to ABB for fuel fabrication activities involving fuel bundles being fabricated for San Onofre Unit 2. The welding was being performed at the Windsor, Connecticut, facility, although some of the components had been shipped to the Hematite, Missouri, facility for assembly before the problem was identified.

In May 1998, ABB identified stainless steel contamination of the support welds on the zircaloy grids. This contamination raised questions relative to the integrity of the welds. SCE personnel performed an independent review of ABB's findings and resolution of the matter. ABB had classified the contamination as light, moderate, or heavy, based on subjective criteria; subsequently, objective criteria for the classifications were developed, but ABB did not confirm that the earlier classifications were accurate when the objective criteria were applied. SCE personnel determined that a large percentage of the grids had not been correctly classified by ABB and contained more contamination than reflected by the ABB classification. ABB had intended to proceed with its evaluation based on the old classifications. As a result of these classification discrepancies, SCE expressed a lack of confidence in ABB's QC program and issued the Stop Work Order.

The bundles being fabricated are designated for loading into San Onofre Unit 2 during the January 1999 refueling outage. To

resolve this situation, SCE will: (1) evaluate ABB's proposed acceptance criteria for the contaminated welds, (2) evaluate ABB's proposed repair plan for unacceptable welds, and (3) welds, make a decision on the disposition of the 20 loaded fuel assemblies presently at Hematite.

Region IV has informed the Quality Assurance, Vendor Inspection, and Maintenance Branch of this situation and provided copies of the documentation transmitted by the SRI for possible generic implications.

Presentation of SALP Results to Pacific Gas and Electric Company

The Deputy Regional Administrator, along with members of the Region IV and NRR staffs, met with the Pacific Gas and Electric Company on July 8, 1998, in San Luis Obispo, California. During the meeting, the NRC presented the results from the recently issued systematic assessment of licensee performance report for the Diablo Canyon Power Plant.

Office of Congressional Affairs
 Items of Interest
 Week Ending July 10, 1998

CONGRESSIONAL HEARING SCHEDULE, <u>NO. 22</u>					
OCA Contact	DATE & PLACE	TIME	WITNESS	SUBJECT	COMMITTEE
Keeling	07/14/98 419 DSOB	10:00	Dept of State, KEDO	Nuclear Framework in Korea	Senators Helms/Biden Foreign Relations
Gerke	07/14/98 2154 RHOB	2:00	GAO, GSA, NIH, NAS	Use of advisory committees by executive branch	Reps. Horn/ Kucinich Gov't Mgmt, Info & Technology Government Reform & Oversight
Gerke	07/15/98 342 DSOB	10:00	Markup	S. 314, requiring Fedl Gov't to procure certain goods & services; S. 2228, FACA	Senators Thompson/Glenn Governmental Affairs
Gerke	07/16/98 2247 RHOB	9:00	Markup	Civil Service Reform Legislation	Reps. Mica/Cummings Civil Service Government Reform & Oversight
Madden	07/30/98 TBA	9:00	Commission	Oversight of Nuclear Regulatory Commission	Senators Inhofe/Graham Clean Air, Wetlands, Private Property And Nuclear Safety Environment and Public Works