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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

December 6, 1999

CHAIRMAN

The Honorable Christopher J. Dodd, Vice Chairman
Special Committee on the Year 2000
Technology Problem
United States Senate
Washington, D.C. 20510-6486

Dear Mr. Vice Chairman:

I am responding to your letter of November 30, 1999, asking for information about Year 2000 (Y2K) readiness at the Millstone Nuclear Power Station. You specifically asked for information on the postponement of the biennial full-participation emergency preparedness exercise and the conduct of Y2K drills and other safety drills at Millstone. The Commission appreciates your concerns regarding Y2K readiness. We would like to note, however, that the biennial full-participation emergency exercises are not intended to directly address Y2K issues. Preparations for Y2K have included separate contingency plans and drills.

Regarding the Millstone full-participation emergency preparedness exercise, the basis for granting the exemption to conducting this exercise in September 1999 is provided in detail in Enclosure 1, "Exemption Notice" published in the *Federal Register* on October 20, 1999 (64 FR 56522). The licensee sought the exemption in response to a request by the U.S. Nuclear Regulatory Commission (NRC), supported by the Federal Emergency Management Agency (FEMA), during a December 1998 emergency preparedness planning meeting to reschedule a number of full-participation exercises over the next several years. The NRC's request was based on the need to level the use of Federal resources between years. The Federal resources include NRC and FEMA personnel required to observe and assess both onsite and offsite emergency preparedness exercises. Several licensees agreed to reschedule their full-participation exercises, including Northeast Nuclear Energy Company (NNECO), the licensee for Millstone. NNECO agreed to change the date for Millstone's full-participation exercise from September 1999 until March 2000. Even though the full-participation exercise was delayed, it will be conducted in a time frame that is within NRC guidelines. To be clear, the scheduling of the full participation emergency preparedness exercise is a decision made independent of the Y2K issues. Individual scenarios are developed for each exercise of this type and, even if held prior to January 1, 2000, there is no guarantee that the exercise scenario would have included specific Y2K related challenges.

The licensee recently conducted two drills to ensure that the effectiveness of emergency planning for Millstone was maintained. The first was a self-evaluated drill in September 1999 of the onsite emergency plan; offsite agencies in Connecticut participated as a training activity for their responders. This drill was observed by the NRC resident inspectors. The resident inspectors noted that the licensee's evaluation of this drill was thorough and identified both positive and negative findings. The NRC has confirmed that the licensee has entered the negative findings into its corrective action program for resolution. These findings do not have a significant impact on the licensee's Y2K readiness and contingency plans. The second was a drill conducted by the licensee in October 1999 for State and local responders. Although NRC

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and FEMA did not participate, these drills exercised the licensee's emergency planning procedures and provided for training of emergency response personnel, including Connecticut's off-site agencies. The Millstone licensee has conducted other drills and exercises; a summary of emergency planning drills and exercises, based on information provided by the licensee, is provided in Enclosure 2.

Regarding contingency planning and Y2K drills and exercises, nuclear power plant licensees, including NNECO, have taken steps, both through planning and drills as described below, to be prepared to respond to Y2K events. In addition to the efforts to achieve Y2K readiness, the industry and the NRC recognized that there is a need for effective contingency planning for reducing the risks associated with Y2K-related events. The Y2K contingency plans and drills help ensure that sufficient resources are identified and help guide decision making. The Y2K contingency plans supplement existing procedures for response to off-normal situations and response plans that deal with a myriad of potential plant problems and, in some cases, include involvement of State and local response organizations. Plant operators are trained to deal with potential emergencies, and these time-tested existing contingency plans are in place to deal with plant problems whether or not they are triggered by a Y2K event.

Licensees developed Y2K contingency plans based on an NRC staff-approved Y2K contingency planning document issued by the Nuclear Energy Institute (NEI) in August 1998 (NEI/NUSMG 98-07, "Nuclear Utility Year 2000 Readiness Contingency Planning"). As part of the risk management strategy, the NEI document makes recommendations for walk-throughs, inspections, drills, and simulations. As part of its onsite review of Millstone Y2K readiness activities, completed June 18, 1999, NRC inspectors independently confirmed licensee implementation of the NEI/NUSMG guidelines. NNECO reported that the Millstone facility was Y2K ready on June 29, 1999. Readiness included shared systems with Millstone Unit 1 which has ceased operation and has fuel permanently removed from the vessel. The Millstone licensee has trained its staff on Y2K preparedness and participated in two Y2K drills. A summary of Millstone Y2K drills, based on information given to the NRC by the licensee, appears in Enclosure 3.

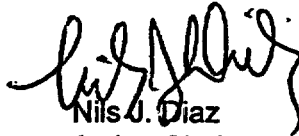
As the Commission indicated in its letter of November 15, 1999, all nuclear power plants are Y2K-ready. The NRC recognizes that Y2K issues continue to be of widespread public concern as the Year 2000 approaches. On the basis of the completion of plant-specific Y2K programs that identified and remediated potential Y2K problems, the NRC is confident that licensees have addressed Y2K issues at nuclear power plants. The NRC will continue its oversight of nuclear power plant licensee Y2K-readiness efforts in order to ensure safe operation of these facilities throughout 1999, 2000, and beyond.

C. Dodd

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Please contact me if you have any additional questions on this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Nils J. Diaz".

Nils J. Diaz
Acting Chairman

- Enclosures: 1. Exemption Notice (64 FR 56522)
2. 1999 Millstone Station Emergency Planning Drills
3. Millstone Station Y2K Drills

cc: Senator Robert F. Benentt

contention will not be permitted to participate as a party.

Those permitted to intervene become parties to the proceeding, subject to any limitations in the order granting leave to intervene, and have the opportunity to participate fully in the conduct of the hearing, including the opportunity to present evidence and cross-examine witnesses.

A request for a hearing or a petition for leave to intervene must be filed with the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Rulemakings and Adjudications Staff, or may be delivered to the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, by the above date. A copy of the petition should also be sent to the Office of the General Counsel, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, and to Mr. Mark J. Wetterhahn, attorney for the licensee.

Nontimely filings of petitions for leave to intervene, amended petitions, supplemental petitions and/or requests for hearing will not be entertained absent a determination by the Commission, the presiding officer or the presiding Atomic Safety and Licensing Board that the petition and/or request should be granted based upon a balancing of the factors specified in 10 CFR 2.714(a)(1)(i)-(v) and 2.714(d).

If a request for a hearing is received, the Commission's staff may issue the amendment after it completes its technical review and prior to the completion of any required hearing if it publishes a further notice for public comment of its proposed finding of no significant hazards consideration in accordance with 10 CFR 50.91 and 50.92.

For further details with respect to this action, see the application for amendment dated October 16, 1998, as supplemented by letters dated December 30, 1998; May 10, June 15, July 30, August 2, 11, 16, 19, 27, September 10, and 30, 1999, which are available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and at the local public document room located at the Reference and Documents Department, Penfield Library, State University of New York, Oswego, New York 13126.

Dated at Rockville, Maryland, this 14th day of October, 1999.

For the Nuclear Regulatory Commission.
Darl S. Hood, Sr.,
Project Manager, Section 1, Project Directorate I, Division of Licensing Project Management, Office of Nuclear Reactor Regulation.
[FR Doc. 99-27364 Filed 10-19-99; 8:45 am]
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NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50-245, 50-336 and 50-423]

Northeast Nuclear Energy Company, et al. (Millstone Nuclear Power Station, Unit Nos. 1, 2, and 3); Exemption

I

Northeast Nuclear Energy Company, et al. (NNECO or the licensee) is the holder of Facility Operating License Nos. DPR-21, NPF-65, and NPF-49, which authorize operation of the Millstone Nuclear Power Station, Units 1, 2, and 3 (Millstone or the facilities). The facilities consist of two pressurized-water reactors (Units 2 and 3) licensed for operation and one boiling-water reactor (Unit 1) that is being decommissioned, located at the licensee's site in New London County, Connecticut. The licenses provide, among other things, that the licensee is subject to all rules, regulations, and orders of the U.S. Nuclear Regulatory Commission (NRC or the Commission) now or hereafter in effect.

II

Section IV.F.2.c of Appendix E to 10 CFR part 50 requires each licensee at each site to conduct an exercise of offsite emergency plans biennially with full participation by each offsite authority having a role under the plan. During such biennial full-participation exercises, the NRC evaluates onsite and the Federal Emergency Management Agency (FEMA) evaluates offsite emergency preparedness activities. NNECO successfully conducted a full-participation exercise during the week of August 21, 1997. By letter dated August 3, 1999, the licensee requested an exemption from Sections IV.F.2.c of Appendix E regarding the conduct of a full-participation exercise in September 1999. The licensee will conduct the Federally observed full-participation emergency exercise before the end of March 2000 rather than September 1999. Future full-participation exercises will be scheduled biennially from the year 2000. The NRC has provided flexibility in scheduling these exercises by allowing licensees to schedule full-participation exercises at any time during the biennial calendar year. This

provides a 12 to 36 month window to schedule full-participation exercises while still meeting the biennial requirement specified in the regulations. Conducting the Millstone full-participation exercise in calendar year 2000 places the exercise past the previously scheduled biennial calendar year of 1999. This one-time change in the exercise schedule would increase the interval between full-participation exercises in this one instance from the previously scheduled 25 months to 31 months, which is within the time span normally accepted for biennial exercises.

The Commission, pursuant to 10 CFR 50.12(a)(1), may grant exemptions from the requirements of 10 CFR part 50 that are authorized by law, will not present an undue risk to public health and safety, and are consistent with the common defense and security. The Commission, however, pursuant to 10 CFR 50.12(a)(2), will not consider granting an exemption unless special circumstances are present. Under 10 CFR 50.12(a)(2)(ii), special circumstances are present when application of the regulation in the particular circumstances would not serve the underlying purpose of the rule or is not necessary to achieve the underlying purpose of the rule. Under 10 CFR 50.12(a)(2)(v), special circumstances are present whenever the exemption would provide only temporary relief from the applicable regulation and the licensee or applicant has made good faith efforts to comply with the regulation.

III

The staff has completed its evaluation of NNECO's request for an exemption and proposed compensatory measures that will be taken to maintain the level of emergency preparedness at Millstone between September 1999 and March 2000. Compensatory measures include the conduct of a self-evaluated drill in September 1999 in accordance with 10 CFR part 50, appendix E, section IV.F.2.b of the onsite emergency plan to which offsite agencies in Connecticut and New York have been invited to participate as a training activity for their responders. Further, the licensee plans an additional drill in October 1999 for State and local responders. The underlying purpose for conducting a biennial full-participation exercise is to ensure that emergency organization personnel are familiar with their duties and to test the adequacy of emergency plans. The intent of this requirement will be met by conducting these two scheduled drills, one of which is specifically for offsite response

organizations. These drills are in excess of what the regulation requires and provide a benefit by allowing more opportunities for training of response personnel. The staff considers that these measures are adequate to maintain an acceptable level of emergency preparedness during this period, satisfying the underlying purpose of the rule. Therefore, the special circumstances of 10 CFR 50.12(a)(2)(ii) are satisfied.

Only temporary relief from the regulation is provided by the requested scheduler exemption since an exercise will be conducted at a future date. The licensee has made a good faith effort to comply with the regulation. The exemption is being sought by the licensee in voluntary response to a request by the NRC to accommodate an adjustment in exercise scheduling that affects multiple agencies, as discussed during the annual NRC Region I and FEMA (Regions I, II, and III) exercise scheduling meeting held in White Plains, New York, in December 1998. At this meeting, representatives of the States of Connecticut and New York concurred with rescheduling the NRC/FEMA evaluated exercise for the Millstone site. The revised exercise schedule allows for better balance in the use of federal resources. The exercise will be conducted in a time frame that is within generally accepted policy. In FEMA's letter to the NRC dated July 14, 1999, FEMA Region I and FEMA Headquarters concurred with the change in exercise date. Also, NRC Region I, who would be involved in evaluating the onsite activities during these exercises, supported the schedule change due to the need to relieve resource demands. The staff, having considered the schedule and resource issues within FEMA and the NRC, and the proposed licensee compensatory measures, believes that the exemption request meets the special circumstances of 10 CFR 50.12(a)(2)(v) and should be granted.

IV

The Commission has determined that, pursuant to 10 CFR part 50, appendix E, this exemption is authorized by law, will not endanger life or property or the common defense and security, and is otherwise in the public interest. Further, the Commission has determined, pursuant to 10 CFR 50.12(a), that special circumstances of 10 CFR 50.12(a)(2)(ii) and 10 CFR 50.12(a)(2)(v) are applicable in that application of the regulation is not necessary to achieve the underlying purpose of the rule, and the exemption would provide only temporary relief from the applicable regulation and the

licensee has made good faith efforts to comply with the regulation. Therefore, the Commission hereby grants the exemption from Section IV.F.2.c of Appendix E to 10 CFR part 50.

Pursuant to 10 CFR 51.32, the Commission has determined that the granting of this exemption will have no significant impact on the quality of the human environment (64 FR 50840). This exemption is effective upon issuance.

Dated at Rockville, Maryland, this 14th day of October, 1999.

For the Nuclear Regulatory Commission.

John A. Zwolinski,

Director, Division of Licensing Project Management, Office of Nuclear Reactor Regulation.

[FR Doc. 99-27365 Filed 10-19-99; 8:45 am]

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NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50-272 and 50-311]

Public Service Electric and Gas Company, Salem Nuclear Generating Station, Unit Nos. 1 and 2; Environmental Assessment and Finding of No Significant Impact

The U.S. Nuclear Regulatory Commission (the Commission) is considering issuance of amendments to Facility Operating License Nos. DRP-70 and DRP-75, issued to Public Service Electric and Gas Company (the licensee) for operation of the Salem Nuclear Generating Station, Unit Nos. 1 and 2, located in Salem County, New Jersey.

Environmental Assessment

Identification of the Proposed Action

The proposed action would make administrative and editorial changes to correct errors in the Technical Specifications (TSs) that have either existed since initial issuance or were introduced during subsequent changes. In addition, surveillance requirements would be added that should have been incorporated within the TSs when the applicable amendment to the TSs was approved by the NRC.

The proposed action is in accordance with the licensee's application for amendment dated November 14, 1997, as supplemented by letter dated August 25, 1999.

The Need for the Proposed Action

The proposed action would correct administrative and editorial errors in the TSs. These changes can generally be described as:

- a. Revisions to the index to reflect correct page numbers of corresponding sections,
- b. Revisions to the section titles used in the TS sections, Bases, and Tables, as well as the correction and addition of subtitles to obtain standardization between both Salem units' TSs,
- c. Revision to the TS references that refer to other TS sections and tables to either provide the correct reference or to provide more specificity by reference to actual subsections,
- d. Spelling and grammatical corrections such as elimination of duplicate or extraneous words, proper pluralization, more standard abbreviations,
- e. Renumbering of TS Tables,
- f. Capitalize terms found in TS 1.0 when used in other TS sections,
- g. Add units of measure that were missing from acceptance criterion,
- h. Other administrative changes.

The proposed action would also revise various surveillance requirements for instrumentation such as including the correct operational mode applicability and adding channel functional tests and channel checks that should have been incorporated when prior amendments were issued.

Environmental Impacts of the Proposed Action

The Commission has completed its evaluation of the proposed action and concludes that the administrative and editorial changes correct errors that currently exist in the TSs and add surveillance requirements that should have been included in prior amendments. The proposed action does not modify the facility or affect the manner in which the facility is operated. Further, the addition of missing surveillance requirements would better demonstrate the operability of the affected plant components.

The proposed action will not increase the probability or consequences of accidents, no changes are being made in the types of any effluents that may be released off site, and there is no significant increase in occupational or public radiation exposure. Therefore, there are no significant radiological environmental impacts associated with the proposed action.

With regard to potential non-radiological impacts, the proposed action does not involve any historic sites. It does not affect non-radiological plant effluents and has no other environmental impact. Therefore, there are no significant non-radiological environmental impacts associated with the proposed action.

1999 MILLSTONE STATION EMERGENCY PLANNING DRILLS

DRILL TITLE	DATE(S)	PARTICIPATING ORGANIZATIONS	REMARKS
Post Accident Sample System Drill	3/30	Limited Site Emergency Response Organization (SERO)	Test the capability of SERO personnel to retrieve liquid or gaseous samples under simulated accident conditions.
Post Accident Sample System Drill	4/02	Limited SERO	Evaluate the capability of SERO personnel to retrieve liquid or gaseous samples under simulated accident conditions. The NRC observed this drill.
Combined Functional Drill	4/23	SERO	Test the ability of SERO to implement major portions of Millstone Station Emergency Plan.
Health Physics Drill	6/30	Limited SERO	Test the capability of SERO personnel to perform radiological monitoring activities under simulated accident conditions.
Combined Functional Drill	8/12	SERO	Test the ability of SERO to implement major portions of Millstone Station Emergency Plan. Drill included actual evacuation of the site.
Combined Functional Drill	9/2	SERO	Test the ability of SERO to implement major portions of Millstone Station Emergency Plan.
Millstone Station Annual Exercise	9/15	SERO and Full Connecticut (CT) State EOC Agencies @ Hartford Armory (State Emergency Operations Center (EOC) and Media Center) and Full Millstone Emergency Organization.	Annual (off-year) licensee-evaluated event. Evaluate ability of SERO to implement major portions of Millstone Station Emergency Plan. Training event for CT State. Practice ability to implement major portions of CT State emergency plan (and Millstone Station Emergency Plan).
CT State/Local Community Annual Exercise With Millstone Station	10/20	Full CT State EOC Agencies @ Hartford Armory (State EOC and Media Center) and **All Millstone Emergency Planning Zone (EPZ) Community EOCs/Staff and Partial Millstone Emergency Organization.	Annual (off-year) CT/local community exercise. Training event for CT State/local communities. Practice ability to implement major portions of CT nuclear emergency plan.
Combined Functional Drill	10/28	SERO	Test the ability of SERO to implement major portions of Millstone Station Emergency Plan.
Lawrence & Memorial Hospital/MP Annual Medical Exercise	11/3	L&M Hospital, Waterford Ambulance Service, and Millstone Station.	FEMA evaluated event. Test ability of local ambulance service and hospital to respond, assess, transport and treat a radiologically contaminated and injured victim/patient.

1999 MILLSTONE STATION EMERGENCY PLANNING DRILLS

DRILL TITLE	DATE(S)	PARTICIPATING ORGANIZATIONS	REMARKS
Unannounced/Off-hours Notification and Facility Activation Exercise	11/18 (8:00 PM)	**Key/Designated CT State and Local Community EOC Responders for All EOCs. Millstone Emergency Response Organization	NU and FEMA evaluated event. Evaluate ability of SERO, State, and local responders to make/receive emergency notifications and report to emergency facilities without prior knowledge of date/time of event.
Emergency Notification Response System (ENRS) Communications Test	Monthly	*Required CT and New York (NY) State and Local Community Notification "points"	Monthly full system operability checks/test, which includes call-back verifications by designated offsite officials.
ENRS Communications Test	Daily	*Required CT and NY State and local community notification "points"	Daily system operability check/test. Does not include call-back verifications by offsite officials.
Radio Communications Test	Daily	CT State Police, Waterford Police Department	Daily operability test of radio communications systems.
ENRS Communications Test	Monthly	SERO and *Required CT and NY State and Local Community Notification "Points"	Monthly full system operability checks/test, which includes call-back verifications by SERO and State/local responders.

Notes: * Required notification points in Connecticut are Waterford, East Lyme, Lyme, Old Lyme, New London, Groton City, Groton Town, Montville, Ledyard, Connecticut State Department of Environmental Protection, and Connecticut State Office of Emergency Management; and in New York are Fishers Island and Plum Island.

** Millstone EPZ communities in Connecticut are Waterford, East Lyme, Lyme, Old Lyme, New London, Groton City, Groton Town, Montville, Ledyard; and In New York is Fishers Island.

It should also be noted an additional Post Accident Sampling Drill is scheduled for December 1999.

MILLSTONE STATION Y2K DRILLS

DRILL TITLE	DATE(S)	PARTICIPATING ORGANIZATIONS	REMARKS
North American Electric Reliability Council (NERC) Drill	4/9/99	Millstone Units 2 and 3 Control Rooms, Independent System Operator (ISO) New England via the Connecticut Valley Exchange (CONVEX).	The intent of the drills was to demonstrate the ability of the system operators to operate the bulk power system with degraded voice and data communications and reduced supervisory control and data acquisition (SCADA) capabilities. Both units successfully demonstrated the capability to communicate with ISO New England during this drill.
North American Electric Reliability Council (NERC) Drill	9/9/99	Millstone Units 2 and 3 Control Rooms, ISO New England via the Connecticut Valley Exchange (CONVEX).	The intent of the drills was to demonstrate the ability of the system operators to operate the bulk power system with degraded voice and data communications and reduced supervisory control and data acquisition (SCADA) capabilities. Both units successfully demonstrated the capability to communicate with ISO New England during this drill.

Other Y2K Preparation Plans

The Millstone Contingency Planning Team has been providing briefings to the station's work groups that will be participating in New Year's Eve rollover activities. These general briefings include information on the Y2K hardware and software inventory and review process, the contingency plans currently in place, and a discussion of the grid stability issue. More detailed briefings for the personnel required to be on site for the midnight rollover will be conducted in late December and re-briefed on the night of the rollover.

Millstone personnel assigned to the Y2K effort performed walk downs, searched databases, interviewed Millstone staff members, and reviewed plant documents in order to inventory embedded devices and software that was susceptible to the year 2000 issue. Units 1, 2, and 3, and site facilities were included in the inventory process. The inventoried items were assessed for Y2K compliance and items found to be non-compliant were remediated. Of the items requiring remediation, only twelve Unit 2 and eighteen Unit 3 items were classified as critical. The inventory and assessments were reviewed for completeness and correctness by plant departments, such as operations, instrumentation and control, information technology, and design and technical support engineering. In addition, measures have been implemented to help maintain the Y2K readiness of Millstone by ensuring that plant modifications and replacement items are Y2K compliant.

The Y2K inventory and assessments were reviewed by Y2K contingency planning personnel and risks to continued plant operation were evaluated. Individual contingency plans were developed for higher risk items and reviewed by senior operators and subject matter experts. Briefings are being provided to operations and site personnel having roles and responsibilities during the actual Y2K rollover. Approximately seventy five additional personnel will be on site during the Y2K rollover period to provide assistance to the normal staff, as necessary.