

January 23, 1996

FOR: The Commissioners
 FROM: James M. Taylor /s/
 Executive Director for Operations
 SUBJECT: STAFF ACTIONS REGARDING OPERATION OF MILLSTONE NUCLEAR POWER STATION, UNIT 1

PURPOSE:

To inform the Commission of numerous actions undertaken and planned in response to issues raised regarding the operation of Millstone Nuclear Power Station, Unit 1.

BACKGROUND:

On August 21, 1995, as supplemented on August 28, 1995, the staff received a petition pertaining to the spent fuel offloading practices at Millstone Unit 1 submitted pursuant to Section 2.206 of Title 10 of the Code of Federal Regulations (10 CFR) by Mr. George Galatis and a citizens group, We the People. The petitioners alleged, in part, that Northeast Utilities (NU) had knowingly, willingly, and flagrantly operated Millstone Unit 1 in violation of its operating license for approximately 20 years; that it had obtained previous licensing amendments through the use of material false statements; and that it proposed to continue operating under unsafe conditions rather than comply with the mandates of its license. The petitioners, in part, requested that a license amendment request⁽¹⁾ regarding refueling practices be denied.

The staff held a public meeting near the Millstone site on November 8, 1995, to discuss the safety of a full-core offload and the staff's review of the licensee's amendment request. Because of ongoing investigations by the NRC Office of the Inspector General (OIG) and the Office of Investigations (OI), the staff did not discuss the licensee's past operating performance. The staff conducted an independent assessment of the Millstone Unit 1 design features, operator actions, administrative controls, and the thermal-hydraulic analysis the licensee had performed in support of a full-core offload. The staff also inspected the implementation of significant aspects of equipment and procedure changes associated with the amendment. Based on these assessments, the staff concluded that the activities the licensee proposed were acceptable. The staff issued the amendment (November 9, 1995) after it had considered comments made at the November 8, 1995, meeting.

DISCUSSION:

The Millstone Unit 1 fuel offloading practices also involve some issues that have generic applicability. Several of these issues were addressed in the staff's response to Chairman Jackson's November 30, 1995, memorandum on lessons learned from the Millstone Unit 1 experience. These issues included licensee compliance to their Final Safety Analysis Report, NRC inspection program oversight activities, processes for licensees changing their facility in accordance with the requirements of 10 CFR 50.59, and the appropriate role for public involvement in the licensing process when substantial public concerns have been identified. This paper does not address these generic issues.

After receipt of the 10 CFR 2.206 petition, OIG investigated matters raised in the petition and other allegations received. OIG presented its preliminary findings in a public meeting on December 5, 1995. At the meeting, the Acting Inspector General stated that certain of the licensee's activities may have been conducted in violation of license requirements and that refueling activities may not have been conducted consistent with the Millstone Unit 1 Updated Final Safety Analysis Report (UFSAR). The final OIG report was issued December 21, 1995. OI has begun its investigations into these matters.

The staff is reviewing allegations regarding past NU practices with respect to operation of the spent fuel pool and is proceeding on two parallel paths: (1) development of an inspection plan, and (2) formation of a response to the 10 CFR 2.206 petition. The Headquarters staff, with Region I participation, will inspect past NU practices and other spent fuel pool issues and will consider enforcement action as appropriate based on the findings of the inspections and investigations. The staff is committed to conducting a conference in the vicinity of the site following completion of the OI investigation. The staff will also hold an informal public hearing near the site to gain as much information on the 10 CFR 2.206 petition as possible. A final Director's Decision will not be issued until after the agency procedures for enforcement have been completed (current schedule is July 1996). To meet this time frame, the Office of Nuclear Reactor Regulation (NRR) is devoting additional full-time staff to this review.

As a result of staff concerns with licensee performance, the staff has undertaken several additional activities. Specifically, I have directed NRR to conduct an evaluation of the history of NU's and the staff's handling of employee concerns and allegations related to licensed activities at the Millstone site. On December 15, 1995, the staff informed the licensee of our intent to conduct the evaluation. A copy of this letter and the objective and scope of the review are attached. The staff is also allocating additional staff resources to the Millstone site as characterized in my memorandum dated December 13, 1995. As discussed at the recent Senior Management Meeting, it was determined that a team inspection be conducted at Millstone Station to evaluate the methods and processes that Northeast Utilities has employed to handle degraded and non-conforming plant conditions, including issues affecting the operability of plant equipment.

As another significant activity, on December 13, 1995, the licensee was requested to describe under oath or affirmation, actions taken to ensure that future operation of Millstone Unit 1 will be conducted in accordance with the terms and conditions of the Millstone Unit 1 operating license, the Commission's regulations including 10 CFR 50.59, and the Millstone Unit 1 UFSAR. The staff will closely monitor and evaluate actions taken by the licensee to satisfy the NRC's request.

James M. Taylor
 Executive Director for Operations

Attachment: As stated

Contact: James W. Andersen, NRR
 415-1437

1. On July 28, 1995, Northeast Nuclear Energy Company (licensee), submitted a license amendment request to the staff to add technical specifications controlling refueling activities at Millstone Unit 1. In addition, the proposed license amendment would allow the licensee to perform a full-core offload as a normal end-of-cycle event. On September 29, 1995, the staff received a hearing request regarding the amendment request. On October 16, 1995, an Atomic Safety and Licensing Board was established to rule on petitions for leave to intervene and/or requests for hearing and to preside over the proceeding if a hearing was ordered.