

March 31, 2000

Mr. John H. Mueller
Chief Nuclear Officer
Niagara Mohawk Power Corporation
Nine Mile Point Nuclear Station
Operations Building, 2nd Floor
P.O. Box 63
Lycoming, NY 13093

SUBJECT: PLANT PERFORMANCE REVIEW - NINE MILE POINT

Dear Mr. Mueller:

The purpose of this letter is to communicate the NRC's assessment of Nine Mile Point performance and to inform you of our planned inspections at your facility. On February 24, 2000, we completed a Plant Performance Review (PPR) of Nine Mile Point Unit 1 and Unit 2. We conducted these reviews to develop an integrated overview of the safety performance of each operating nuclear power plant. We used the results of the PPR in planning and allocating inspection resources and as inputs to our senior management meeting (SMM) process. This PPR evaluated inspection results and safety performance information for the period from January 16, 1999, through January 31, 2000, but emphasized the last six months to ensure that our assessment reflected your current performance. Our previous summary of plant performance at Nine Mile Point was provided to you in a letter dated September 30, 1999, and was discussed with you in a public meeting on October 22, 1999.

The NRC has been developing a revised reactor oversight process that will replace our existing inspection and assessment processes, including the PPR, the SMM, and the Systematic Assessment of Licensee Performance (SALP). We recently completed a pilot program for the revised reactor oversight process at nine participating sites and are making necessary adjustments based on feedback and lessons learned. We plan to begin initial implementation of the revised reactor oversight process industry-wide on April 2, 2000.

This PPR reflects continued NRC process improvements as we make the transition into the revised reactor oversight process. The following summary of plant performance is organized differently from our previous performance summaries. Instead of characterizing our assessment results by SALP functional area, we organized the results into the strategic performance areas embodied in the revised reactor oversight process. In addition, we have considered the historical performance indicator data that you submitted in January 2000 in conjunction with the inspection results in assessing your performance. The results of this PPR were used to establish the inspection plan in accordance with the new risk-informed inspection program (consisting of baseline and supplemental inspections). Although this letter incorporates some terms and concepts associated with the new oversight process, it does not reflect the much broader changes in inspection and assessment that will be evident after we have fully implemented our revised reactor oversight process.

During the last six months of the assessment period, both Nine Mile Point units operated at or near full power except for two unplanned reactor shutdowns of Unit 1. These two shutdowns were related to recirculation pump seal problems. Although we noted some performance issues during this assessment period, we observed that Nine Mile Point continued to operate in a safe manner. In an effort to understand your response to these performance issues, additional inspection resources will be allocated in certain areas as noted in this letter and the attached inspection plan.

In the reactor safety strategic performance area, we noted some improvement at Nine Mile Point during the last six months of the assessment period. Nevertheless, some performance problems continued to occur in the areas of human performance, equipment reliability and material condition, and your corrective action program. Operations and maintenance staff performance lapses were noted in the areas of reactivity management, work control, plant configuration control, and corrective and preventive maintenance. Human performance problems were rooted in the areas of communications, procedure use, and individual work practices. In addition, deficiencies in your licensed operator training programs were noted. Equipment reliability and material condition problems continued to challenge the control room operators at both units, some a result of insufficient corrective action for degraded equipment.

Following a number of mid-1999 events, some of which involved repetitive equipment problems, Niagara Mohawk Power Corporation (NMPC) initiated an improvement plan in late 1999 to address site-wide performance issues. Subsequently, problems have occurred, but these problems and the associated performance issues have received greater management attention and have been the subject of more comprehensive corrective action.

Based upon our assessment of NMPC in the reactor safety strategic performance area, we plan to perform a regional initiative inspection to follow-up on the corrective actions associated with the licensed operator training program deficiencies, in addition to the baseline inspections under the new inspection program. Based on the Fourth Quarter 1999 Performance Indicator data (Mitigating Systems - Heat Removal System Availability), the availability of the Unit 2 reactor core isolation cooling (RCIC) system was at a level that warrants some supplemental NRC inspection. However, we do not plan to perform any inspections for this issue beyond the baseline inspection program because we previously reviewed your evaluation and corrective actions regarding the RCIC system (reference Special Report Nos. 05000220 & 05000410/1999006, dated 9/14/99). The Problem Identification and Resolution team inspection planned for May 2000 will provide additional follow-up on corrective actions associated with RCIC system repetitive problems and on the effectiveness of your improvement plan initiatives.

We identified no significant performance issues in either the radiation safety or safeguards strategic performance areas. As a result, only the normal baseline inspections are currently planned in these areas.

Enclosure 1 contains a historical listing of plant issues, referred to as the Plant Issues Matrix (PIM), that was used during this PPR process to arrive at our integrated view of your performance trends. The PIM for this assessment is grouped by the prior SALP functional areas of operations, maintenance, engineering, and plant support, although the future PIM will be organized along the cornerstones of safety as described in the revised reactor oversight process. The PIM includes items summarized from inspection reports or other docketed correspondence between the NRC and NMPC regarding Nine Mile Point Unit 1 and Unit 2. We

did not document all aspects of licensee programs and performance that may be functioning appropriately. Rather, we only documented issues that we believe warrant management attention or represent noteworthy aspects of performance. In addition, the PPR may also have considered some pre-decisional and draft material that does not appear in the attached PIM, including observations from events and inspections that had occurred since our last inspection report was issued, but had not yet received full review and consideration. We will make this material publically available as part of the normal issuance of our inspection reports and other correspondence.

Enclosure 2 lists our planned inspections for the period April 2000 through March 2001 at Nine Mile Point to allow you to resolve scheduling conflicts and personnel availability in advance of our inspector arrival onsite. Since many of the inspections at Nine Mile Point and at the other Region I facilities during this period involve a team of inspectors, our ability to reschedule inspections is limited. Therefore, we request you inform us as soon as possible of any scheduling conflicts. The inspection schedule for the latter half of the period is more tentative and may be adjusted in the future due to emerging performance issues at Nine Mile Point or other Region I facilities. Routine resident inspections are not listed due to their ongoing and continuous nature.

We will inform you of any changes to the inspection plan. If you have any questions, please contact me at (610) 337-5224.

Sincerely,

/RA/

Michele G. Evans, Chief
Projects Branch 1
Division of Reactor Projects

Docket Nos. 05000220, 05000410
License Nos. DPR-63, NPF-69

Enclosures: 1. Plant Issues Matrix
2. Inspection Plan

John H. Mueller

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cc w/encls:

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