

January 15, 1997

For: The Commissioners
 From: James L. Blaha, Assistant for Operations, Office of the EDO
 Subject: WEEKLY INFORMATION REPORT - WEEK ENDING JANUARY 10, 1997

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ENCLOSURE A

Office of Nuclear Reactor Regulation
 Items of Interest
 Week Ending January 10, 1997

Kewaunee Nuclear Power Plant -- Steam Generator Tube Repair Status

During a December 17, 1996, meeting, the licensee outlined their plans to improve the weld quality and resolve non-destructive examination (NDE) issues associated with its steam generator tube laser weld repair process. The need for the process improvements was identified after reviewing the results of laser weld repairs that had been performed on approximately 650 out of a planned 1900 steam generator tubes.

As a result of the weld improvement program, Westinghouse is recommending that the weld be made in the hydraulic expansion area above the hard roll rather than in the hard roll itself. This weld location also eliminates the NDE discrepancies between the Cecco-5 probe and the Plus Point probe. Since the Cecco-5 probe is not effective in the hydraulic expansion area, the Plus Point probe will be used exclusively. The Appendix H qualification process for

use of the Plus Point probe in this area is ongoing and is expected to be completed by January 16. The NDE analyst guidelines are expected to be completed by January 24.

The licensee started a performance demonstration using the recommended weld process on January 10. The demonstration will be performed on 50 tubes per steam generator. The licensee anticipates having the results of the demonstration by January 12. Depending on the success of the performance demonstration, the licensee estimates starting production welding on January 16, and completing the welding in late January or early February.

The licensee will meet with the NRC staff on January 14 to present the details of the weld improvement plan and the NDE qualification plan as well as the results of the performance demonstration.

Weld Metal Vulnerability to Earthquakes

As a part of a number of research projects carried out to study the unpredicted behavior of steel structure moment connections during the 1994 Northridge Earthquake, the Center for Advanced Technology for Large Structural Systems (ATLSS) at Lehigh University examined the effects of weld metal toughness and fabrication defects on the seismic performance of structural moment connections. The examination and testing at ATLSS revealed two common weld related contributing factors: (1) regardless of the path of crack propagation, the cleavage weld fractures were initiated from porous weld roots adjacent to the back-up bar, and (2) the low fracture toughness of E70T-4 weld electrodes used in the connections.

ECGB and EMCB staff are gathering more information on this subject and are working on an information notice. The staff is in the process of acquiring a copy of the Lehigh University test report to determine what further actions, if any, are appropriate.

San Onofre Enforcement Conference

On January 3, 1997, the HQMB Branch Chief and RMS Section Chief attended a San Onofre predecisional enforcement conference in the Region IV office. The conference was held to discuss potential violations of the maintenance rule that were identified during an October special inspection. The inspection was the result of resident identified concerns regarding goal setting for (a)(1) systems. The inspectors used portions of the baseline inspection procedure to examine goal setting during this special inspection. The results of the staff deliberations will be issued to the licensee in the near future.

Turkey Point - Fire Tests of Outdoor and Indoor Thermo-Lag Fire Barrier Systems

Florida Power and Light (FPL), the licensee for Turkey Point Units 3 and 4, performed fire endurance testing in accordance with Generic Letter 86-10, Supplement 1, on 1 and 3-hour Thermo-Lag fire barrier system designs at the Omega Point Laboratory in San Antonio, Texas on December 18-19, 1996.

On December 18, 1996, FPL performed a 1-hour fire endurance test on five conduit specimens (one 3/4", three 3", and one 4" with varying cable fill) protected by their outdoor Thermo-Lag 1-hour design. This FPL specific design used 3M "Fire Dam Caulk" in lieu of the Thermo-Lag Trowel Grade Material to fill the joints and seams and top-coated with an alternative coating (coating not provided by the Thermo-Lag fire barrier Manufacturer). All conduit fire barrier specimens failed the 1-hour ASTM E-119 fire endurance test on high temperature. The test fire exposure time at which the specimens failed ranged from 29-52 minutes. The post-test examination revealed that the failures were attributed to the 3M caulk which was used to fill the joints and seams.

On December 19, 1996, the 3-hour fire endurance tests were performed to evaluate FPL's proposed indoor fire barrier upgrades. The test assembly included four conduits (one 2" and three 3") with varying cable fills and a junction box (8"x 12"x 30"). The test specimens (conduits and the junction box) were protected with either Thermo-Lag 330/770 or Thermo-Lag 770 fire barrier materials. All conduit Thermo-Lag 330/770 fire barrier systems and the junction box passed the 3-hour ASTM E-119 fire endurance and fog hose stream test. The 3" conduit protected with 2-layers of Thermo-Lag 770 failed at 2-hours and 12 minutes.

Based on these preliminary results, the Fire Protection Engineering Section (FPES) has concerns regarding the adequacy of FPL's outdoor applications. Specifically, FPES is concerned that environmental (e.g., sun, rain) conditions may weaken the fire endurance characteristics of these barriers and that the test program scope is too narrow and it did not bound the representative configurations installed at Turkey Point.

On January 7, 1997, representatives of FPL met with members of the staff to discuss the current plans to resolve Thermo-Lag fire barrier issues. The NRC staff indicated its concern with long-term reliance on compensatory fire protection measures such as fire watches. The staff also informed the licensee that its schedule of beyond 2000 was too tenuous and protracted and that resolution should be completed more expeditiously.

The licensee has divided the plant into four major areas consisting of containment, indoor areas, outdoor turbine area, and other outdoor areas. Inside containment, a stainless steel overlay on Thermo-Lag will be installed. Indoor areas will be upgraded using Thermo-Lag to meet the required ratings and by installing fire suppression systems in some areas. FPL plans to submit an exemption for the outdoor turbine area by July 31, 1997; however, they are still evaluating options in this area. FPL did not provide a completion date for implementation in this area but indicated that it would be 2000 or beyond. FPL indicated that they consider the outdoor turbine area to be of low risk significance. The NRC staff does not agree with the licensees' assessment that the turbine area is a low risk significant area with respect to fire hazards. An exemption has been submitted addressing other outdoor areas.

The licensee agreed to provide detailed information on the prioritization of all work and the methodology for determining priorities. The licensee agreed to provide a breakdown of the time and effort required to resolve the Thermo-Lag issues identified in Generic Letter 92-08, "Thermo-Lag 330-1 Fire Barriers." A meeting is tentatively scheduled for April 1997 to discuss the licensee's proposed actions.

Palisades -- Licensee Name Change

Effective January 1, 1997, the Consumers Power Company initiated a company name change to Consumers Energy. The change is in name only and does not involve any organizational or ownership changes. The licensee will submit an amendment in the near term to request changes to the license to reflect the name change. The change was made to foster public awareness of the company's broader involvement in the energy industry in order to prepare for increased competition expected due to industry deregulation.

Zion Units 1 and 2 -- Deteriorating Containment Coatings

On December 16, 1996, the Senior Resident Inspector toured the Unit 2 containment with the Plant Manager and identified numerous examples of loose paint and raised a concern of the potential for recirculation sump strainer fouling. The licensee subsequently initiated an action request to remove the loose paint. On December 24, 1996, the Resident Inspectors toured the Unit 2 containment with the Assistant Superintendent for Operations and identified numerous other examples of peeling and chipping paint. On December 31, 1996, the licensee indicated that all identified loose paint had been removed. In subsequent conversations, the resident staff asked licensee management if the containment coatings met the requirements of the UFSAR, which states in part that the paint ". . . will not flake off." The licensee responded that all paint would eventually flake and that the UFSAR requirement that the paint would not flake off was not achievable. The licensee also indicated that its systems material analysis department had inspected the containment coating during the outage and found it acceptable. However, NRC review of the licensee's evaluation indicated that the paint did not meet the requirements of the UFSAR and was in a degraded condition. On January 1, 1997, licensee management performed a containment walkdown that identified additional loose paint. Paint removal operations completed on January 2, 1997, resulted in the removal of about 100 pounds of paint. At this point, the plant operations review committee decided that an operability assessment was required for the operating unit (Unit 1) and that the issue needed to be resolved prior to Unit 2 concluding its refueling outage.

Numerous conversations have taken place among Region III, NRR and the licensee since the issue was raised. As a result, the licensee will provide the results of paint adhesion tests and a mass transport analysis for Unit 2 to the staff. The analysis will include net positive suction head calculations for the ECCS pumps and evaluate the effect of the paint chips on the containment spray orifices and nozzles. The licensee has completed its removal of loose paint, but does not plan to completely refurbish the containment coating in Unit 2 prior to startup. It plans to startup Unit 2 as long as it can show that an Unreviewed Safety Question does not exist. The licensee's coating specialist walked down the Unit 1 containment and concluded that the Unit 1 coating is not in as bad condition as that of Unit 2. The licensee's initial operability assessment indicates that paint flaking off within a 25 foot zone of influence around the containment recirculation sump would not be sufficient to clog the recirculation sump intake screens. Therefore, it will continue to operate Unit 1 until it shuts down for a refueling outage in early April 1997. NRR has reviewed the initial operability assessment and determined that it is acceptable.

Oconee Nuclear Station -- Electrical System Tests and Plant Restart

By letter dated October 18, 1996, the NRC suggested that Duke Power Company consider the possibility of performing integrated testing of the emergency electrical distribution system while all three units are shut down. Such testing had never been done and had been under discussion by Duke Power and the staff for some time. By letter dated November 21, 1996, the licensee committed to perform a one-time integrated functional test of the Oconee Keowee Hydro Station and Lee Gas Turbine distribution system. Since an unreviewed safety question was involved, the staff issued a license amendment on January 2, 1997, and six separate and distinct tests were successfully performed during the period January 2-5.

All of the acceptance criteria established for each of the six tests were met. All instrumentation functioned as expected and there were no significant equipment problems that would affect the established acceptance (success) criteria for any of the six tests. Based on preliminary assessments, the test data show that the system design criteria are met. Final data evaluation will be available in 1-to-2 months. Overall evaluation and CYME Code benchmarking will take about 6 months. All evaluation results will be provided to the staff as they become available.

There are no regulatory holds on restart (no CAL has been issued), although a number of items are being tracked by Region II that must be completed prior to restart. The present schedule for restart is: Unit 1 - January 27, 1997, Unit 2 - January 23, 1997, and Unit 3 - February 8, 1997.

A restart meeting will be held on site on January 10, 1997, at 1:00 p.m. to discuss the status of the plant. The licensee will present to the NRR and Region II staffs the corrective actions taken and the units' restart readiness.

ENCLOSURE B

Office of Nuclear Material Safety and Safeguards
Items of Interest
Week Ending January 10, 1997

Publication of NUREG-1571, "Information Handbook on Independent Spent Fuel Storage Installations"

The Spent Fuel Project Office has published NUREG-1571, "Information Handbook on Independent Spent Fuel Storage Installations." The purpose of this document is to provide Nuclear Regulatory Commission staff with general information on: (1) the licensing process for Independent Spent Fuel Storage Installations (ISFSIs); (2) currently licensed Dry Cask Storage Systems; and, (3) current ISFSI sites storing spent fuel. The handbook includes photographs and diagrams of dry storage casks and ISFSI sites.

Application to Amend the Nuclear Assurance Corporation Storage/Transportation Cask Certificate of Compliance

On December 30, 1996, the Spent Fuel Project Office (SFPO) received an application from Nuclear Assurance Corporation (NAC) International to amend Certificate of Compliance No. 9235 for the NAC storage/transportation cask (STC). The NAC-STC is a dual purpose cask that can be used for dry storage and transport of spent fuel. The amendment would permit shipment of canistered spent fuel assemblies from Yankee Rowe in the NAC-STC. An application to permit storage of the Yankee Rowe fuel will be submitted in the near future.

NAC's application is the fourth application received by SFPO involving licensing of dual-purpose storage/transport cask designs. The other dual purpose designs currently under review are Holtec International's HI-STAR 100, Sierra Nuclear Corporation's TranStor, and VECTRA Technologies' MP-187.

Nuclear Regulatory Commission Renews Operating License for the Cabot Boyertown Facility

On December 24, 1996, the Office of Nuclear Material Safety and Safeguards renewed the license for the Cabot Boyertown facility, Boyertown, Pennsylvania. The renewed license authorizes processing to recover valuable materials from the large volume of radioactive sludge (400,000 ft³) that has accumulated onsite. The Boyertown facility is listed on the Site Decommissioning Management Plan because of this large volume of sludge. The sludge contains elevated levels of radioactive uranium and thorium, which occur naturally in the ores processed at the facility. Processing of the sludge will concentrate the radioactive materials and reduce the volume of radioactive waste requiring disposal. The Nuclear Regulatory Commission coordinated the renewal with the Pennsylvania Department of Environmental Protection (PADEP) under the terms of the Memorandum of Understanding between the NRC and PADEP on decommissioning of sites within the Commonwealth of Pennsylvania.

Nuclear Regulatory Commission's Counterpart Meeting

On January 8-9, 1997, the Office of Nuclear Material Safety and Safeguards (NMSS) hosted a counterpart meeting attended by Directors of the regional Divisions of Nuclear Materials Safety, senior management from the Office of State Programs, and the Director of the Technical Training Division. The meeting covered a number of licensing, inspection, event response, and training-related topics in program areas including fuel cycle, nuclear materials, spent fuel, and waste management. The meeting focused on ways to improve the interface between NMSS headquarters and regional staffs.

ENCLOSURE F

Office of Administration
Items of Interest
Week Ending January 10, 1997

Contract Awards

On December 27, 1996, a contract entitled, "Annual Newsletter Subscriptions," was awarded to McGraw-Hill, Inc. The contractor will provide annual subscription services in electronic and paper formats for the following newsletters: Inside NRC, Nucleonics Week, Inside Energy, and Nuclear Fuel. The period of performance is January 1, 1997, through December 31, 1997, with four one-year renewable option periods. The total contract price, including options, is \$499,635. The contract was solicited using commercial acquisition procedures. The following streamlining methods were used: combined synopsis/ solicitation procedures and electronic transmittal of the statement of work.

On January 3, 1997, a contract entitled, "Re-evaluation of Regulatory Guidance for Seismic Category I Concrete Structures," was awarded to Stevenson & Associates. The objective of this contract is to identify and evaluate current versions of structural and seismic design codes and standards that will have an impact on the review of standard reactor designs and to determine and evaluate the need for revisions to Regulatory Guides 1.142 and 1.143. The period of performance is January 3, 1997 to April 2, 1998. The total contract price is \$194,384.51. The following streamlining methods were used: electronic transmittal of statement of work and final report, set deadline for proposers' questions, and simplified evaluation criteria/past performance.

United States Enrichment Corporation

On January 7, 1997, staff from the Division of Security, NMSS, and Region III met with DOE personnel to discuss a proposed joint NRC/DOE safeguards and security inspection of the gaseous diffusion plants (GDPs). DOE plans to conduct a safeguards and security termination inspection for those areas of the GDPs for which NRC will have oversight responsibility beginning March 4, 1997. It was decided that a joint NRC/DOE inspection was not necessary prior to March 4, 1997. Procedures for handling unresolved DOE findings after NRC assumes oversight responsibility will be developed at a meeting scheduled for January 14, 1997.

Amendments to 10 CFR Parts 25, 50, 54, and 95

NRC has published a proposed rule that amends 10 CFR, Parts 25, 50, 54 and 95 that incorporates the requirements of the new national security policies (e.g., National Industrial Security Program Operating Manual, E.O. 12958 and E.O. 12968). DOE Safeguards and Security's comments on the proposed changes were discussed in a meeting on December 30, 1996. Since the proposed rule contains important changes relevant to NRC's security regulation of USEC's gaseous diffusion plants, quick resolution of DOE's comments and publication as a final rule were essential. SEC staff attended another meeting with OGC on January 7, 1997, and agreed to proceed with the final rule package in a manner that would fulfill NRC requirements.

ENCLOSURE G

Chief Information Officer

Items of Interest
Week Ending January 10, 1997

Establishment of Chief Information Officer (CIO) Position

In February 1996, the President signed the Information Technology Management Reform Act (ITMRA). The Act requires each of 23 Federal agencies, including the NRC, to establish the position of Chief Information Officer (CIO). The NRC is in the process of filling this new position. In the interim, Gerald F. Cranford has been designated acting CIO until the permanent CIO is selected.

The ITMRA makes sweeping changes in the way federal information products (FIP) are procured. It repeals the Brooks Act that authorized the General Services Administration (GSA) to buy FIP resources for all civilian government agencies. As a result of ITMRA, agencies no longer need GSA approval to acquire FIP resources.

The Act makes the CIO responsible for information management and information technology on an agency-wide basis. Based upon an internal review, it was determined that the information technology function was already consolidated within the Office of Information Resources Management. However, the information management functions were spread among the Office of Information Resources Management, the Office of Administration, and the Office of the Secretary. Those functions include:

- Freedom of Information/Local Public Document Rooms
- Information and Records Management
- Library Services
- Public Document Room
- Publications

These organizational functions report to the CIO effective January 5, 1997. The change coincides with a recent reorganization of the Office of the Executive Director for Operations.

FOIA Requests Received During the Week Ending January 9, 1997

Copy of Solicitation RS-RES-96-050 and Contract No. NRC-04-97-036 related to Science & Engineering Associates, Inc. (M.O'Mealia; FOIA/PA-97-0001)

Records of named NRC employees relating to Florida travel; appointment calendar; telephone logs/billings; e-mails re Florida Power & Light Co.; and preparation documents for annual report of the allegation advisor. (D.Weimer; The Palm Beach Post; FOIA/PA-97-0002)

Records related to materials licensees in the state of New Jersey. (E.Truskowski; NJ LLRW Disposal Facility Siting Board; FOIA/PA-97-0003)

Records related to the 1996 Independent Self-Assessment of Commonwealth Edison's LaSalle and Zion plants. (P.Kendall; Chicago Tribune; FOIA/PA-97-0004)

Records related to the study commissioned by NRC to determine potential dischargers to sanitary sewerage. (L.English; Northeast Ohio Regional Sewer District; FOIA/PA-97-0005)

ENCLOSURE I

Office of Personnel
Items of Interest
Week Ending January 10, 1997

Meeting of the Senior Executive Service (SES) Performance Review Board Held to Determine Rank Award Nominations

On January 9, 1997, the SES Performance Review Board met to consider Agency nominations for Presidential Distinguished and Meritorious Rank Awards. Nominations will be submitted later this month to the Office of Personnel Management, which will announce the winners in late September. Presidential Rank Awards recognize SES employees who have demonstrated qualities of leadership, integrity, innovation, and career achievements that have established and maintained a high degree of public confidence and support.

| Arrivals | | |
|---------------|--------------------------------|------|
| COMPTON, Eric | ENGINEERING AIDE (COOP) (OPFT) | NMSS |
| SMITH, Karla | LEGAL ASSISTANT (PFT) | OCM |
| Departures | | |

| | | |
|--------------------|---------------------------|------|
| CAMPBELL, Patricia | MECHANICAL ENGINEER (PFT) | NRR |
| MILANS, Gregory | CLERK (OPFT) | SECY |

ENCLOSURE M

Office of Public Affairs
 Items of Interest
 Week Ending January 10, 1997

Media Interest

A media briefing was held at Haddam Neck to discuss the decommissioning process. Michael Masnik and Mort Fairtile, NRR, Steve Lewis, OGC, and Bill Raymond (Senior Resident Inspector) participated. A dozen reporters from press, TV, radio, and the wire services attended.

Press Releases

| Regions: | |
|-----------|--|
| I-97-01 | Note To Editors: Haddam Neck Meeting on Decommissioning |
| I-97-02 | Oyster Creek Nuclear Plant Rated "Good" in Three Areas, "Superior" in Fourth Area of NRC Assessment Report |
| II-97-03 | NRC Names New Senior Resident Inspector at Robinson Nuclear Power Plant |
| II-97-04 | NRC Names New Senior Resident Inspector at Crystal River Nuclear Power Plant |
| II-97-06 | NRC Staff Proposes \$100,000 in Fines Against Florida Power & Light at St. Lucie Nuclear Power Plant |
| II-97-05 | NRC Staff to Meet With Duke Power Officials to Discuss Plans for Oconee Restart |
| III-97-02 | Note to Editors -- News Briefing on Point Beach |
| III-97-03 | NRC Staff Postpones Meeting With Wisconsin Electric to Discuss Recent Inspection Findings and Point Beach 2 Startup Activities |
| III-97-04 | NRC Staff Proposes \$8,000 Fine Against 3M for Unattended Operation of Irradiator |
| IV-97-01 | NRC Staff Proposes \$1,100 Fine Against Texas Well Logging Company |
| IV-97-02 | NRC to Fine Alamogordo Lab \$2,500 for Radioactive Material Rules Violations |

ENCLOSURE N

Office of International Programs
 Items of Interest
 Week Ending January 10, 1997

Foreign Visitors -- OECD/NEA

On January 8, 1997, OECD/NEA Acting Director-General Samuel Thompson met with Chairman Jackson to discuss the forthcoming meeting of the working group for the proposed International Council of Nuclear Regulators and suggested mechanisms for this group's interaction with the Nuclear Energy Agency.

ENCLOSURE P

Region I
 Items of Interest
 Week Ending January 10, 1997

Englehard Industries, MA

During the week of January 6-10, 1997, the Oak Ridge Institute for Science and Education (ORISE), under contract, performed a confirmatory survey of the interior of Building 2 of the Englehard Industries site in Plainville, MA. This site is listed on the Site Decommissioning Management Plan, and was involved in research, development and commercial production of reactor fuel elements from 1957 to 1962 using depleted, natural, and enriched uranium. Region I staff and NMSS staff from the Division of Waste Management accompanied the ORISE personnel. Englehard intends to address

contamination in exterior areas in the next phase of remediation at the site.

ENCLOSURE P

Region II
Items of Interest
Week Ending January 10, 1997

Tennessee Valley Authority - Watts Bar

Members of the Region II staff presented the latest SALP results to representatives of the Tennessee Valley Authority regarding the performance of the Watts Bar facility. Following the presentation, a public meeting was held with local officials.

Browns Ferry

Browns Ferry has announced management changes which will take place

January 24, 1997. Mr. Rick Machon, Site Vice President, and Mr. Gene Preston, Plant Manager, will be leaving TVA to pursue other endeavors. Mr. Chris Crane will be moved from Assistant Plant Manager to the Plant Manager position.

Georgia Power Company - Hatch

Representatives from Georgia Power Company were in the Regional Office to present a Hatch Self-Assessment prior to Systematic Assessment of Licensee Performance. The licensee discussed plant accomplishments during this SALP cycle with emphasis on the reduction of corrective maintenance backlog of work items, improved capability factor and improvements in equipment reliability. They also discussed areas that they identified as requiring improvements such as reduction in personnel errors and personnel safety.

Florida Power Corporation - Crystal River

On January 9, 1997, there was a public Management Corrective Action Program and a Restart meeting held at the Crystal River site. Items on the restart list were clarified and FPC announced that Crystal River will remain shutdown until the end of June. RII plans to have a preliminary inspection schedule developed by January 17, 1997.

Florida Power and Light Company - St. Lucie

The initial exit of architectural engineering inspection team will be conducted onsite January 10, 1997. No operability issues have been identified; however, the licensee is working on responding to several team questions. One potential violation has been identified, i.e., inadequate procedure for testing of electrical system breakers.