

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

MEETING WITH NORTHEAST NUCLEAR ON MILLSTONE

PUBLIC MEETING

Nuclear Regulatory Commission
Commission Hearing Room
11555 Rockville Pike
Rockville, Maryland

Friday, December 12, 1997

The Commission met in open session, pursuant to notice, at 9:00 a.m., the Honorable SHIRLEY A. JACKSON, Chairman of the Commission, presiding.

COMMISSIONERS PRESENT:

- SHIRLEY A. JACKSON, Chairman of the Commission
- GRETA J. DICUS, Member of the Commission
- EDWARD McGAFFIGAN, JR., Member of the Commission
- NILS J. DIAZ, Member of the Commission

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STAFF AND PRESENTERS SEATED AT COMMISSION TABLE:

- JOHN C. HOYLE, Secretary
- KAREN D. CYR, General Counsel
- MIKE MORRIS, Chairman, President and CEO,
Northeast Utilities
- BRUCE KENYON, President and CEO Northeast Nuclear
Energy Company
- DAVE GOEBEL, Vice President Nuclear Oversight
- MIKE BROTHERS, Vice President Nuclear Operations
- JACK McELWAIN, Vice President - Unit 1
- MARTIN BOWLING, Vice President - Unit 2
- BRIAN ERLER, Senior Vice President, ICAVP Project
Director, Sargent & Lundy
- DON SCHOPFER, Vice President and Verification
Manager, Sargent & Lundy
- DAN CURRY, Vice President Nuclear Services,
Parsons Power
- JOHN HILBISH, Manager of Regulatory Compliance
Activities on the ICAVP Project, Parsons Power
- JOHN BECK, President, Little Harbor Consultants
- JOHN GRIFFIN, Deputy Team Leader, Little Harbor
Consultants
- BILLIE GARD, Principle, Little Harbor Consultants
- HUGH THOMPSON, Deputy, EDO

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STAFF AND PRESENTERS SEATED AT COMMISSION TABLE:

[continued]

- WAYNE LANNING, Deputy Director for Inspections,
SPO, NRR
- WILLIAM TRAVERS, Director, Special Projects
Office, NRR
- PHILLIP McKEE, Deputy Director for Licensing and
Oversight, SPO, NRR

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1 P R O C E E D I N G S

2 [9:00 a.m.]

3 CHAIRMAN JACKSON: Good morning, ladies and
4 gentlemen. The purpose of this meeting is for the
5 Commission to be briefed on the status of activities related
6 to the three Millstone nuclear reactors.

7 The Commission will hear presentations today from
8 Northeast Utilities, the contractors associated with both
9 the Independent Corrective Action Verification Program and
10 the Employees Concerns Program, and the NRC staff.

11 Millstone Unit 1 has been shut down for 25 months
12 and Units 2 and 3 have been shut down for approximately 21
13 months. All three of the Millstone units were placed on the
14 NRC's watch list in January of 1996. The units were
15 recategorized as Category 3 plants in June 1996. This
16 action necessitates Commission approval for restart of each
17 of the units.

18 This Commission meeting is the fourth quarterly
19 meeting to assess the status of activities at the sites.
20 The Commission is interested in how the licensee is
21 measuring and trackings its progress, and how well the site
22 is function as a whole. For example, are they finding their
23 own problems and enacting comprehensive fixes in a timely
24 manner?

25 Once again, the Commission looks forward to the

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1 updates from the contractors tasked with providing an
2 independent assessment of the corrective action programs at
3 the station, as well as the third party associated with the
4 independent oversight of employee concerns.

5 The Commission is very interested in hearing the
6 NRC staff's views regarding the effectiveness of the
7 licensee's program, including an assessment of what areas
8 appear satisfactory, what areas are tracking to acceptable,
9 and what areas are unsatisfactory at this time. The
10 Commission desires this type of feedback, satisfactory,
11 tracking to acceptable, or unsatisfactory, from all of the
12 participants today. So if you could phrase whatever you
13 have to say in that context.

14 The Commission benefits from a candid discussion
15 of both the results and your conclusions. For example, for
16 the ICAVP contractors, and NRC staff, I expect not only to
17 hear about the number of issues identified and resolved, but
18 what the discrepancies are telling you. For the licensee,

19 if you believe the contractors or NRC staff are unwisely
20 spending resources sampling an area that is clearly
21 acceptable, this is one forum where you should comment to
22 that effect.

23 Finally, as I stated at the last Commission
24 meeting, the Commission is interested in your comments on
25 this process, in the midst of its implementation, so that

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1 fine tuning can be accomplished, as appropriate. All
2 parties should keep this in mind during today's discussions
3 and questions. All parties should feel not only invited to
4 but compelled to comment on questions asked of any group.
5 So if your turn at the table has passed, please use the
6 podium as necessary.

7 I understand that copies of the presentations are
8 available at the entrances to the meeting. And so unless my
9 colleagues have any opening comments they wish to make, Mr.
10 Morris, please proceed.

11 MR. MORRIS: Thank you, Dr. Jackson. Good
12 morning, and good morning to fellow Commissioners.

13 Before I begin the few slides that I have in the
14 formal presentation, I would to make just a few comments
15 about this week's announced enforcement action. And let me
16 try to make clear to you that we fully accept the
17 responsibility for the situation that led to that
18 conclusion. We understand that the things that were found
19 in that investigation were of great concern to you and to
20 us. We, obviously, accept the judgment that you made and we
21 will go forward and pay that.

22 We believe that we are making some progress,
23 however, on improving our status and our standing, and our
24 own standards, and today we hope to make that presentation
25 to you. We will try to follow your lead with the

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1 phraseology that you have suggested. You will see that we
2 have chosen the words complete, not complete, those kinds of
3 things, that really tracking with your satisfactory,
4 tracking toward satisfactory, and unsatisfactory. And I
5 think that you will see there are things are yet to do,
6 obviously, and there are some things where we believe there
7 is accomplishment that can allow us to focus on those other
8 issues that need that kind of focus.

9 So, I hope with that, that we can make a
10 presentation that will be helpful to you, and to us, to
11 establish that progress has, in fact, been made.

12 With that, I will move to my first slide. And on
13 this slide, I am trying to make some very simple points to
14 the Commission. I think they are points that are fully
15 understood by you and your colleagues. But it is clear to
16 me, having been on this team now for four months, that there
17 is a full commitment of this Board of Trustees to inject
18 themselves into this process to ensure that the management
19 team not only has their support and their guidance, their
20 direction and their encouragement. And I can tell you, in
21 the audience today, we have our lead Trustee, we have the
22 Chair of our Nuclear Committee, and we have the Chair of our
23 Corporate Responsibility and Affairs Committee. I think
24 that is a testimony to the commitment that our Board of
25 Trustees has to this very serious matter in front of us.

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1 The second bullet is simply to indicate to you
2 that I, as the Chief Executive Officer of this company, am
3 equally dedicated to this assignment and have spent some
4 time at Millstone, will continue to do that. I have full
5 faith and confidence in Bruce and his team, but I do believe
6 that it is important that the CEO of this organization take
7 hands-on responsibility and involvement in this process if
8 we hope to bring it to a reasonable conclusion for all of us
9 as we move forward.

10 And, lastly, I would simply like to point out
11 that, although things aren't as rosy as we wish that they
12 would be, the financial resources are available to continue
13 on this recovery process, they are committed to that end,
14 and we will ensure that that continues to happen.

15 We, some time ago, decided that we were not going
16 to concern ourselves overly with heading towards some
17 absolute deadline schedule, but, more importantly, moving
18 this process forward so that it is completed in a safe and
19 appropriate way. And that is the path that we are on, and
20 you will hear some of those comments in our presentations
21 today.

22 Even though we talk in terms of a hoped-for
23 meeting with you in the not too distant future, in the early
24 part of 1998, and we are working toward that end, please
25 don't overtake from my team our inability or our lack of

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1 understanding that that date may float. We continue to work
2 toward that end because it is an achievable goal, and an
3 important goal, and we are going to continue to do that.
4 But I don't want any of you to walk away believing that
5 these folks really are working off of an unachievable
6 schedule, because what we are trying to do is get this
7 process concluded. And it is more important to us to get it
8 concluded in an appropriate method, clearly on the fastest
9 time line that we can, but, more important, in that
10 appropriate method, and that is what we are dedicating
11 ourselves to.

12 The next slide simply points out to you who our
13 presenters are, and most of these people are very familiar
14 to you, of course. Bruce Kenyon, President and CEO of our
15 Nuclear Activity. Mike Brothers. Mike Brothers will talk
16 about the activities in our safety conscious work
17 environment, a very important step for us as we move forward
18 to create a more healthy environment at the Millstone
19 stations. Marty Bowling will discuss with you a number of
20 issues on the programs that he will be going through. Jack
21 McElwain, of course, will talk about the readiness of Unit
22 3. And Dave Goebel, our Vice President of Nuclear
23 Oversight, will give you an update on his activities as
24 well.

25 So, again, let me close by simply saying I hope

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1 that you see some progress today from our last meeting. It
2 surely is there in the statistics. I hope that you see a
3 substantial increase in power dedication to realizing the
4 issue of the safety conscious work environment and progress
5 that has been to date in that end as well. And I hope that,
6 hopefully, the next time we do meet with you, we will be
7 able to present to you the facts and figures that would
8 allow you to recast your trust with us so that we can bring
9 these units back on-line in the working environment that
10 really is reflective of the safety conscious work

11 environment that we are pursuing.
12 So, with that, let me turn things over to Mr.
13 Kenyon.
14 CHAIRMAN JACKSON: Before Mr. Kenyon begins, let
15 me raise a sensitive question. You mentioned that financial
16 resources are available and committed, and I noted a press
17 clipping last week that you had deferred raises for all your
18 salaried employees pending unit restart and, of course, that
19 is your decision to make, but the important point was
20 presumably it was done in a way that still encouraged people
21 to raise safety issues to management.
22 MR. MORRIS: I believe that that's the case. We
23 gave that a great deal of consideration before we did that,
24 but for us to stay on the track that we're on, that was a
25 necessary step. And I would tell you that not only the

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1 nuclear but the non-nuclear team at NU understands that and
2 is supportive of that, and although that's never the best of
3 news, it is something that the team is willing to understand
4 and willing to dedicate themselves to.
5 CHAIRMAN JACKSON: Thank you.
6 MR. MORRIS: Thank you.
7 MR. KENYON: Good morning, Chairman Jackson and
8 Commissioners.
9 I am pleased to have this opportunity to update
10 you regarding our progress in recovering the Millstone
11 units. I'd just add one comment to the question you asked.
12 Virtually every major meeting we have on site, we remind our
13 employees, or if it's a supervisory meeting, of the
14 importance of raising concerns; that the last thing we want
15 is to have an unrecognized problem show up later. So we
16 continue to emphasize that.
17 This slide indicates our agenda, and there are
18 several purposes to our presentation. First is to
19 demonstrate that we have made substantial progress in
20 bringing the various issues affecting the performance of the
21 Millstone units to closure. It is also to convey our belief
22 that physical readiness for Unit 3 will be achieved around
23 the end of this year, and that clearly is a major milestone.
24 We want to clearly demonstrate to you that we understand the
25 remaining work to be accomplished, and thus we believe we

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1 are on track for hopefully a March meeting to consider the
2 restart of Unit 3. It is our expectation that Unit 2 can
3 follow Unit 3 by two to three months, and certainly we are
4 acknowledging that the schedule for Unit 1 is under
5 evaluation, and this is pending having the financial
6 resources to resume full restart efforts.
7 Substantially all of the material that we will be
8 covering was included in the briefing book sent to you in
9 advance of the meeting. We plan to focus on Unit 3 and site
10 issues relating to Unit 3, but certainly we are prepared to
11 address questions on other units, should you desire.
12 This slide and the next summarize the progress we
13 are making in addressing the seven success objectives and
14 the associated 16 key sitewide issues which are an essential
15 part of our recovery. I am pleased to report that of the 16
16 issues, six now meet our success criteria for start-up
17 readiness. I translate that into satisfactory on the
18 terminology that you are using. We expect seven additional
19 issues to reach satisfactory in January, and the remaining

20 three to reach satisfactory in February.
21 All issues -- and this is looking at the totality
22 of an issue -- all issues, in my judgment, are tracking to
23 satisfactory, and that's different from our last quarterly
24 briefing when I told you I thought there were six issues
25 that were not tracking to satisfactory at that point in

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1 time.

2 Now within an issue, there can be particular
3 elements that we are not yet satisfied with. We are
4 satisfied that the overall progress is coming together.

5 CHAIRMAN JACKSON: Let me ask you a question along
6 that line. I note, for instance, that under the strong
7 nuclear safety philosophy, in particular procedure quality
8 and adherence, you say yes, it's a closed issue. Now I
9 noted in an inspection report, 97-202, that was dated
10 shortly after the last Commission meeting, there was an
11 issue involving several failures to follow your own
12 procedures for overcoating in the Unit 3 service water
13 piping, and then there was a report that documented some
14 --several examples of radiation worker violations, and it
15 noted that this was of concern because it was a repetitive
16 violation. And then there were, in the Staff's recent
17 Commission -- paper to the Commission, that highlighted
18 enforcement actions associated with a November inspection
19 report. It talked about procedural inadequacies, emergency
20 preparedness issues, training and failure to wear proper
21 dosimetry. So the question becomes how do you square, you
22 know, these findings in these various reports with the
23 assessment on the success objective that you mentioned?

24 And I'm going to do this, you know, as you go
25 through, because the issue is what does the record show

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1 versus what you are telling us and, you know, what are you
2 saying in terms of saying that it's a closed issue.

3 MR. KENYON: That's fine. Let me start by saying
4 that in saying that an issue is judged to be satisfactory,
5 it's our judgment, based on an ongoing evaluation of where
6 we are -- and certainly inspection reports that come along
7 that identify a problem in a procedure compliance area, not
8 all of which you indicated in our judgment necessarily
9 related to procedure compliance as opposed to a training
10 problem, which is one of our other issues, or as opposed to
11 emergency planning, which is one of our other issues. So we
12 try and separate where the problems lie.

13 But we reached a judgment that we thought we were
14 at an acceptable level. That does not indicate that we
15 think there are absolutely no problems to deal with; it just
16 means that in our judgment, we think we have reached a
17 satisfactory state.

18 Now what goes on from there is we continue to take
19 in -- and this applies to any issue. What goes on from
20 there is that we continue to take in information as to
21 what's happening.

22 One very important source of information is
23 ongoing management self-assessments. So we use those
24 management self-assessments, and obviously we could, if we
25 got enough information of an adverse nature, we would change

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1 our judgment on a particular issue.

2 Weekly oversight comes out with a very detailed

3 report on this issue and all the other issues, and with a
4 numerical score, and if that score drops below a certain
5 level for a period of time, oversight would revise its
6 judgment on where management is on a particular issue.

7 When you look at oversight scores, they bounce
8 around because everything is going on is on, you know, a
9 weekly basis, looking at attributes of what was going on in
10 that particular week. So whereas we concluded procedure
11 compliance was satisfactory, that's not uniformly
12 satisfactory across the station. We are looking at those
13 areas where we think it's weaker than others, and we will
14 continue to assess it. But at the time we prepared this,
15 and I think still today, unless Dave, you --

16 MR. GOEBEL: No.

17 MR. KENYON: We think it's satisfactory. And
18 satisfactory is not, you know, perfect.

19 CHAIRMAN JACKSON: So this is a window-in-time
20 snapshot as opposed to being closed, per se?

21 MR. KENYON: Yes. And I had previously included
22 in my remarks, and then I took it out in the interest of
23 time, the distinction between an issue reaching what we
24 judge to be a satisfactory state and an issue being closed.
25 We are not proposing to close any issues. What we are about

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1 is a long term process to go from a situation where the
2 processes and standards at the Millstone station were just
3 nowhere near what they should be, bring them to a point that
4 supports start-up. But we will want, at the next Commission
5 meeting, to present to you a longer term plan that clearly
6 recognizes that what we are about is on a long term effort
7 to bring the plant not just to a satisfactory state for
8 start-up, but to excellence. So issues are not closed for
9 us. Issues are things that we are going to work on through
10 start-up and beyond.

11 CHAIRMAN JACKSON: Okay. Well, I'm just
12 referencing your own terminology here. And I would just
13 like to say I would like all the parties, as appropriate, to
14 comment on this and the next slide in terms of your
15 assessment in these areas, and particularly the NRC Staff.

16 MR. KENYON: I'm ready to move to the leadership
17 assessment slide, unless there are any further questions on
18 this one.

19 CHAIRMAN JACKSON: Well, let me talk again for a
20 minute about safety-conscious work environments, and you
21 indicate, again using the terminology that you have here,
22 you expect this progress -- or you want it -- you expect it
23 to be closed in February. Now what does that mean? Does
24 that mean that you will have demonstrated a safety-conscious
25 work environment, or you will have achieved a

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1 safety-conscious work environment? And there's a
2 difference.

3 MR. KENYON: Well, we -- I hope I am not missing
4 the distinction. We have four objectives that we feel we
5 must meet in order to satisfy having demonstrated a
6 safety-conscious work environment, and I think that means we
7 have it.

8 One is that employees are quite comfortable in
9 raising concerns. I think we have demonstrated that.

10 A second is that line management is effective in
11 resolving concerns. We are on track there to achieve a

12 satisfactory level of performance. That's very dependent on
13 a corrective action program, and we are on track in
14 corrective actions but not there yet.

15 The third area is an effective employee concerns
16 program. I think we are very close, and thus we will be
17 able to demonstrate that in February.

18 And, finally, we need to demonstrate that we can
19 identify problems early enough in emerging problems,
20 safety-conscious work environment problems, trouble areas, a
21 building level, fully concerned, in a particular part of the
22 organization. We need to be able to identify that early in
23 the process, and we need to be able to solve that. We have
24 not demonstrated that at this point. We have a lot of work
25 in progress, and Mike Brothers will talk about that in his

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1 presentation.

2 So against those four criteria, that's an overview
3 of where we are, and I do believe we are tracking to
4 satisfactory.

5 MR. MORRIS: But, you know, I am not certain, Dr.
6 Jackson, that this issue really ever closes. This is an
7 issue that needs constant vigilance and constant dedication
8 on behalf of the management team and on behalf of the entire
9 team at the station to continue to work to improve this
10 area. And that is something that you'll see when Mike
11 Brothers makes his presentation. Now we do not believe this
12 is an "oh, great, this is done now." We fully understand
13 that this is an issue that we will be working at forever.
14 And I think it is true of all stations. So we want to join
15 the rest of them in having that dedication toward that end.

16 CHAIRMAN JACKSON: Okay. Mr. Kenyon.

17 MR. KENYON: Recognizing that the fundamental
18 cause of the performance problems at Millstone was
19 leadership failures, I am pleased to report that the
20 recently completed leadership assessment by employees and
21 contractors of their supervision shows scores in all
22 categories of at least 5.0, and based on my experience with
23 a similar survey at South Carolina Electric & Gas, this
24 indicates an organization with an overall healthy leadership
25 climate. It also shows continued improvement over the

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1 survey conducted this summer, and it shows an overall nearly
2 20 percent improvement over the first survey conducted in
3 the winter of 1996.

4 CHAIRMAN JACKSON: Do you have another such
5 assessment, leader assessment, scheduled or planned?

6 MR. KENYON: We do. We have been doing these on
7 six month intervals. If this survey had not been as strong
8 as it was, I would schedule another prior to the March
9 meeting. Based on the strength of this survey, I am
10 currently not intending to do one until the June time frame.
11 We are on six month intervals. These are important surveys
12 to us.

13 What you are seeing is aggregate data. Obviously,
14 what we do is look particularly at those individuals who
15 score very well, and those are the -- that is a good
16 indication that these are the future leaders of the
17 organization, and we also look particularly at those
18 individuals who do not score well, and that suggests there
19 is a problem between that individual and his employees.

20 And we use this and other input to identify
21 problem areas. Once we identify a problem area, there is an

22 action plan. In some cases it means removing the
23 individual. In some cases, through training and coaching,
24 the climate in that particular area is improved.

25 So, based on the strength of these scores, I am

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1 comfortable with a six month interval.

2 CHAIRMAN JACKSON: As you indicated, this is
3 aggregated data, and at the last Commission meeting, we
4 discussed pockets.

5 MR. KENYON: Yes.

6 CHAIRMAN JACKSON: Where the performance was
7 marginal. Can you speak to some of those pockets and to say
8 what the progress has been?

9 MR. KENYON: Yes, I can, but the person who is
10 closest to is Mike Brothers.

11 MR. BROTHERS: Right. We, when I talk about
12 problem areas, Chairman Jackson, we will identify that.
13 When we first identified problem areas, we had 33, what we
14 call problem areas. Out of the 33, 17 were a direct result
15 of leadership surveys. Now, out of those 17, approximately
16 half of those people are no longer in that position. The
17 other half are under different types of programs, action
18 plans, remediation plans, to bring their leadership scores
19 up to where they need to be. We have taken significant
20 action on those 17 areas.

21 CHAIRMAN JACKSON: Okay. Thank you.

22 MR. KENYON: And while it is important for line
23 management to demonstrate its ability to address issues, it
24 is equally important for Millstone to have a highly
25 credible, independent assessment capability in its oversight

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1 organization. I am pleased to report that Millstone's
2 Nuclear Safety Assessment Board concluded, through a very
3 thorough five month process, and this process included an
4 external assessment, that oversight was effective in the
5 performance of its responsibilities.

6 CHAIRMAN JACKSON: Isn't it true that, in terms of
7 that outside consulting firm that you engaged in July, that
8 they felt that considerable progress had been made, but that
9 significant additional improvement was required, both from
10 nuclear oversight, as well as from Millstone Station senior
11 management, before the oversight function was fully
12 effective?

13 MR. KENYON: That is true, and the particular
14 issue that was of biggest concern to me was the extent to
15 which the line organization, and I am talking down in the
16 organization, I am not talking about the senior folks, the
17 officers, down in the organization recognize that the proper
18 way to view oversight was in a partnership, not simply a
19 regulatory requirement. And, thus, oversight, an effective
20 oversight organization is involved in helping to set the
21 standards, and then it is obviously involved in advising
22 line management where standards are properly met and where
23 they are not.

24 I think we have made very good progress in driving
25 that understanding down in the organization, and part of

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1 what the Nuclear Safety Assessment Board did was take -- to
2 take the input from the external assessment and then, over a
3 five month process, look at how this was playing out. And I

4 am quite comfortable that oversight is now effective and
5 line management use oversight in the proper way.

6 CHAIRMAN JACKSON: Could you speak to some of the
7 areas where, according to the consultant firm, the feeling
8 was that the greatest improvement still remained to be
9 demonstrated?

10 MR. KENYON: Yes. My only -- my only question on
11 that, are you talking about the initial assessment, or are
12 you talking -- because we have had that consulting firm come
13 back in.

14 CHAIRMAN JACKSON: Since July.

15 MR. KENYON: Yes. And we have had further input
16 from then as to where the most attention is needed and --

17 CHAIRMAN JACKSON: Well, you should tell us what
18 is -- whatever is the latest situation.

19 MR. KENYON: Okay. The latest information is that
20 they felt oversight has made strong progress and, thus, had
21 minor comments in the area of oversight. They had more
22 significant concerns in the area of conduct of operations.
23 That is an area that we are not satisfied with yet, and that
24 is an area that we are working on. And, here, the situation
25 is we have put in place, and I am principally talking Unit

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1 3, we have put in place a strong standard for conduct of
2 operations, and this particular consultant feels it is an
3 excellent standard.

4 What he observed, and what we don't disagree with,
5 is there is not uniform implementation of that standard
6 within the operating groups. So that was one area of
7 concern.

8 There was also an area of concern regarding
9 standards for corrective action. And, here, the issue was
10 more dealing to whether or not there are uniform standards
11 across the station for how you evaluate a potential issue,
12 how do you close a potential issue, and, you know, standards
13 in those areas. And based on recent work, we feel the
14 standards have been brought to a much more uniform level.
15 But at the time that the consultant saw it, there was still
16 some raggedness, different -- differing approaches among the
17 three units. These were the two concerns that were most
18 meaningful to me.

19 Dave, do you want to add on the recent report, or
20 go back to the earlier report?

21 MR. GOEBEL: Well, the earlier report was very
22 critical of us for not being fully integrated at the site
23 and not having a strategic focus that supported the overall
24 site mission. We were out doing our thing, and with some
25 degree of success, but it wasn't in a focused manner. We

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1 have restructured to create that focus, and set up a plan,
2 which I will brief you on a little later, when it's my turn,
3 that lays out the ability to fully integrate our own staff
4 and in so doing provide a more meaningful feedback to the
5 line in their endeavors.

6 They also felt previously that -- well, I guess
7 those were the two things, lack of strategic focus by
8 nuclear oversight and lack of integration among oversight
9 itself, and both those areas in the follow-up report, they
10 said they were very satisfied with.

11 The areas which they -- I've got the report right
12 here. The areas which they said they were not satisfied
13 with are -- two of the ones are -- two main ones are the

14 ones Mr. Kenyon has already talked about, elements of the
15 corrective action program and elements of the conduct of
16 operations.

17 The other things which they said in particular
18 they felt nuclear oversight had to concentrate more heavily
19 on was we had to work harder to improve our plant knowledge.
20 So what the individual did, would take my people out in the
21 plant and see how much they knew about the actual systems,
22 and he walked away feeling that among some of my team, they
23 weren't sufficiently knowledgeable in the systems
24 themselves. So across the board, they didn't know the plant
25 well enough. And that's a true fact. I've got, out of my

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1 entire team, I only have, I think, seven people that have
2 licenses or something, at one time had been licensed.

3 So plant knowledge is one area they said we needed
4 to put more emphasis. They said we needed to spend more
5 time in the field; felt that we should really -- it wasn't a
6 deficiency decided from the past, but basically we needed to
7 put more emphasis on frank performance appraisals. We were
8 not being critical enough to our own employees on how well
9 they were doing and how well they were not doing, and the
10 other area was they felt we needed to improve our
11 communications between my organization and the NRC. They
12 felt our communications were not very good.

13 CHAIRMAN JACKSON: I'd like for the NRC Staff,
14 actually, to speak to these issues when you come to the
15 table.

16 MR. GOEBEL: So those are the items that were
17 pointed out.

18 CHAIRMAN JACKSON: Thank you.
19 Commissioner?

20 COMMISSIONER DIAZ: Yes, I just have a question.
21 I'm sure that as all of these processes are evolving, they
22 are always containing a clear separation between oversight
23 and conduct of operations, that your oversight committee is
24 not a management function and does not get directly involved
25 in the conduct of operations, which at times appeared to

26

1 have been a problem, but actually performs its oversight
2 functions in an independent manner. Is that --

3 MR. GOEBEL: And that is what we are doing. We
4 have -- I have people in my organization who do go, spend
5 days at a time in the control room, and just sit in the back
6 and monitor and see who does what and how they do it, and
7 then we provide that feedback. We have set up systems to go
8 back and specifically monitor the conduct of operations.
9 And we have brought people in from the outside to assist us
10 in that, qualified operators from other sites.

11 MR. KENYON: But a clear separation --

12 CHAIRMAN JACKSON: I think the Commissioner's
13 point is that the managers -- the management manages the
14 station?

15 MR. GOEBEL: Right.

16 CHAIRMAN JACKSON: And at the same time, in order
17 for oversight to be effective, it has to be independent.

18 MR. KENYON: Right.

19 MR. GOEBEL: Absolutely.

20 MR. KENYON: To wrap up my opening remarks, I
21 wanted to indicate what I consider to be the most important
22 remaining challenges, and this is beyond the immediacy of

23 reaching physical readiness on Unit 3. One is demonstrating
24 -- and I have already said this in response to one of your
25 questions -- demonstrating both that we can identify

27

1 safety-conscious environment matters before they become
2 major issues, and that we can effectively resolve them in a
3 timely manner. You are going to hear much more about this
4 in Mike Brothers' presentation.

5 Another challenge is to demonstrate that the
6 corrective actions we are implementing are effective, and
7 Marty Bowling's presentation will discuss our corrective
8 action efforts in much more detail.

9 We also must demonstrate the effectiveness of our
10 configuration management program, and certainly a key item
11 in this regard is responding to the out-of-scope SSFI
12 inspection results, and Marty will further address that in
13 his presentation.

14 To summarize, I believe that satisfactory progress
15 is being made on all key issues, which means the issues are
16 either satisfactory for start-up, or tracking to
17 satisfactory, recognizing, again, that there are certain
18 elements inside those issues that still need a lot of
19 attention. But on an overall basis, we feel all issues are
20 on track, or there.

21 So I would now like to call on Mike Brothers to
22 continue.

23 CHAIRMAN JACKSON: Before he continues, let me
24 just ask you this question. This has to do with this issue
25 of definition of satisfactory.

28

1 MR. KENYON: Yes.

2 CHAIRMAN JACKSON: Now I noted that on the Sargent
3 & Lundy last slide, they noted that over half the closed
4 deficiency reports were not identified by your configuration
5 management program. And so what do you mean when you say
6 it's satisfactory or tracking to satisfactory?

7 MR. KENYON: Well, satisfactory means two things
8 to us:

9 One -- and we have placed a considerable focus on
10 safety significance, and thus as we have gone about our
11 activities, we have looked at what we have discovered from a
12 safety-significance perspective, and we have also looked at
13 what Sargent & Lundy has discovered from a
14 safety-significant perspective, and I think we are in good
15 agreement there.

16 But the other important area is compliance, and in
17 that area there have been more items than we would have
18 anticipated that don't necessarily represent true safety
19 issues, but do -- are important from the perspective of
20 compliance. I'm not at all trying to say compliance isn't
21 important.

22 In that regard, we have more than we thought we
23 might have, even though the safety-significance level is not
24 -- and as part of our process, because certainly before we,
25 Northeast Utilities, present ourselves as ready to start up,

29

1 we have got to be satisfied that we not only have addressed
2 the things that need to be addressed from a safety
3 perspective, but we need to be satisfied that we have
4 addressed things from a compliance perspective. And we are
5 still evaluating, Chairman Jackson, what the Sargent & Lundy

6 findings, or what the NRC SSFI findings say to us,
7 particularly from the perspective of compliance. And we
8 will be prepared to address that, but that's still open in
9 our minds, and we need to pursue that.

10 CHAIRMAN JACKSON: You know, the Commission
11 recently issued a statement on safety and compliance, and I
12 commend it to you, for you to read it.

13 MR. KENYON: I have it.

14 CHAIRMAN JACKSON: And to share with all of your
15 key people, and to use it as a template as you think about
16 the extent to which what you are doing is consistent.

17 MR. KENYON: We will.

18 Mike.

19 MR. BROTHERS: Thank you, Bruce.

20 Good morning. My name is Mike Brothers, and I am
21 the executive sponsor for establishing and maintaining a
22 safety-conscious work environment at Millstone station.

23 Our definition of a safety-conscious work
24 environment is a safety-conscious work environment is an
25 environment where all members of the NU nuclear team feel

30

1 comfortable raising any issue important to them, with the
2 confidence that the issue will be addressed with commitment,
3 respect, and timeliness.

4 This definition is consistent with the NRC's
5 position stated in their policy statement dated May 14th of
6 1996.

7 This presentation will present our success
8 criteria and current progress towards establishing a
9 safety-conscious work environment at Millstone station.

10 This slide gives our six high level success
11 criteria which were used to ensure that we have successfully
12 established and are in a position to maintain a
13 safety-conscious work environment at Millstone station.

14 I will discuss the first four of these success
15 criteria. The last two, employee concerns oversight panel
16 and Little Harbor Consulting validation of our efforts, are
17 independent verifications that are ongoing at this time.

18 Our assessment shows significant progress has been
19 made and, although we do not meet our own high standards for
20 two of our success criteria, we believe that we are on track
21 to support the restart of Millstone Unit 3 in the area of
22 safety-conscious work environment.

23 The first criteria that I will discuss is a
24 willingness of employees to raise concerns. We believe that
25 this success criteria is currently being met; to use your

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1 terminology, we rate this as currently satisfactory.

2 This graph shows our current leadership results to
3 support the success criterion of employees' willingness to
4 raise concerns. As shown in the slide, our criterion is at
5 greater or equal to 90 percent of people are willing to
6 raise issues to their immediate supervisor. The current
7 value is approximately 97-1/2 percent. This criterion is
8 currently satisfactory.

9 CHAIRMAN JACKSON: What's your sample size?

10 MR. BROTHERS: The sample size is in excess of
11 2000 respondents; about 2600.

12 CHAIRMAN JACKSON: And that's out of how many
13 people?

14 MR. BROTHERS: It's approximately 82 percent

15 response rate in the survey.
16 This graph shows the culture survey results to
17 assess the percentage of respondents who agree that there is
18 a safety-conscious work environment in their work area.
19 Although this measurement is not yet at our long range goal,
20 we believe that current results in the overall culture
21 survey, coupled with the percentage of people who are
22 willing to raise concerns to their supervisor, meet our
23 acceptance criteria for this success criterion.
24 CHAIRMAN JACKSON: What is the actual percentage?
25 MR. BROTHERS: 82 percent.

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1 CHAIRMAN JACKSON: Is it going down or up?
2 MR. BROTHERS: It's approximately the same. It
3 went up a statistically insignificant amount from one survey
4 to another.
5 CHAIRMAN JACKSON: Same number of respondents?
6 MR. BROTHERS: Correct.
7 This graph shows our confidentiality plus
8 anonymous trend. The top line is the total number of
9 concerns received per month, and the bottom line is the
10 total number of concerns which are requesting either
11 confidentiality or are anonymous. Our criteria is that no
12 adverse trend exist in this area.
13 Through November, this criteria is being met.
14 CHAIRMAN JACKSON: You don't have a criteria that
15 actually relates to whether the number is acceptably low, or
16 --
17 MR. BROTHERS: At this time, no. We believe that
18 what we are primarily looking for is an adverse trend. It's
19 consistent -- for instance, in November, the total number of
20 concerns went down dramatically to six; yet the number that
21 were received that were either confidentiality or requested
22 anonymous was four. There's not a lot that you can gain
23 from that immediately, but we know that if we detect an
24 adverse trend, we'd act upon it. So it's really a trend
25 indicator versus an absolute number.

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1 CHAIRMAN JACKSON: Zero is not an appropriate
2 goal?
3 MR. BROTHERS: Well, that's a goal; we don't think
4 we can achieve that. We have some sort of frictional type
5 of numbers coming in that we believe, this has probably
6 evolved like an IST acceptance criteria, we develop a
7 baseline. The baseline looks to be about three or four.
8 The second criterion that we will discuss is the
9 effectiveness of our line management in handling issues.
10 Like the first criterion, we believe that we are currently
11 meeting this success criteria. Therefore, this will be
12 judged as satisfactory.
13 This graph shows the timeliness of our CR
14 evaluations, CR being condition report. The goal is 95
15 percent of all evaluations performed in less than or equal
16 to 30 days. The lower line represents our actual
17 performance. This indicator is a backward-looking
18 indicator, since by definition it needs to be at least 30
19 days after the CR initiation to determine success or
20 failure. There are currently 4.9 percent of all CR
21 evaluations which have not had their evaluations complete
22 within 30 days on the Millstone Unit 3. So the snapshot in
23 time as of yesterday is it's being met. If current
24 performance levels continue, this criterion will met for

1 CHAIRMAN JACKSON: What kind of evaluation is done
2 within that 30 day time frame?

3 MR. BROTHERS: It depends upon the significance.
4 A significance level 1 CR requires a root cause evaluation
5 list, that is formally waived. A significance level 2 is an
6 evaluation done and approved by a supervisor and a
7 management review team, and level 3 requires only the
8 supervisor's approval.

9 CHAIRMAN JACKSON: Are operability issues included
10 in this number?

11 MR. BROTHERS: Yes.

12 CHAIRMAN JACKSON: So they are not dealt with or
13 reviewed on a shorter --

14 MR. BROTHERS: A much shorter. The reasonable
15 assurance of continued operation is 24 hour clock on
16 operability call.

17 CHAIRMAN JACKSON: What caused that initial
18 adverse trend?

19 MR. BROTHERS: The numbers coming in and our
20 inability to keep up with them. And then we turned it when
21 we started turning -- the numbers came down us, we completed
22 discovery is what you are seeing.

23 This graph shows our current condition report
24 evaluation score. The score is developed by averaging all
25 CR evaluations which are reviewed by the management review

1 team during each month. A CR receives a 4 if its evaluation
2 is accepted without comment; a 2 if it is accepted with
3 comment; and a zero if it is rejected by the management
4 review team. This criteria is currently satisfactory.

5 This graph shows the percentage of all action
6 requests as a result of condition reports which are overdue.
7 The goal is less than or equal to one percent. Currently,
8 approximately 2.4 percent of action requests as a result of
9 condition reports are overdue at Millstone Unit 3.
10 Significant management attention is being devoted to this
11 metric and we expect this goal to be at goal for Millstone
12 Unit 3 prior to restart, so this would be tracking to
13 satisfactory.

14 CHAIRMAN JACKSON: The scale that I am looking at,
15 can you say what you -- relate what you said in terms of the
16 small percentage to what looks like 30 percent on this
17 scale?

18 MR. BROTHERS: Yes. These are -- what you are
19 looking at here is the total number of overdue action item
20 tracking and training systems, independent of whether they
21 are CRs or non-CRs. The actual CR is much -- is a smaller
22 subset of this. So this is all action item tracking and
23 training systems overdues.

24 A third criteria that I will discuss is the
25 effectiveness of our Employee Concerns Program. While

1 substantial progress has been made in this area, we do not
2 yet meet our own high standards for performance in this
3 area. This area will be judged as tracking to satisfactory.

4 This slide shows the concern investigation
5 timeliness. The top line represents the 90 percent goal, in
6 other words, that is simply 90 percent of the total number

7 of concerns received per month, and the bottom line
8 represents actual performance. Our goal is to have greater
9 than or equal to 90 percent of all investigations complete
10 within 45 days. If we were meeting this goal, the lower
11 line would be at or above the 90 percent goal line. As you
12 can see, this criteria is not yet being met.

13 While we are evaluating the validity of this as an
14 indicator of the effectiveness of our Employee Concerns
15 Program, we do believe that timeliness of investigations is
16 a valid indicator of the performance of the Employee
17 Concerns Program. We also feel that a focus solely upon
18 investigation timeliness can result in a degradation of
19 performance or responsiveness of the Employee Concerns
20 Programs. We would just this as tracking to satisfactory.

21 CHAIRMAN JACKSON: Let me ask you a question.
22 There seems to be a discrepancy between the title, which
23 says within 30 days, and the legend, which says 45 days.

24 MR. BROTHERS: Yes. The slide is changed to 45
25 days on the overhead. That was error in the one that was

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1 provided to you.

2 CHAIRMAN JACKSON: Okay. And also the numbers,
3 the curve seemed to shift.

4 MR. BROTHERS: Yes. This is simply the most
5 up-to-date values that we have. Throughout the slide show
6 that you see, the values are as up-to-date as we can get
7 them. They are updated on a weekly basis.

8 CHAIRMAN JACKSON: Okay.

9 MR. BROTHERS: This slide shows a metric which is
10 still under development. What we are trying to measure is
11 the number of employees who are satisfied with their
12 experience with the Employee Concerns Program. The top line
13 shows the number of employees who were surveyed to assess
14 their degree of satisfaction with the Employee Concerns
15 Program. The bottom line shows the number of employees who
16 were expressing satisfaction with the Employee Concerns
17 Program.

18 As I said earlier, we are evaluating the
19 implementation of this metric. For instance, in November,
20 20 surveys were sent out, four responded, and, of those,
21 three expressed satisfaction. Although a clear-cut success
22 criteria is difficult to establish for this metric, it is
23 clear that the current satisfaction index, to coin a term,
24 does not meet our expectations.

25 CHAIRMAN JACKSON: What are your expectations?

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1 MR. BROTHERS: We have set an expectation of 75
2 percent. We don't know yet if that is going to be
3 achievable. And we have to evaluate what the large number
4 of non-respondents means as well. So we are using the
5 Employee Concerns Oversight Panel, in addition to Employee
6 Concerns Program, to do that for us.

7 COMMISSIONER DIAZ: The difference between the two
8 line is not responding?

9 MR. BROTHERS: Correct.

10 CHAIRMAN JACKSON: And that is a lower response
11 than you have for these other?

12 MR. BROTHERS: Much.

13 CHAIRMAN JACKSON: Much lower.

14 MR. BROTHERS: Yes.

15 CHAIRMAN JACKSON: What is that the response rate
16 again?

17 MR. BROTHERS: We had 20 surveys sent out and only
18 four responded in November. And we don't yet know what that
19 means.
20 The fourth criteria is our effectiveness in
21 recognizing and remediating problem areas within the
22 Millstone organization. Based upon our primarily reactive
23 response to problem areas, we not currently meeting this
24 success criteria. This would be judgment as unsatisfactory.
25 Probably at the borderline towards tracking to satisfactory,

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1 and you will see why, I believe in a few moments.
2 CHAIRMAN JACKSON: What is the duration of the
3 training sessions?
4 MR. BROTHERS: Are you on the next slide?
5 CHAIRMAN JACKSON: Yes. I am going to move you
6 along. You had 45 minutes and you gave us 61 slides.
7 MR. BROTHERS: Okay.
8 [Laughter.]
9 MR. BROTHERS: I can move faster.
10 MR. MORRIS: Believe me, he can. We all know he
11 can move faster.
12 [Laughter.]
13 MR. BROTHERS: Let me -- let me address each of
14 these --
15 COMMISSIONER DICUS: They have more information,
16 so they have given it to us.
17 MR. BROTHERS: This, the Forum for Leadership
18 Excellence is two weeks. The first one, the Managing for
19 Nuclear Safety, is a one day course. Civil Treatment is a
20 one day course. And 50.7 is four separate half days.
21 This slide, as I have said, shows a compilation of
22 our current status of providing training to our supervisors
23 and above at Millstone Station. Our criterion is that
24 greater than or equal to 95 percent of all supervisors have
25 been trained and demonstrate minimum required knowledge via

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1 written testing. This criteria is not currently being met.
2 It would be judged as tracking towards satisfactory.
3 We expect to meet this criterion by March 1998 to
4 support the restart of Millstone Unit 3.
5 CHAIRMAN JACKSON: Was Little Harbor not satisfied
6 with these percentages? Because I am going to read, in
7 terms of -- from their reviews, they found that the Employee
8 Concerns Program, the Safety Conscious Work Environment and
9 the Management Activities were not adequately coordinated.
10 I am going to ask them this question, too, but I want your
11 perspective on it. And they stated that the training was
12 not timely and that management training was lacking --
13 MR. BROTHERS: Right.
14 CHAIRMAN JACKSON: -- in the areas of protected
15 activities, retaliation and chilling effects. So tell me
16 about that.
17 MR. BROTHERS: The primarily was due to the slow
18 start. I believe that they will express satisfaction now,
19 but the slow start, and, I would agree, the lack of
20 coordination earlier this year, is the main result of that.
21 MR. MORRIS: We may not have been listening as
22 well as we should have early on, but the message is clearly
23 home now.
24 CHAIRMAN JACKSON: Okay.
25 MR. BROTHERS: The next slide, this slides shows

1 the current trend for employee concerns alleging instances
2 of harassment, intimidation, retaliation, or discrimination,
3 with 10 CFR 50.7 implications. The top line shows the total
4 number of concerns received and the bottom line indicates
5 those concerns with 50.7 implications. Our criteria is that
6 we do not have an adverse trend in this area. This criteria
7 is currently met and will be judged as satisfactory.

8 It should be noted, however, that when we include
9 other types of harassment, intimidation, retaliation, or
10 discrimination, such as age, race or gender discrimination,
11 that we did not meet our expectations in this area.

12 Extensive executive involvement in any confirmed
13 cases of harassment, intimidation, retaliation or
14 discrimination, regardless of whether or not there are 50.7
15 implications, will ensure that corrective actions up to and
16 including reassignment or removal are effective in
17 elimination of instances of harassment, intimidation,
18 retaliation or discrimination at Millstone Station.

19 CHAIRMAN JACKSON: Is that how you intend to
20 address, you know, meet your own standards in that area?

21 MR. BROTHERS: That's correct. These are
22 communicated via ECP HR program to me. I communicate it to
23 the executive team and we take action.

24 This slide shows our total number of problem areas
25 at Millstone Station. A problem area is any area in which a

1 safety conscious work environment may not exist. Problem
2 areas are identified by input such as Employee Concerns
3 Program, Employee Concerns Oversight Program, Little Harbor
4 Consultants, leadership survey or culture surveys.

5 Our success criteria is that the total number of
6 problem areas be decreasing. While we meet that criteria,
7 we have not yet demonstrated the ability to pro-actively
8 identify and remediate problems prior to them becoming
9 obvious problems. We have several examples of pro-active
10 responses to potential problem areas in the recent past. In
11 other words, we have successfully prevented areas from
12 becoming problem areas by effective intervention.

13 We expect this performance level to continue to
14 improve and the organization's ability to identify and
15 prevent problem areas to take precedence over our ability to
16 remediate problem areas which have been allowed to occur.

17 CHAIRMAN JACKSON: Well, you know there is Delta
18 X, I always say this, and there is Delta X Delta T. Right.
19 And so what you have shown us is Delta X Delta T. But then
20 one can look at Delta X and ask are you satisfied?

21 MR. BROTHERS: And the answer would be no.

22 Returning to our success criteria, we believe that
23 we are meeting our criteria for employees' willingness to
24 raise concerns, shown in green; line management's
25 effectiveness in dealing with issues raised by employees,

1 also shown in green. The two shown in yellow -- or you can
2 barely see it in yellow. While we have made significant and
3 meaningful progress towards establishing an effective
4 Employee Concerns Program, we do not yet meet our own high
5 standards in this area with regard to timeliness of
6 evaluations and satisfaction of employees who have used this
7 program.

8 The fourth success criterion, our ability to

9 recognize and address problem areas, is where we have made
10 the least progress. Significant progress has been made over
11 the last month, but, based upon our slow start, this area
12 will be our focus going forward.

13 The remaining two success criteria, Employee
14 Concerns Oversight Panel and Little Harbor Consulting
15 concurrence are underway and expected to support the
16 Millstone Unit 3 restart schedule.

17 CHAIRMAN JACKSON: Can you give us some sense of
18 the significance of the issues that have been raised?

19 MR. BROTHERS: Within the Employee Concerns
20 Program?

21 We have metrics, different types of significance.
22 From a material significance standpoint, very low numbers.
23 We tracked them as impact on maintenance rule and actual
24 power block implications, very, very small numbers of
25 employee concerns in that area.

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1 The most significant aspects involve either 50.7
2 or other types of harassment, intimidation, and those are
3 the most significant we had.

4 The percentages are, if you roll in all types of
5 harassment -- intimidation, retaliation, discrimination --
6 are higher than what we want at this time, and that is where
7 the significance is.

8 Finally, I want to address the organizational
9 changes that we have made to address the establishment of a
10 safety conscious work environment at Millstone Station.

11 To allow me to focus on this area, Jack McElwain
12 has been placed in charge of the day-to-day operation of
13 Millstone Unit III. This is a direct result of a need to
14 continue the momentum we have towards establishing a
15 safety-conscious work environment at Millstone Station.

16 In addition, Jack McElwain, taking over the
17 day-to-day operation of Millstone Unit III, the reporting
18 relationship of the Employee Concerns Program has been
19 changed to report directly to me.

20 This change, along with the designation of a
21 recovery officer to oversee the area of Human Resources and
22 a more coordinated utilization of the Employee Concerns
23 Oversight Panel, ensure that we have the organization in
24 place to fully establish a safety-conscious work environment
25 at Millstone Station.

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1 The progress indicated in the metrics presented
2 today and in more detail in your briefing information along
3 with the organizational changes recently put in place give
4 us the assurance that we are on track to support Millstone
5 Unit III's startup in the area of safety conscious work
6 environment.

7 If there are no further questions, I will turn the
8 presentation over to Marty Bowling to discuss corrective
9 action and configuration management.

10 CHAIRMAN JACKSON: Thank you.

11 MR. BROTHERS: Thank you.

12 MR. BOWLING: Good morning. Before I start my
13 formal remarks, let me go back to your question on procedure
14 adherence and let you know that our standard for procedure
15 adherence has not been acceptable.

16 We have put considerable effort into revising and
17 raising that standard and as of September 30th implemented a

18 newer and higher standard commensurate with the industry.
19 We also have a number of metrics with which we are
20 monitoring our procedural adherence so that we will have
21 real-time feedback on what more we may need to do, but we
22 have the right standards in place. They are implemented and
23 now we need to implement them.
24 CHAIRMAN JACKSON: Let me ask you a question.
25 Everything leads to another question.

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1 You made an interesting statement. You said that
2 as of September 30th you had put a new procedural adherence
3 standard into place that is consistent with industry and
4 then as we talk you talk about the various standards you
5 have in place.

6 How do you determine those standards, and in fact
7 are you using industry standards in all of these key areas,
8 not just for procedure adherence but corrective actions --

9 MR. BOWLING: Yes. These key programs that Bruce
10 listed for you, we have executive sponsors and issue
11 managers for each one of those and part of our job is to
12 make sure that our program area is at the right standard, at
13 the industry standard or higher.

14 I want to talk about the radiological control area
15 errors. I have a specific slide for that as well as the
16 Sargent & Lundy issues.

17 MR. KENYON: But to continue with the question,
18 this is a leadership team that came from the rest of the
19 industry, so we have our individual perspectives on
20 standards in the industry and we utilized that to a
21 considerable extent, but there are also areas such as safety
22 conscious work environment where I think by the time we get
23 through with this we will probably have set a model for the
24 rest of the industry, so we are very attentive to industry
25 standards but, first and foremost, we must satisfy ourselves

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1 that what we are doing is right and it makes sense.

2 I think by the time we finish the Millstone
3 recovery others are going to come to us in a number of areas
4 to see what -- the standard that we have set.

5 CHAIRMAN JACKSON: Right. I appreciate that
6 point. The only reason I raised the question is because
7 obviously you had a renormalization of your standard --

8 MR. KENYON: Yes.

9 CHAIRMAN JACKSON: -- in this particular area.
10 You were not at or above the industry standard so that that
11 is a relevant question. Why don't you go on.

12 MR. BOWLING: When I talked to you in August I
13 discussed the status of corrective actions to restore
14 configuration at Millstone.

15 Mike Brothers has just discussed the relationship
16 of a strong Corrective Action Program for a safety conscious
17 work environment.

18 Today I will update you on our progress. In doing
19 so, I will review the major attributes of our program as
20 well as overall effectiveness.

21 In general terms, it is my view that the
22 Corrective Action Program is on track to fully support Unit
23 III restart readiness.

24 This slide shows the four major programmatic
25 elements and the supporting attributes of our Corrective

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1 Action Program. I have color coded this slide to represent
2 the current status which focuses on Unit III.

3 Overall, significant progress is being made but as
4 you can see we are not yet complete. The two key elements
5 of problem identification and problem evaluation are meeting
6 expectations. They are satisfactory.

7 However, the key elements of problem resolution
8 and corrective action effectiveness needs improvement,
9 although they are on track for satisfaction.

10 We have action plans in place to meet expectations
11 in each of these areas by the end of January of next year.

12 Let me further elaborate on some of the key
13 attributes of the Corrective Action Program.

14 CHAIRMAN JACKSON: Let me look at that. I have
15 this page A-73, okay?

16 MR. BOWLING: Yes.

17 CHAIRMAN JACKSON: And that is from your status
18 book, and I noted that as of November, '97 you have 908
19 items to work off in three months, according to the schedule
20 that you have laid out.

21 MR. BOWLING: Yes.

22 CHAIRMAN JACKSON: But if you look at, and now I
23 am looking at $\Delta x \Delta t$, you know, if you look at the
24 rate of work-off --

25 MR. BOWLING: Yes.

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1 CHAIRMAN JACKSON: -- you know, per month or per
2 three months, up to this point, it's not consistent with
3 working off 908 items in the next three months.

4 MR. BOWLING: Yes. I have a graphic on the
5 restart task, but just before I get there, some of that
6 will --

7 CHAIRMAN JACKSON: Address --

8 MR. BOWLING: -- in terms of Δt , some of it
9 supports physical readiness, some of it heat-up, and some of
10 it actual criticality, so it does go over a number of
11 months.

12 CHAIRMAN JACKSON: Okay. Why don't I let you do
13 that.

14 MR. BOWLING: All right, okay. Next slide,
15 please.

16 We have achieved a low threshold for reporting.
17 So far in 1997 Millstone has identified and submitted over
18 9000 condition reports. Most of these condition reports
19 have been internally identified by both unit and support
20 organizations through activities such as the Configuration
21 Management Project and the over 300 self-assessments that
22 have been performed on all aspects of our operations.

23 In addition, over 30 audits and 319 surveillances
24 have been conducted by Nuclear Oversight for key programs,
25 processes, and activities.

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1 As a result, the percent of self-identified
2 condition reports, as opposed to being identified by the NRC
3 or actual events, is very high and is achieving our goal of
4 greater than 90 percent.

5 COMMISSIONER DIAZ: Yes, but what does "low" mean?
6 Does that mean that it is satisfactory?

7 MR. BOWLING: Yes.

8 COMMISSIONER DIAZ: You could set a very low
9 threshold and be swamped or you can set it -- you are

10 satisfied with the low threshold that you are receiving?

11 MR. BOWLING: Yes. I think this is consistent
12 with what you would expect to see at the best performing
13 plants in terms of low threshold.

14 CHAIRMAN JACKSON: And I am going to ask Little
15 Harbor Consultants, because apparently -- I mean the
16 question is, is this an indicator that the employees are
17 using this system to bring forth safety concerns, and I
18 believe based on your response to Commissioner Diaz's
19 question you would say yes.

20 MR. BOWLING: Yes.

21 CHAIRMAN JACKSON: But of course, you know, you
22 look at all the slides and Little Harbor seems to be saying
23 something different.

24 Do you have any sense of why the disparity?

25 MR. BOWLING: Well, let me just comment on the

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1 information that I am providing.

2 A significant percentage of what we are
3 identifying has to do with maintenance rule systems --

4 CHAIRMAN JACKSON: Okay.

5 MR. BOWLING: Organizational programmatic issues
6 and process errors and so it is at the heart of our
7 business.

8 CHAIRMAN JACKSON: Well, it is, but there is an
9 issue related to people feeling that, you know, they have
10 the freedom and flexibility to bring forth issues including
11 issues that may relate to hardware, and so it is a relevant
12 question in terms of what the nexus is --

13 MR. BOWLING: Yes.

14 CHAIRMAN JACKSON: -- between the two, okay, so it
15 is not just a question of do we deal with hardware.

16 In the end you have people who run your station
17 and the question is do they feel that, you know, that they
18 can bring up the issues and get them resolved, so I am
19 interested in some resolution between what you are saying
20 about the hardware and what Little Harbor is saying about
21 people's willingness to use the system.

22 MR. KENYON: And we believe they are and we do not
23 believe there is a disagreement between us and Little
24 Harbor, but certainly Little Harbor needs to speak for
25 themselves.

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1 CHAIRMAN JACKSON: Okay.

2 MR. BOWLING: Finally, no backlog of operability
3 and reportability determinations demonstrates that our
4 employees understand the importance of whether a potential
5 condition adversely effects nuclear safety or compliance
6 with the design and licensing basis.

7 Expectations for the third element of the
8 Corrective Action Program, timely resolution, are on track.
9 Management and programmatic issue resolution is an important
10 indicator of an effective Corrective Action Program.

11 We are now on track to close all of the key
12 management issues. As Bruce indicated earlier, six of the
13 16 key issues necessary for restart are now showing
14 satisfactory results with the 10 remaining issues scheduled
15 for January and February resolution.

16 As an example of an effective resolution of a key
17 management issue, this slide shows the progress that has
18 been made in reducing entry errors into the radiological
19 controlled areas, a longstanding and recurring problem area

20 at Millstone.
21 CHAIRMAN JACKSON: Let me ask you a question --
22 MR. BOWLING: Yes.
23 CHAIRMAN JACKSON: -- on an earlier slide, right,
24 and I know they are the new ones, but you had overdue
25 assignments for condition reports are being reduced, and the

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1 backlogs.
2 MR. BOWLING: Yes. I am going to come back to --
3 CHAIRMAN JACKSON: You are going to come back to
4 those two issues?
5 MR. BOWLING: Yes, ma'am.
6 CHAIRMAN JACKSON: Okay, very good.
7 MR. BOWLING: Achievement of these positive
8 results require management standard-setting, accountability,
9 and coaching of the workforce. We are now performing at an
10 error rate much better than the industry with more than
11 750,000 entries into the RCA already in 1997. More detailed
12 discussion of each key issue has been provided in our
13 December 4th Progress Toward Readiness to Restart briefing
14 book.
15 Coming back to overdue assignments, the timely
16 resolution of issues are the number of overdue corrective
17 actions which Mike Brothers has already discussed. I would
18 just add that the overdue rate for the most significant,
19 which we call the level one of the condition reports, is
20 around 5 percent at this point and that is why it is not yet
21 satisfactory. And the size and control over our backlogs.
22 Backlogs are being reduced on Unit 3 as indicated
23 in the next slide.
24 Restart tasks include those items that must be
25 completed to support the conduct of safe operation as well

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1 as compliance with the regulations. Backlog performance
2 indicators for the NRC significant items list and procedure
3 revision backlogs are also provided in your handout and they
4 show similar trends. Jack will also discuss maintenance and
5 modification backlogs in his portion of the presentation.
6 COMMISSIONER DIAZ: Excuse me.
7 MR. BOWLING: Yes.
8 COMMISSIONER DIAZ: Are you tracking the time lag
9 between an engineering issue being put into the task of the
10 work orders and the actual initiation or completion of the
11 process, the actual work? Is that a problem? Because I
12 seem to see a time lag.
13 MR. BOWLING: There is a time lag.
14 MR. McELWAIN: The time lag from the engineering
15 perspective, we put a corrective action in place that
16 requires physical work. We track that very rigorously and
17 we are aware of everything that is out there that may be
18 physical work. If it's not, if it's a calculational change
19 or if it's a study, we're not quite as rigorous in tracking
20 the time from conception to completion.
21 COMMISSIONER DIAZ: You do realize that this last
22 slide that you have in there, by some measure, you are
23 tracking leniently down, which normally means you have a
24 very rigorous and rigid process. Is that true?
25 MR. BOWLING: The process is efficiencies

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1 obviously could be improved. But one of the things that you
2 have to consider is that some of the tasks are interrelated.
3 So a lot of corrective action because of our controls, that
4 is, you can't close out until all the work is done, is tied
5 to physical work.

6 So we would expect, with reaching the milestone of
7 physical readiness, which is projected later this year, that
8 a significant amount of these will go to closure. Presently
9 there are 46 percent of these activities that are coded to
10 completion of physical work completion review.

11 COMMISSIONER DIAZ: Okay.

12 MR. BOWLING: Next slide, please.

13 The last element of the Millstone corrective
14 action program is resolution effectiveness. We are using a
15 number of attributes to judge effectiveness in this area,
16 including the NRC's seal closure quality, self-assessments
17 of completed corrective action and the ICAVP review results.

18 With respect to the NRC's significant items list,
19 more than 80 percent of the required closure packages have
20 been provided to the NRC for review. As is documented in
21 the NRC inspection reports, the quality and completeness of
22 these packages has been good.

23 CHAIRMAN JACKSON: Let me ask you a question,
24 Mr. Bowling.

25 Have you had examples or do you track whether

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1 there are any design basis issues that continue to arise
2 after the system has been completed? Do you keep track of
3 that?

4 MR. BROTHERS: Yes, we do. One of the first
5 questions that we ask, when a condition report comes up for
6 the management review team is, should this have been
7 discovered, this discrepant condition, and if it is, in most
8 times, not only is there a CR written on that fact, but
9 there is also a CR on the actual condition. So we track
10 that.

11 MR. BOWLING: And we are also keeping the staff as
12 well as the ICAVP contractor informed when we have those
13 misses.

14 CHAIRMAN JACKSON: What are some of the most
15 significant technical issues that you are grappling with?

16 MR. BOWLING: Now?

17 CHAIRMAN JACKSON: Now.

18 MR. BOWLING: Well, let me just give you that from
19 the things we found that are most significant at Millstone
20 Unit 3, the most significant item is a generic industry item
21 which was the emergency core cooling system throttle valve
22 erosion that we found. It is now a generic industry issue
23 that most plants are resolving by putting orafaces in to get
24 the valves out of the cavitation range. That's one.

25 I would say the aggregate impact of all the eight

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1 problems we found with the recirculation spray system was
2 significant, although the system would still have been able,
3 we believe, to perform its safety function. There is a
4 final evaluation going on to in fact prove that we found a
5 number of issues on RSS and the SBO station blackout diesel
6 battery capacity was significant in our minds as well.

7 Those were the most significant items that we found.

8 CHAIRMAN JACKSON: Okay.

9 I note, you know, it's always interesting to me,
10 and I know that you prepare your slides and, you know, you
11 get your final form but what's interesting is what's
12 missing.

13 [Laughter.]

14 CHAIRMAN JACKSON: And in your previous set of
15 slides related to this in this category about corrective
16 action resolution effectiveness, one of your criteria was
17 that longstanding problems are being addressed.

18 MR. BOWLING: Yes.

19 CHAIRMAN JACKSON: But yet it is removed in this
20 current set. Can you just explain that removal?

21 MR. BOWLING: Yes. This was an administrative
22 change. I tried to address the effectiveness in the third
23 element and my example of radiological controlled areas was
24 meant to address that.

25 CHAIRMAN JACKSON: Okay, so you're saying --

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1 MR. BOWLING: But it's certainly not lost from our
2 program.

3 CHAIRMAN JACKSON: It is subsumed?

4 MR. BOWLING: Yes.

5 CHAIRMAN JACKSON: Okay. Thank you.

6 MR. BOWLING: Okay, we are also performing our own
7 self-assessments of the completed corrective actions that
8 are most important to nuclear safety and overall
9 organizational effectiveness. We have not found any
10 technical deficiencies with completed corrective actions
11 that will be considered of high safety significance.
12 However, I want to take just a minute to elaborate on this
13 point because we have found more deficiencies than expected
14 with completed corrective actions, especially for those
15 corrective actions that were completed prior to implementing
16 our current standards.

17 As a result, we are verifying the quality and
18 completeness of the most significant corrective actions we
19 have completed during the last two years. This extra effort
20 will provide additional confidence that past corrective
21 actions meet today's standards. And with respect to
22 corrective actions being completed now, we are setting a
23 high standard and our assessments show that corrective
24 action quality has significantly improved.

25 Finally, our assessment of the ICAVP review

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1 results today are telling us that the corrective actions
2 taken to restore the design, licensing and operating basis
3 have been effective in identifying both safety and
4 programmatic issues. A characterization of the issues found
5 by the NU during the configuration management project are
6 summarized in your handout.

7 The next slide shows the significance of what has
8 been found. This slide shows the licensee reports submitted
9 under 50.73 that have been submitted by Millstone Unit 3 as
10 a result of the corrective actions taken to restore the
11 design licensing and operating basis. The safety
12 significance is based on risk-informed qualitative insights.
13 As you can see, most of the 101 total items are classified
14 as low safety significance.

15 We have also reviewed approximately one-third of
16 the potentially safety significant discrepancy reports

17 identified by the ICAVP contractor. These are the level 1,
18 2 or 3 discrepancy reports. Out of that we have confirmed,
19 out of that one-third, that only three low safety
20 significant issues, and no moderate or high safety
21 significant issues have been missed by the NUCMP effort.
22 And so if you go to the Sargent & Lundy slide, you will see
23 that two of the three that I am talking about are indicated
24 there.

25 CHAIRMAN JACKSON: You mentioned that you use

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1 risk-informed qualitative insights. Have you been able to
2 apply more analytical, quantitative analytical methodologies
3 for certain key systems to get a sense of the relative risk
4 significance?

5 MR. BOWLING: We have not done a quantitative. We
6 are extending the qualitative assessment to look at the
7 aggregate impact to the extent that we can, and this is
8 certainly something that has not been undertaken, but we are
9 trying to look at, from a total aggregate standpoint, what
10 is the safety significance.

11 CHAIRMAN JACKSON: Okay.

12 MR. BOWLING: Okay. Although we must still
13 complete our reviews of all of the identified potential
14 discrepancy reports, and have them confirmed by both the
15 ICAVP contractor and the NRC staff, we believe that the
16 Configuration Management Program has been effective in
17 finding and addressing safety significant issues.

18 With respect to the NRC inspections, the tier 1
19 out of scope safety system function inspection has been
20 evaluated on Unit 3. Their tier 2 and 3 inspections are in
21 progress. As you know, these NRC inspections are resulting
22 in a number of potential violations. Although we do not
23 believe that the findings, in themselves, are of high safety
24 significance, they do indicate some program weaknesses and
25 absolutely do not meet our standards for compliance.

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1 From the NRC tier 1 inspection report, we are
2 addressing the identified program weaknesses now. The first
3 deals with the design and operating interfaces between
4 systems that are relied upon to perform a safety function.

5 With respect to design and operating interfaces,
6 we have utilized a multi-discipline functional review team.
7 This effort expands what we have already done on CMP by
8 addressing accident mitigation and the dynamic interactions
9 of stand-by systems with operating systems during a
10 transient.

11 Conceptually, we are looking horizontally at an
12 overall system response to accidents and integrating that
13 with our CMP, which was a deep but graded system-specific
14 vertical slice.

15 Therefore, our functional review is a reasonable
16 self-check of the effectiveness of CMP from a safety and
17 design basis perspective, and provides a higher assurance
18 that safety systems will function in concert during any
19 plant transient.

20 This review has not found any significant safety
21 issues or non-compliances with the design or licensing
22 basis. Lower significant items have been identified and are
23 being assigned for corrective actions.

24 The second weakness identified in the tier 1
25 inspection report deals with the accuracy of procedures to

1 meet the technical specifications surveillance requirements.
2 With respect to compliance with the technical
3 specifications, we are currently conducting further reviews
4 and no new reportable non-compliances have been identified.

5 The NRC tier 1 inspection report also indicates
6 that additional attempt to FSAR accuracy and procedural
7 compliance issues are warranted.

8 Finally, the NRC preliminary tier 3 inspection
9 results have been debriefed with us.

10 CHAIRMAN JACKSON: Let me ask you question about
11 this.

12 MR. BOWLING: Yes.

13 CHAIRMAN JACKSON: In terms of technical
14 specification compliance. I mean you say no new
15 non-compliances have been identified. Have you done a full
16 scope of assessments?

17 MR. BOWLING: This project is still ongoing and is
18 scheduled to finish in early February.

19 CHAIRMAN JACKSON: You mean have not been
20 identified to date?

21 MR. BOWLING: To date. Right.

22 CHAIRMAN JACKSON: And that is based on what kind
23 of a scope of review?

24 MR. BOWLING: That is looking at all of the
25 surveillance procedures that are used to meet and adhere to

1 the tech spec surveillance requirements, and that has been
2 in progress since we -- our own self-assessment showed that
3 we needed to re-look at that, and so that has been going on
4 for several months.

5 CHAIRMAN JACKSON: Okay.

6 MR. BOWLING: Okay. With respect to the tier 3
7 inspection, the design -- the NRC has debriefed with us and
8 indicated that the design control program meets Appendix B
9 requirements and is able to effectively maintain
10 configuration.

11 In summary, the actions that have been taken to
12 date to restore and maintain configuration, and to address
13 longstanding safety and programmatic issues, are being
14 effective. Still, we recognize that all the corrective
15 actions necessary to restore full compliance have not yet
16 been completed. This will be completed prior to restart.

17 Also, we must make sure that our organization
18 demonstrates, going forward, --

19 CHAIRMAN JACKSON: Prior to your coming to ask us
20 for a restart decision.

21 MR. BOWLING: Yes, ma'am. Going forward -- also,
22 we must make sure that our organization, going forward,
23 demonstrates a healthy respect for regulations, from both an
24 intent and a compliance standpoint. However, I do believe
25 that our Corrective Action Program will support the conduct

1 of safe operations.

2 If there are no further questions, I will turn it
3 over to Jack.

4 CHAIRMAN JACKSON: Commissioner Dicus has a
5 question.

6 COMMISSIONER DICUS: It's another case where the
7 slides, the packet we had, that I studied, changed a little
8 bit from the packet that we have in front of us. The slide

9 didn't, but its location did.
10 I would like for you to go to back-up slide No. 7,
11 please.
12 The slide is entitled, "Radiation Protection," and
13 it says, "Progress. Radiation protection practices continue
14 to improve and oversight will continue to monitor
15 performance." But the graphics don't show that on the
16 slide, from my -- my viewpoint, and it is over only about a
17 four month period of time, but the graphics basically show a
18 steady state, fluctuating somewhat, but a steady state.
19 It is back-up slide No. 7.
20 So my question is, your statement, radiation
21 protection practices continue to improve, but the graphics
22 don't show it.
23 MR. BOWLING: Okay. This -- this is from the
24 Nuclear Oversight assessment of the Radiological Protection
25 Program, from a total program concept, and Dave Goebel can

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1 address that more. But from my standpoint, what I was
2 trying to show was the actual violations of procedural
3 requirements or regulatory requirements on performance in
4 the RCA, radiological control areas. And, so, based on that
5 trend, we have shown substantial progress. But that is only
6 one element of the overall Radiological Protection Program.
7 COMMISSIONER DICUS: Okay. So there are other
8 aspects of it that are keeping this from being higher?
9 MR. BOWLING: Well, the other thing about this.
10 COMMISSIONER DICUS: That would be my point.
11 MR. BOWLING: Right. The other thing about this
12 graph is that you can see that, even though it is at stable
13 trend, it is well into the satisfactory area. So it is
14 meeting expectations.
15 MR. KENYON: Commissioner Dicus, I think it would
16 be helpful that when --
17 COMMISSIONER DICUS: Okay.
18 MR. KENYON: -- Mr. Goebel gets to his
19 presentation and takes you through what these kinds of
20 slides mean, that then we can talk specifically about that
21 one and put it in context.
22 MR. McELWAIN: Good morning. I am Jack McElwain,
23 I would like to give a present status on Unit 3.
24 We are on track for Unit 3 physical readiness by
25 the end of December. The key issues are completion of

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1 motor-operated valve work, restart modifications, and
2 restart maintenance backlog.
3 The next two slides, I will explain why I believe
4 we are on track.
5 This slide represents the total start-up related
6 automated work orders. As you can see, the first vertical
7 bars on the left are representing monthly totals and the
8 right side are further broken down by week through the end
9 of December. This was done to illustrate clearly what
10 remains to be done prior to being physically ready.
11 There are currently, on the slide, there are 677
12 automated work orders required for physical readiness. This
13 is broken down into those three categories, MOVs, MODS and
14 maintenance.
15 The slide depicts our continuing plan which shows
16 the effort required for these three areas relating to AWO
17 closeout.
18 As you can see in the motor-operated valve area,

19 there are 97 completed and 46 remaining, which will close
20 out -- of the 46 that are remaining, when we finish that
21 work, we will close out 171 automated work orders. That is
22 what this slide is intended to show us.

23 COMMISSIONER DIAZ: What is the difference? I got
24 lost between the 143 and the 171.

25 MR. McELWAIN: There is no one-to-one ratio for

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1 143 valves and 143 work orders. There have been about 400
2 work orders for motor-operated valves, for the 143 valves.
3 There is no one-to-one, bean for bean. But that just shows
4 when we close out those last 46, we will close 171 of those
5 automated work orders.

6 CHAIRMAN JACKSON: Now, does completed or closed
7 out mean that the drawings are updated?

8 MR. McELWAIN: The red line drawings are updated.
9 The testing is complete. The analysis has been done for
10 operability. For example, in the differential pressure
11 testing, dynamic testing, you have to go through an
12 operability determination analysis before we say that that
13 valve and that work orders are complete. And that will
14 happen.

15 Of the 46, all but four are issued to the field
16 today, and work is approximately 40 percent complete. And
17 the four that are not issued to the field are boundary
18 valves for the alpha training that we are in now. We need
19 to get five valves back before we can issue those last four.

20 In the MOD area there are 127 of 182 complete.
21 The remaining 55, 35 are in progress and will complete with
22 the present alpha training outage, and the remaining 20 are
23 scheduled to be completed prior to 12/24/97.

24 CHAIRMAN JACKSON: Let me go back to -- well, it
25 doesn't matter, you can pick either category. But if we go

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1 back to the MOVs, you said 97 are complete, and I appreciate
2 what you say about the number of automated work orders
3 versus the number of valves, but in terms of getting some
4 sense of, you know, of a match-up between the two, if 97,
5 the work, I presume you mean, on 97 MOVs is complete. How
6 many of the automated work orders does that -- none of them
7 are done, related to that, or --

8 MR. McELWAIN: About 300 of the automated work
9 orders relating to motor-operated valves are done with those
10 97.

11 CHAIRMAN JACKSON: With those 97.

12 MR. McELWAIN: But the number might be 250, but it
13 is --

14 CHAIRMAN JACKSON: I understand.

15 MR. McELWAIN: It is in that range. And it is not
16 just the physical work, is through testing complete also.

17 CHAIRMAN JACKSON: So the 171 are associated with
18 the 46 left?

19 MR. McELWAIN: Yes.

20 CHAIRMAN JACKSON: Okay.

21 MR. McELWAIN: In the corrective maintenance area,
22 the work for alpha training has been issued and performance
23 is on schedule to meet completion prior to 12/24/97.

24 CHAIRMAN JACKSON: Now, again, you know, you
25 always have steep work-off curves. I asked the question

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1 about stress when you were here before, you know, stress on
2 your manager and stress on your people.

3 MR. McELWAIN: Yes.

4 CHAIRMAN JACKSON: Do you want to make some
5 comments along --

6 MR. McELWAIN: Well, I will tell you that if you
7 looked at the people responsible for these activities right
8 now, they are the opposite of stressed. They are excited
9 because they see the end of their very, very long effort.
10 That is purely my personal judgement, but that is what I
11 see.

12 MR. MORRIS: My team always gets a little upset
13 with me when I raise this issue, but if we don't finish this
14 work till after the holidays, so that people can enjoy some
15 time, that would be acceptable with us. But they don't like
16 me to say that.

17 MR. KENYON: And it is not that we don't like him
18 to say it. It's really okay.

19 But just to add another comment, Chairman Jackson,
20 the difference between what you are seeing now and what you
21 have seen in previous presentations is that we have had
22 previously a big backlog of work, some of which was
23 scheduled. What we have now is a much smaller backlog of
24 work.

25 CHAIRMAN JACKSON: Still big though.

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1 MR. KENYON: But this is very do-able. What --

2 CHAIRMAN JACKSON: But is it scheduled now?

3 MR. KENYON: It is all scheduled and that's --
4 that's the key point. What Jack has taken you through is
5 categories of work orders, but they are into an outage
6 schedule that comes to completion before the end of this
7 year. And, you know, if we have a valve testing problem, or
8 whatever, that carries us over into January 5, but
9 everything is scheduled and this is very do-able, and the
10 employees who are doing this work absolutely believe that
11 this can be done in the time frame that is laid out. So
12 this is very achievable.

13 CHAIRMAN JACKSON: You know, I asked you this
14 before, and I will ask you every time, and that's why I
15 asked the question about if you complete things and you find
16 problems after you have completed them, do you feel that you
17 are appropriately balancing scheduler concerns with
18 comprehensive resolution of the issue?

19 MR. McELWAIN: Yes. I can give you what I think
20 is a concrete example. When we have come out of the two
21 major evolutions we were in prior to the alpha training,
22 which was the VCT outage, which was a very lot of work
23 involved in that, we did not put pressure on getting into
24 the bravo training outage from a transitional point of view.
25 We just stayed away from having any perception that we had

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1 to force the evolutions to go to meet a certain time frame.

2 It took longer than it would normally take in an
3 outage situation, but that is the situation we are in, so we
4 didn't make a lot of noise about that. The same with going
5 from the bravo training to the alpha training. It took
6 longer than it should have, but where we are at in time,
7 that's okay, and we didn't put any pressure on operations or
8 anyone else to speed it up, to make it happen quicker.

9 CHAIRMAN JACKSON: Now, again, you know, you had a
10 slide 50, which is the current set, and a slide 47, which

11 was the previous, and it mentioned is the key activity
12 complete for the OSTI readiness inspection, safety system
13 reviews and alignments?

14 MR. McELWAIN: Yes.

15 CHAIRMAN JACKSON: Why did you remove that?

16 MR. McELWAIN: It is part of what is scheduled.
17 Every system walkdown, system review and the procedure that
18 evaluates that system for readiness is in the schedule.
19 They have been working them off.

20 CHAIRMAN JACKSON: Presumably, the pre- -- these
21 other three bullets are in the schedule, too.

22 MR. McELWAIN: Yeah, but these are really relating
23 to the physical work end.

24 CHAIRMAN JACKSON: I see.

25 MR. McELWAIN: The system readiness reviews,

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1 although they are ongoing, are not going to complete prior
2 to physical work, you wouldn't expect they would.

3 CHAIRMAN JACKSON: Okay. So this is physical
4 readiness.

5 MR. McELWAIN: Yes.

6 MR. BROTHERS: The system readiness reviews will
7 be completed prior to the system being required by tech
8 specs, so, in other words, when we go, transition to mode 4,
9 where most of our tech specs kick in on Unit 3, the system
10 readiness reviews will be done for all the systems required.
11 The same thing for mode 3, mode 2.

12 CHAIRMAN JACKSON: Okay. Well, when you talk
13 about, you know, readiness for the operational safety team
14 inspection, --

15 MR. McELWAIN: They will be done before that.

16 CHAIRMAN JACKSON: Right. Then you need to, you
17 know, be comprehensive, as opposed to kind of lifting it off
18 and then saying to me this only has to do with physical
19 readiness. If it has to do with physical readiness only,
20 then you should say it is such.

21 MR. McELWAIN: Yes.

22 CHAIRMAN JACKSON: If it really has to do with the
23 OSTI, then you should say, you know, --

24 MR. McELWAIN: Although they aren't related,
25 certainly.

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1 CHAIRMAN JACKSON: Obviously, they are related,
2 but you want to have done the systems reviews and
3 alignments.

4 MR. McELWAIN: Yes.

5 CHAIRMAN JACKSON: And that is the point.

6 MR. McELWAIN: This slide introduces the topics to
7 be covered in the next several slides is all this is for.

8 Marty talked about the significant items list.
9 This is just a graphic representation of where we are at.
10 We are on track to meet the unit schedule.

11 The next slides shows our current organizational
12 assessment for Millstone Unit 3. Our current assessment
13 shows that we do not currently meet the overall unit
14 organizational performance levels required to support a
15 return to operation today, but we believe we are tracking to
16 satisfactory and will be at that level, in all departments,
17 to support the current unit schedule. Therefore, as you can
18 see from the slide, our overall organizational
19 self-assessment is yellow.

20 We have shown significant progress over the first
21 two quarters in basically all of the areas that we have been
22 monitoring. So we have been doing it by quarter and now we
23 are doing it monthly. Dave will tell you we also get the
24 same look from oversight from their perspective. Next
25 slide.

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1 Operational readiness is on track to support OSTI.
2 As you brought up earlier, there are some questions about
3 where we are with operations and I'll get to that as I go
4 through this a little bit.

5 CHAIRMAN JACKSON: Are you going to talk about how
6 you addressed the issue with the operator performance? As I
7 recall, a year ago you had six of seven license applicants
8 who failed examinations.

9 Are you going to speak to what has been done to
10 correct that and how that plays into the numbers here?

11 MR. McELWAIN: We could. We recognize that was
12 one issue, but yes.

13 CHAIRMAN JACKSON: Well, that would be helpful.

14 MR. McELWAIN: Sure.

15 Presently on Unit 3 the requal program is judged
16 to be satisfactory.

17 CHAIRMAN JACKSON: You are Vice President, Unit 1,
18 right?

19 MR. McELWAIN: Yes, ma'am.

20 CHAIRMAN JACKSON: Okay.

21 MR. McELWAIN: I understand. Staffing is
22 adequate. We presently have 41 licenses, 28 of which are
23 SROs; 13 are reactor operators.

24 We also have, it's not shown on the slide, 30
25 plant equipment operators.

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1 We have a new conduct of operations, which was
2 kind of talked about before. It was approved and issued on
3 September 5th and we are making strides to have everyone
4 embrace that and understand exactly what it means, and that
5 was one of the things that the consultant that you mentioned
6 earlier had given me personally as well as Mike some
7 feedback on, and that's the kind of issues he is talking
8 about in operations now, and going to watch the operators
9 perform, it's the same thing you would see if you did it or
10 I did it.

11 We have also started to perform at power
12 familiarization at other power plants including Comanche
13 Peak, Vogel, North Anna, and Seabrook. Eleven of the 28
14 SROs have participated in this familiarization and the
15 remaining are scheduled for that.

16 We also have experienced SROs from other utilities
17 working with our operations management, particularly one
18 from Virginia Power that's been there for awhile doing I
19 would say a standards intervention.

20 We also have recently lined up an intervention
21 from a person who was formerly the Senior Manager of
22 Operations at Peach Bottom when they went from a SALP 2 to a
23 SALP 1 and that area is working directly with Ops Management
24 and they are having a hands-on, face-to-face time away from
25 the plant intervention so everybody gets to understand

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1 clearly what all the expectations are going forward.

2 So we are taking some direct interventions to have

3 an impact on the perception of operator readiness.
4 To go back to the original question, six out of
5 the seven failures on Unit 1 license exam in December of
6 '96, we have taken actually a very thorough look at the
7 Licensed Operator Initial Training. We have spent the last
8 nine months of '97 looking at the systematic approach to
9 training and how it applies to the LOIT class.

10 We have looked at every task, analyzed them all.

11 Dave analyzed the organization. The training
12 people worked very well with the unit to develop and get
13 ready to implement in February, probably late February,
14 early March of 1998, another Licenced Operator Initial
15 Training class for Unit 1.

16 MR. KENYON: But I think what needs to be added
17 here is that as a result of those training failures and a
18 lot of work we had a class go forward on Unit 3, a total of
19 eight.

20 MR. McELWAIN: Eight for eight.

21 MR. KENYON: And eight out of eight passed at
22 either the SRO or our reactor operator level that they were
23 put up for.

24 CHAIRMAN JACKSON: Let me give you some advice.

25 Now you are here -- you are talking to us and you

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1 want us to focus on Unit 3 and we are certainly here to hear
2 that, because that is the station that the reactor you have
3 lined up for early start, but all three of your reactors are
4 shut down because of some systemic issues, and therefore it
5 is important, you know, if you are asked a question about it
6 that you think about it within the context of all your
7 units.

8 MR. McELWAIN: Thank you.

9 MR. KENYON: Thank you.

10 MR. McELWAIN: Next slide, please.

11 The following significant milestones have been
12 achieved, particularly in the area of Operations.

13 The reactor coolant system fill, sweep, and vent
14 was done very well. This was perceived to be very well done
15 and event-free by both the line and the oversight
16 organizations.

17 The spent fuel pool anti-siphon modifications are
18 complete, and the implementation was very well performed,
19 but we did not, going into it, have it clearly,
20 well-planned, as well as it could have been planned, from
21 both a tech spec perspective as well as an actual execution.

22 The reason I bring that up is because it is
23 accurate and to tell you that the input we got from
24 oversight in the pre-planning process made this evolution
25 happen as well as it did. It speaks very well from my

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1 perspective to positive intervention from oversight and
2 adding value to something that is a very complex process,
3 but the end result was it was very well executed.

4 The containment basemat physical work is complete
5 and the preliminary core bore results are acceptable, and as
6 I mentioned earlier, the Bravo train outage is complete and
7 the Alpha train is in progress.

8 The last slide shows the Unit 3 milestone
9 schedule. I have already talked a little bit about the Tier
10 2, Tier 3 -- Tier 2 and 3. The plant will be physically
11 ready or on track to meet this milestone by the end of the

12 year. The NRC in-scope SFFI is scheduled for January as
13 well as a 40,500 ready for Mode 4 operations presently
14 scheduled in January also and ready for OSTI in 2-98
15 timeframe.

16 In conclusion, I believe we are on track to meet
17 all these milestones in support of the Unit 3 schedule.

18 CHAIRMAN JACKSON: Where do you stand on emergency
19 preparedness? There was an inspection report, 97203, that
20 noted some problem areas.

21 MR. McELWAIN: Having participated in a graded
22 exercise and looking at the results of the programmatic look
23 I was encouraged by the results of the graded exercise
24 itself and the level of performance of the participants,
25 recognizing that from the dose assessment piece as well as

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1 some of the procedural issues about maintenance of those
2 procedures and of facilities that was more disheartening,
3 but it is fixable.

4 We have been working diligently since the exit,
5 not waiting for the report to come out, to have plans in
6 place to remedy the issues that were brought up during that
7 inspection.

8 CHAIRMAN JACKSON: So you are saying you are
9 developing plans to specifically address all of those?

10 MR. BOWLING: Well, I'll just add we will be
11 speaking with the Region Staff next week on this subject.

12 An extensive amount of corrective action on the
13 program has taken place. However, we did have some dose
14 assessment calculational issues.

15 In the currently ongoing Tier 2 inspection, the
16 inspectors have brought up some issues in this area. Our
17 own self-assessment tells us we need to look more at this
18 area and we have formed a team that's already just started
19 to -- actually brought an external consultant in, into this
20 area, to make sure that what we have is correct and meets
21 all the requirements.

22 MR. KENYON: I would like to give a little broader
23 answer though, because we are working on certain very
24 discrete issues in the emergency planning area, but in terms
25 of the performance of the overall exercise and how the

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1 individuals involved in responding to the situation and
2 dealing with it and the performance of outside agencies and
3 so forth, I am quite comfortable sitting here today saying
4 we have an effective program. We just have certain things
5 we need to address.

6 CHAIRMAN JACKSON: I'm sorry, please.

7 COMMISSIONER McGAFFIGAN: Can I ask one question
8 about what morale is like back at Unit 1 at the moment?

9 Have other workers also been assigned to the other
10 two units to do work, and what is the situation there?

11 MR. McELWAIN: Morale honestly ebbs and flows on
12 Unit 1 depending on where we are in time and what the latest
13 analyst says in the Wall Street Journal and things like that
14 do have a direct and immediate impact.

15 Yesterday we had an all-hands meeting from the
16 entire unit staff, and we went over the Vision and Mission
17 for 1998 and all of the questions centered around finances
18 and the ability to support what we need to do to get Unit 1
19 ready in 1998.

20 But to answer the other part of your question,
21 currently we have approximately 40 maintenance I&C; people

22 working on Unit 3 so they are having that sense of
23 accomplishment. They are very busy.
24 At the same time, we have been able to maintain
25 our shutdown risk status as Green while still doing some

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1 work. For example, we had the gas turbine outage and
2 earlier this week we had a very brief planned diesel
3 generator outage, so we are doing a lot of things but mostly
4 right now the physical workers are supporting Unit 3 and
5 what is currently happening on the ICAVP or CMP for Unit 1,
6 so morale does ebb and flow.

7 Yesterday it wasn't nearly as bad as it was a week
8 before, but it does change depending on the kind of
9 information they get, and most of it is from outside.

10 COMMISSIONER MCGAFFIGAN: Is that a distraction to
11 the site as a whole at all, the ebb and flow?

12 MR. McELWAIN: I think my perception is that the
13 Unit 3 people for example understand the impact of what we
14 are doing on 3 and not doing on 1 has, and I believe the
15 interaction is very positive and they do ask me routinely
16 the same question you asked me, which is good. This is an
17 issue that we are all very aware of. As Jack says, you can
18 imagine the impact on the people when they read and hear
19 things about Unit 1 but it is an issue that we are trying
20 very hard to be straightforward and open with so that they
21 have a clear picture of where we're going. But it is
22 something that we are tuned in to.

23 CHAIRMAN JACKSON: Okay. Anything else.

24 MR. McELWAIN: That's it.
25 Dave?

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1 MR. GOEBEL: Good morning. Today, we will provide
2 you a synopsis of nuclear oversights, readiness for restart
3 and how I am assessing the readiness of the Millstone units
4 for restart.

5 First, I will discuss senior management's success
6 criteria for nuclear oversight and then I will discuss the
7 nuclear oversight restart verification plan or NORVP and
8 some of the specific results from that plan.

9 Let me start with the success criteria for nuclear
10 oversight. There are three success criteria.

11 First, that the Nuclear Safety Assessment Board or
12 NSAB has confirmed the effectiveness of nuclear oversight.
13 They have done that. The NSAB has reviewed oversight's
14 performance and stated that oversight has effectively
15 performed its 10 CFR 50 Appendix B functions.

16 Let me make it clear however that this vote of
17 confidence means to me that we have met the minimum
18 expectations for recovery and I intend on making additional
19 improvements to our current state before restart.

20 The second criterion is problems that are being
21 identified by Millstone organizations prior to external
22 agencies well before events occur. Last month, looking at
23 the station, about 90 percent of all condition reports were
24 identified by Millstone nuclear organizations. Marty has
25 already addressed that. Over the past six months, 92

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1 percent of all condition reports have been self-identified
2 by NU. Oversight, that is the line and nuclear oversight,
3 are therefore meaningless success criteria.

4 The third success criteria is that management
5 embraces oversight's assessments. This chart shows that the
6 unit and support organizations have been working to address
7 the nuclear oversight to generate the condition reports.
8 You can see that the total number of condition reports that
9 are open, that is need evaluations and corrective action
10 plans, have dropped significantly since the first half of
11 the year. The number now is less than 35.

12 I might add that I am still assessing our ability
13 to close out the corrective actions associated with the CRs
14 which are being written and by closed out, I mean the
15 necessary corrective actions have been completed and were
16 effective in addressing the initial problem. Marty has
17 talked to the team which the line organizations have set up
18 in order to go back and look at old CRs. I have a separate
19 team which is doing a similar effort to show that we have an
20 independent view of what the success rate is in that area.

21 Thus far, my initial look says that the conditions
22 have improved. We have gone back and looked at 44 condition
23 report packages and within those packages are 257 individual
24 actions that had to be taken and our evaluations on a
25 grading system went up above 15 percent on capability and

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1 put clearly into the satisfactory range.

2 Let me now turn to how we are assessing unit
3 readiness for restart, the nuclear oversight restart
4 verification plan. First, we identified 22 key issues such
5 as corrective action, leadership, self-assessment, training
6 and then some functional areas such as security and
7 emergency preparedness and that provided us the strategic
8 focus for the plan. Then we developed a list of critical
9 attributes to examine for each issue. The attributes were
10 drawn from NRC documents such as inspection guides and
11 manual chapters. Such as, for instance, manual chapter
12 0350, which are staff guidelines for restart approval and
13 from industry guidance. For instance, the INPO performance
14 objectives as criteria for operating nuclear generating
15 stations. We also took attributes from the NU success
16 criteria and the NU standards and management expectations.

17 To assess and score these attributes, we developed
18 a score sheet to grade all activities to perform on a zero
19 to 100 scale. The form we use is in the backup book. In
20 brief, the way the scoring works is this. Fifty points
21 relate to the quality of the task performed so that if there
22 is a programmatic weakness in the task that is being
23 performed, it would get a very low score and if it is an
24 industry strength, it would get a high score. And 50 points
25 are allocated to the human side of the equation, with a

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1 clear expectation for trained people, clear procedures, was
2 there teamwork involved, was there good self-checking and
3 self-assessment involved.

4 We then take the scores developed throughout the
5 entire organization and create a report for each issue. The
6 report includes a numerical score and very specific review
7 of strengths and weaknesses which are identified during that
8 particular evaluation period. On the report that we provide
9 back to the line organization, we also list those attributes
10 which specifically require attention in order to move the
11 issue into the satisfactory overall range. This information
12 is then shared throughout the line and support
13 organizations.

14 On the next slide, what you see is results, the
15 nuclear oversight restart verification plan for Unit 3 for
16 the past several weeks. We are now actively viewing 20
17 areas for both Unit 3 and Unit 2. Five of the areas are
18 common or site-wide issues such as emergency preparedness
19 and security.

20 As is aid, we use our normal audit, surveillance,
21 field observation and other processes as part of our
22 verification plan, grade each of the activities on a zero to
23 100 scale and then average the scores on a bi-weekly basis.
24 Last week, we had over 450 observations.

25 In order to improve our observation of oversight

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1 activities, I have also grouped the issues into three areas.
2 Readiness for the 4500 inspection of corrective actions and
3 self-assessment, physical plant readiness and readiness for
4 the operational safety team inspection and I will provide my
5 recommendation to the president and the CNO as to whether
6 nuclear oversight believes the unit is ready for the NRC to
7 come in and conduct its inspections.

8 What I would like to do now is go over a couple of
9 these issues with you. Conduct of operations. This is one
10 of the most important issues. As you can see, there is a
11 standby for each evaluation period which represents the
12 average score of all the attributes which were assessed in
13 that period. And you can see that the trend of the scores
14 over several weeks is generally upward.

15 You can also see the scores required to achieve a
16 color. For example, a score between 70 and 100 is green or
17 satisfactory. You can see that operations is hovering near
18 green or satisfactory performance.

19 We have some strengths in operations. For
20 example, control room decorum is very good. There are few
21 distractions allowed and communications is a notable
22 improvement area. Enunciated response is also meeting
23 industry standards. But there are also some areas that need
24 attention.

25 We feel that there is inconsistency in performance

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1 between the operating crews. Maintaining configuration
2 control is not as rigorous as we want them to be and, by
3 that, I mean valve mispositioning and that sort of thing.
4 Operators in the field need to actively monitor the
5 housekeeping industrial safety practices of other
6 departments that are in the field. We take those and then
7 after each grading period feed that back to the line and
8 have a lot of discussion between my lead person and the lead
9 people on the line.

10 The next slide shows work control and planning
11 which is also another critical issue. Here, you see again
12 there are some ups and downs over the past few weeks and
13 generally you can see that work control process is
14 improving.

15 Now, the areas in which improvement is needed here
16 are greater focus on completing the PMs and surveillances on
17 time, ensuring that work is not released to the field with
18 wrong or insufficient parts and ensuring the post
19 maintenance testing requirements are not changed without
20 proper authorizations.

21 CHAIRMAN JACKSON: How are you saying on this
22 slide and the previous one that it's improving? I mean, it

23 seems like the bar graphs are going the other way, but maybe
24 it's my imagination.

25 MR. GOEBEL: Chairman, these are individual,

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1 bi-weekly forms.

2 CHAIRMAN JACKSON: So you are saying if you have
3 more integrated data

4 MR. GOEBEL: Right, and it's gradually as a whole
5 coming up.

6 CHAIRMAN JACKSON: Okay.

7 MR. GOEBEL: I mean, for instance, there may be 10
8 pages of attributes. We don't get them all every week so
9 it's --

10 CHAIRMAN JACKSON: Okay.

11 MR. GOEBEL: Then when you look at procedure
12 quality and adherence, you can see that there has been
13 steady improvement in the degree and range.

14 Now, if you go back and take Marty's comment that
15 there was a procedural change in the standards back near the
16 end of September and you compare that against the chart,
17 what you see is it took a little bit of time for that to
18 take hold but as those improved standards took hold, then
19 the performance improved. So there is a tie -- unknowingly,
20 there is a tie in the process. I mean, if there are
21 improvements made, the process is able to pick that up.
22 That's the point I'm trying to make.

23 What I've tried to do is just present a sampling
24 of the results from the verification plan process and what
25 I've provided you in your backup materials is all of the

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1 issues from both Unit 2 and Unit 3.

2 In conclusion, I would like to state that nuclear
3 oversight believes that restart readiness is within reach.
4 The NSAB has confirmed that nuclear oversight is effective
5 in carrying out its 10 CFR 50 Appendix B duties and we are
6 continuing to improve our performance through internal
7 self-assessment, external assist visits from industry
8 experts and improvement plans. Line management is listening
9 to our findings and appreciates the insights provided by
10 oversight.

11 I can conclude therefore that, based on the
12 objective evidence being provided through our verification
13 plan assessments, audits and surveillances that we do, field
14 observations and inspections, that the station is focusing
15 management attention on the correct issues and is
16 demonstrating improvement in the key issue areas and a
17 restart of Unit 3 in the first quarter of '98 is an
18 achievable goal.

19 Subject to any further questions, I will pass it
20 back to Bruce.

21 COMMISSIONER DICUS: Back on slide 7, I assume
22 that your response to my previous question would be I guess
23 the same as the response to the Chairman's questions on the
24 previous graphs. Again, the statement and the graphs just
25 don't quite seem to meet.

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1 MR. GOEBEL: Right. In the radiation protection
2 area, again, we don't get all the attributes on any one
3 week. And, for instance, the latest one, just to give you
4 an example of the type of information we go back with on the
5 observations we had, positive points that got fed back to

6 the organization was a good team spirit within the RP
7 organization, when they interface with other departments,
8 good ALARA practices are present, a lot of proactive
9 planning briefs and coaching for rad work and practices
10 improvement, positive self-assessment planning for the
11 three-year to complete the RP program review so there are
12 some positive long-range things that we are looking at to
13 make themselves better.

14 But we did find a problem as well in this
15 particular week and one of those problems was that there was
16 a meeting that determined a certain performance criteria
17 which they are setting for their own windows evaluation,
18 their own criteria needed some buffing up, that it wasn't as
19 strong a criteria set as we felt you ought to have. It was
20 not as -- it was more subjective than we would like to see.

21 The types of things which we recommended are major
22 areas to continue strong work on is basically continue there
23 from and have people comply with the various RP controls and
24 you have to constantly stay at that and continue to work
25 synergistically with the rest of the organization.

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1 So those are the types of things that we feed back
2 to the organization on a biweekly basis. And then I, in my
3 interface with the officers at the frequent meetings we
4 have, I point out either in writing or verbally those key
5 areas that I see really need work if they want to get on to
6 the time lines which they have set.

7 CHAIRMAN JACKSON: You mentioned earlier at an
8 earlier point when we were talking about oversight a lack of
9 familiarization with people in your organization with the
10 plant. Where do the people in your organization come from?
11 What are their backgrounds? I don't see their
12 backgrounds --

13 MR. GOEBEL: No, I understand.

14 CHAIRMAN JACKSON: I mean, where do they fit
15 within the overall corporate organization.

16 MR. GOEBEL: A lot of the folks -- I'm not even
17 sure I can qualify a lot. Some of the folks have been in
18 oversight for some time and are not licensed operators and
19 they have had -- they may have come from engineering, have
20 an engineering background. They may have come out of a
21 function associated with a plant which does not put them in
22 the direct licensing path so they don't get the true
23 operational feel for the plant. And we have some folks that
24 we've -- some of the skill that we've brought in from the
25 outside, we've particularly tried to go after people who

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1 have had increased experience in all the key issue areas
2 where we have to have expertise. So when I've gone out
3 shopping for people, I've looked at it from the standpoint
4 of what skill sets we need to fill and I've gone after those
5 particular skill sets. And some of those folks, although
6 they have an individual specialty skill set, they don't know
7 these systems because they came from someplace else.

8 So the outside consultants' comment to us was not
9 that your folks are not knowledgeable because they are
10 knowledgeable but, on these particular systems, you need to
11 get them out so they really understand these systems and
12 that was the tenor of the comment -- that was the tenor of
13 the conversation.

14 CHAIRMAN JACKSON: Does the line organization

15 respect your organization?

16 MR. GOEBEL: I think the answer to that is yes,
17 but I will say that it is up and down.

18 It has been up and down and we -- it's something
19 that we all have to continue to work at.

20 I have it work at it on my side so that -- I think
21 in this business you earn respect and I have got to provide
22 a quality product so that the line has a reason to respect
23 my product.

24 On the other side, on the line side, if they don't
25 respect it they need to come back with constructive

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1 criticism on how to make that work and we are making that
2 dual loop work for us.

3 MR. MORRIS: I would tell you that that respect is
4 growing from points that I have been checking on, that very
5 issue. It is very important to us that that be the case and
6 it is there and it is growing, but there is work to be done.

7 MR. KENYON: In closing, I would like to restate
8 our challenged somewhat differently.

9 First, to directly address the leadership
10 challenges at Millstone it was necessary to establish a new
11 leadership team and to regain the confidence of our
12 employees. This has been achieved. I have a lot of
13 confidence in this leadership team.

14 Second, our challenge has been to set the proper
15 standards, and in so doing address the various site issues
16 which have been the major performance problems at Millstone,
17 and I want to pause here to really acknowledge our
18 receptivity to the advice that you gave earlier in the
19 meeting.

20 These are site issues. Some of these site issues
21 can only be looked at as site issues -- emergency planning,
22 security. I mean these are clearly issues that there's no
23 way to subdivide.

24 There are other issues such as the restoration of
25 the design and licensing basis where the standards that must

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1 be met are site standards, but you can talk about where a
2 particular unit is in relation to those standards -- issues
3 of work backlog and effectiveness of how we do business.

4 We want to have a common way of doing business but
5 then you can talk backlog on a particular unit, so we are
6 very sensitive that what we are about is to some extent it
7 is getting a particular unit ready but what I have said from
8 our very first meeting is that the fundamental problem at
9 Millstone was leadership and the ensuing issues that are
10 site issues in terms of how leadership functioned.

11 So we recognize that what we have to do even
12 though we are getting ready to say to you that we think a
13 particular unit is ready to go, we have to have addressed
14 the site issues in order for a unit to be in a reasonable
15 place to start up, so we certainly acknowledge the advice
16 you have given us.

17 With regard to the site issues, I want to make two
18 points.

19 First is that in contrast to my last briefing with
20 you, our last briefing with you, I do believe we are on a
21 success path, tracking to satisfaction, for all of the
22 issues, and as I indicated earlier, most of the issues are
23 going to reach satisfaction in January and the remaining
24 three in February.

1 earlier in response to one of your questions, and that is
2 that we absolutely recognize that reaching satisfaction for
3 startup is not the end of the road for us. This has got to
4 be part of a long-term effort toward excellence.

5 Taking safety conscious work environment as an
6 example, we absolutely know that the training that we have
7 in progress, which we think is excellent training and it is
8 what our management team needs, this can't be the end of
9 training on this issue. This can't be the end of emphasis
10 on this issue.

11 This has got to be part of our ongoing how we do
12 business.

13 The same thinking applies for all of the other
14 site issues that we have. Improvements must continue as
15 part of a long-term plan to achieve excellence. This plan
16 is under development and will be addressed to you at our
17 next meeting.

18 A third challenge has been to reduce the large
19 backlog of work to a manageable level with the achievement
20 of physical readiness around the end of this month. I think
21 that challenge will have largely been met.

22 The fourth and final challenge I want to mention
23 is to prepare the unit for operation.

24 In January, following achieving physical
25 readiness, we'll be ready for Mode 4. That will allow us to
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1 heat the plant up.

2 That will allow us to really exercise operations
3 and we need to do that to satisfy ourselves that the
4 operating folks are really ready to go, because up to now
5 they have been largely dealing with not only a shut down
6 plant but it's been mostly system lineups and what do you do
7 to support work over here versus work over there, and we
8 have really got to get them back into an operating mode for
9 our own purposes in preparation for startup and to achieve
10 readiness for the NRC's operational safety team inspection
11 in early February.

12 Chairman Jackson and Commissioners, I truly
13 believe we are on the home stretch for Unit 3 in recovering
14 our first Millstone unit, and I look forward to our next
15 meeting.

16 CHAIRMAN JACKSON: Thank you. Mr. Morris, do you
17 have any final comments you wish to make?

18 MR. MORRIS: No, I do not, Chairman Jackson.
19 Thank you very much for your time and attention and the
20 questions.

21 I think our team learned a lot today.

22 CHAIRMAN JACKSON: Thank you. While the next
23 group, which I believe -- I see the various consultant
24 groups coming forward. We are going to take a five-minute
25 break.

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1 [Recess.]

2 CHAIRMAN JACKSON: Good morning. I think it is
3 still the morning.

4 I think we will hear in turn from Sargent & Lundy
5 and then from Parsons Power and why don't you just begin.
6 You can identify yourselves and proceed.

7 MR. ERLER: Good morning Chairman Jackson and
8 Commissioners. I am Brian Erler, Senior Vice President,
9 Sargent & Lundy, and Project Director for the ICAVP.

10 As we did last time, we will be going through some
11 of the general information that applies to both Parsons and
12 our work and then a report in detail on the status of where
13 we are at.

14 With me is Don Schopfer, Vice President and
15 Manager of the Sargent & Lundy ICAVP and he will be
16 presenting the data in detail.

17 MR. SCHOPFER: Good morning.

18 The first slide.

19 We have some background information and some
20 refresher information on the structure and the processes
21 used on the ICAVP for both units. As described in the
22 commission paper written by the staff, the ICAVP is being
23 performed in a three-tiered process. The tier one reviews
24 or, excuse me, verifies that the system meets the licensing
25 and design basis and system functionality. The tier two

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1 review verifies that the system design parameters relied on
2 to mitigate the consequences of accidents analyzed in
3 Chapter 15 of the FSAR are consistent with the performance
4 of the current system configuration. And the tier three
5 review verifies that the configuration control processes
6 used by Northeast Utilities at Millstone have not introduced
7 any changes that have put the unit in nonconformance with
8 its licensing and design basis. The majority of the work is
9 being performed in the tier one, that is where the majority
10 of the effort is being spent.

11 The NRC staff and Sargent & Lundy and Parsons have
12 developed a common process for reporting the findings
13 identified during the review process. These findings are
14 called discrepancy reports. As I go through, this is how we
15 stepped through that discrepancy report process.

16 An individual reviewer initiates a preliminary DR.
17 It then undergoes an internal review process within Sargent
18 & Lundy or Parsons, as the case may be. Upon completing
19 that process, the preliminary DR is issued to Northeast
20 Utilities, the NRC staff and the NEAC, Nuclear Energy
21 Advisory Council of the State of Connecticut and it is
22 posted on the web site.

23 Northeast Utilities evaluates that preliminary DR
24 and submits a response back to us and we then review that
25 response and either return it to them with additional

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1 comments or we may close it at that time based on their
2 response.

3 CHAIRMAN JACKSON: Did you look at proposing any
4 alternatives, for example, in sampling? You know, based on
5 what you find?

6 MR. SCHOPFER: We have developed sampling programs
7 for certain aspects of the review. When we do that, we
8 submit that to the staff for their acceptance.

9 CHAIRMAN JACKSON: Right. But, I mean, are they
10 renormalized by what you find? Did you suggest additional
11 samples, enlargement, different techniques?

12 MR. SCHOPFER: We have not made a change in those
13 things that we have sampled as a result of that.

14 DRs are closed based on our review and acceptance
15 of the NU responses. The NU response to a discrepancy
16 report, a preliminary discrepancy report is, it expected to
17 include whether they agree with the condition that we have
18 identified as a discrepancy, whether they have
19 previously -- had previously identified that during their
20 configuration management program and, if they have not
21 previously -- if they agree that it is a discrepancy and
22 they have not previously identified it, they identify what
23 action has been taken or will be taken to correct that
24 particular discrepancy. And whether they agree with the
25 significant level that we have established for the DR and if

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1 there is any impact, specifically on plant hardware. And,
2 in the case of generic or programmatic issues, the response
3 should address the extent or condition that may exist with
4 the discrepancy.

5 CHAIRMAN JACKSON: How does this discrepancy
6 report process allow you to get at the tier three aspect? I
7 understand that in doing the discrepancy report you could
8 verify that the system -- whether it meets its licensing or
9 design basis, you could verify that the system parameters
10 correspond to the actual performance. You know, the design
11 parameters correspond to the performance.

12 But how do you verify in this process that the
13 configuration control processes have not introduced changes
14 that would put or that have put the unit into
15 nonconformance?

16 MR. SCHOPFER: Well, part of the tier three as we
17 will show a little bit later what the scope is, part of the
18 tier three is review of corrective actions and we review the
19 corrective action process to see that they have done an
20 adequate job in resolving the issue that is identified.

21 On some of the past changes, we look at did they
22 make that design change appropriately and not -- this is
23 outside of the tier one systems -- did they make those
24 design changes or those procedure changes without making the
25 other appropriate changes to the design basis and licensing

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1 basis.

2 CHAIRMAN JACKSON: Does that get captured in the
3 discrepancy report?

4 MR. SCHOPFER: Yes, it does. Everything that is
5 in noncompliance with what our expectations are, our
6 checklists and the scope of the review plan, is identified
7 as a discrepancy report.

8 CHAIRMAN JACKSON: So you are actually looking at
9 process as well as looking at the actual confirmed DR with
10 design and licensing? Okay.

11 MR. SCHOPFER: The DRs, when they are closed,
12 based on the review of the NU response, may be categorized
13 into three different areas. It may be a confirmed DR and
14 that is one that is not -- a discrepancy that has not been
15 previously identified by the Northeast Utilities
16 configuration management program, or it may be identified as
17 previously identified, categorized as previously identified,
18 which means they did in fact identify it prior to the start
19 of the ICAVP and we were not able to discern that during our
20 review process, or we may agree that it is, in fact, a
21 nondiscrepant condition based on some additional information
22 they submit with their response.

23 CHAIRMAN JACKSON: Are you going to talk about how
24 your discrepancy reports break out between the tier one,
25 tier two and tier three categories?

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1 MR. SCHOPFER: I have some of that --

2 CHAIRMAN JACKSON: And are there any conclusions,
3 even preliminarily, on the strengths and weaknesses of the
4 licensee's programs as a consequence that you can make?

5 MR. SCHOPFER: And I will address that.

6 CHAIRMAN JACKSON: Okay.

7 MR. SCHOPFER: There are four levels of
8 discrepancy report significance that have been established
9 for the ICAVP. They are noted here on this slide. A level
10 one is a discrepancy that results in a system not meeting
11 its design licensing basis and cannot perform its intended
12 function when both trains of that particular system are
13 affected. Level two is similar except that only one train
14 of a redundant system is affected.

15 Level three is a discrepancy that -- under which
16 the system is also not meeting its design and licensing
17 basis but it does not render that system incapable of
18 performing its intended function.

19 A level four DR is a discrepancy that is a minor
20 technical error in a calculation or a procedural change that
21 is not significant in terms that it made -- allowed someone
22 to do something incorrectly on a large number of processes,
23 or it is inconsistency perhaps between documents.

24 CHAIRMAN JACKSON: Let me ask you this question.
25 In looking at the level three significance level, do you

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1 look at -- if a system doesn't meet its licensing and design
2 basis but is capable of performing its intended function,
3 are you reviewing as part of that or evaluating as part of

4 that whether the licensee has done an analysis to in fact
5 demonstrate that the system is capable of performing its
6 intended function?

7 MR. SCHOPFER: We are not doing the analysis -- an
8 analysis, per se, to verify.

9 CHAIRMAN JACKSON: No, no, no. I'm saying, are
10 you verifying that they have done that?

11 MR. SCHOPFER: Yes. Yes, that is part of our
12 expectation of receiving a response on a level three, that
13 they have done that review and convinced us that -- and
14 provided the results of that analysis to show that that
15 discrepancy in fact does not render that inoperable.

16 CHAIRMAN JACKSON: And are you keeping track of
17 whether that analysis was already existing or whether it is
18 analysis that is done in response to your query?

19 MR. SCHOPFER: Yes, we are looking at that.

20 CHAIRMAN JACKSON: And my last question is, are
21 you overlaying on all of this a risk ranking in terms of in
22 the various tiers and looking at what you found? That's
23 probably reflected in the systems in fact that you are
24 reviewing?

25 MR. SCHOPFER: Yes. We have not done that in

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1 terms of risk ranking but the selection of the systems was
2 based on risk ranking.

3 CHAIRMAN JACKSON: And then one last thing. When
4 you look at what the licensee has done in terms of its
5 analysis, do you -- do you review whether that analysis is
6 done from the point of view of capturing the things that
7 have the greatest risk or safety significance?

8 MR. SCHOPFER: Yes.

9 CHAIRMAN JACKSON: Okay, thanks.

10 MR. SCHOPFER: That is basically the last of my
11 comments on the overall ICAVP process for both units and
12 this will begin the discussion now of Unit 3 specific ICAVP.
13 As a background, again, the scope of the tier one review for
14 Unit 3 is as shown here. The systems identified,
15 servicewater, QSS, RSS system, three HVAC systems that
16 includes the supplemental leakage collection and release
17 system, the aux building ventilation system and the
18 emergency diesel generator room ventilation system. And the
19 fourth system, fourth set of systems is the diesel generator
20 and associated support systems.

21 The -- each of these systems, and this constitutes
22 I think about 14 of the 88 maintenance rule group one and
23 two systems at Millstone Unit 3. The designations at the
24 bottom of that slide are the shorthand notations we have
25 used for that grouping of systems in our -- in our process.

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1 In addition to the systems, the specific systems
2 listed there, the review also includes the electrical power
3 feeds from each component up to the first motor control
4 center feeding that and then a load path review which is a

5 somewhat less detailed review from that particular motor
6 control center back to the diesel generator. Also, the INC
7 signals that interface with these systems from other systems
8 are also included in that review process.

9 CHAIRMAN JACKSON: Let me ask you this quick
10 question. Can you describe a couple of the DRs that were
11 not identified by the licensee's Configuration Management
12 Program and what significance you would attach to them?

13 MR. SCHOPFER: Sure. We have one that is in
14 process right now that was submitted. We responded and we
15 returned it back to them, asking for additional -- to
16 address other aspects. That was a containment penetration
17 design that is fixed on both ends of the inside and outside
18 the containment, plates that are welded on and this
19 penetration is welded at both ends.

20 The RSS system temperature went up as part of some
21 of the changes in the RSS modifications that was talked
22 about previously, went up to 257 degrees and that
23 temperature change on that penetration itself being welded
24 at both ends was not addressed.

25 It is a calculation error that we identified that
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1 needs to be addressed, and that is a safety or significance
2 level 3 item, a significance level 3 item where a corrective
3 action was done. This is a Tier 3 review. The corrective
4 action document we reviewed did not address everything that
5 needed to be addressed including the procurement of
6 environmentally qualified terminal blocks. That was a level
7 3.

8 Level 4s -- you probably don't want me to identify
9 level 4s. There's multiple examples of those but is that
10 sufficient?

11 CHAIRMAN JACKSON: If I jump ahead to your last
12 slide, that's not to say you can't talk about the ones in
13 between --

14 MR. SCHOPFER: Thanks.
15 [Laughter.]

16 CHAIRMAN JACKSON: I note that over half of those,
17 the DRs, that were acceptable and closed were not identified
18 by the licensee's Configuration Management Program and you
19 heard me talk about that earlier.

20 MR. SCHOPFER: Yes.

21 CHAIRMAN JACKSON: Is there any significance that
22 you attach to that or that we should attach to that?

23 MR. SCHOPFER: Well, I think we have to sort that
24 out in total when we are finished here, but at this point a
25 couple things to note, I guess.

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1 Of those 38, only two have been confirmed as level
2 3's. I did mention one of those, which was a terminal block
3 EQ.

4 The rest have been level 4s.

5 Many of them have been calculation errors. The
6 last slide is in fact the slide that is on the screen now,

7 which is a couple slides added to what perhaps was submitted
8 earlier, but that summary shows the type and discrepancy
9 level of the 38 closed DRs.

10 You can see that they are mostly in the
11 calculation area. There are some in the basically as-built
12 configuration, the installation implementation, and some in
13 the licensing documents, but what this may indicate is that
14 the Configuration Management Program and the ICAVP are not a
15 one-for-one that they did exactly the same thing and exactly
16 the same depth.

17 I think particularly in the calculation area, we
18 have done a detailed review of all the calculations on these
19 systems and the CMP program performed by NU did not
20 necessarily go to that level of detail for all those
21 calculations.

22 That is why you will see a number of those as not
23 previously identified.

24 CHAIRMAN JACKSON: Okay, thank you.

25 MR. SCHOPFER: Okay. The slide that shows the
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1 scope of Tier 1 system review has the four system
2 designators, the shorthand designators, at the top and it
3 identifies the magnitude of the scope of the review really,
4 and I am not going to go through any of these numbers other
5 than the fact that these are the system requirements for
6 each system. The numbers of calculations are the numbers of
7 the various documents including the corrective action
8 documents in the NU system that were reviewed as part of
9 this.

10 Again, this is where the majority of the ICAVP
11 process has been.

12 The Tier 2 review scope included all of the
13 accidents analyzed in Chapter 15 of the Millstone 3 FSAR.
14 It included 22 systems that are used to mitigate the
15 consequences of an accident and 230 critical characteristics
16 that were identified from the review of the accident
17 analysis and verified.

18 Those critical characteristics were submitted to
19 the Staff for their acceptance and they concurred or
20 commented on those.

21 The intent of the Tier 3 review is to review
22 various changed processes on a greater number of systems
23 than the Tier 1 does and to verify that the design and
24 licensing basis has in fact been maintained.

25 We reviewed the current NU change processes and
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1 that included 11 changed processes, 20 procedures, and 8
2 chapters of their Design Control Manual.

3 We also reviewed the implementation of those
4 current processes, and those procedures basically were new
5 as of earlier this year.

6 We had some additional corrective action reviews
7 that were selected, sample selected by the NRC Staff outside

8 of the Tier 1 systems and some 280 changes that were done in
9 the past at various times, all the way back to the 1985-86
10 timeframe to see that changes made then did not adversely
11 impact the licensing and design basis.

12 CHAIRMAN JACKSON: Now I noted that the Tier 1
13 review is scheduled to be completed on Monday. Are you
14 going to make that schedule? It's the 15th of December.

15 MR. SCHOPFER: The Tier 3 review.

16 CHAIRMAN JACKSON: Tier 3, right.

17 MR. SCHOPFER: Tier 3 review, yes. Yes, in fact,
18 we are, and the tier -- and the next slide shows that the
19 Tier 2 review is in fact complete from the discovery phase,
20 and I'll just mention that.

21 That is the discovery portion of the reviews that
22 we are talking here. Obviously we have to get the responses
23 from NU for the discrepancy reports and evaluate them, and
24 then basically analyze the results and submit a final
25 report, but our review process will be done on the dates

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1 that are shown here in terms of identifying issues and
2 writing the discrepancy reports that may have to be written.

3 CHAIRMAN JACKSON: Mr. McGaffigan.

4 COMMISSIONER MCGAFFIGAN: Could I ask, the
5 schedule that we had back in August obviously was about
6 three months --

7 CHAIRMAN JACKSON: Your mike is not on.

8 COMMISSIONER MCGAFFIGAN: The schedule we had back
9 in August contemplated dates about three months earlier than
10 these dates.

11 Was that always -- you hinted at the time that
12 there were problems and maybe with additional resources you
13 could keep to it, but it was going to be a stretch.

14 Was it always close to "mission impossible" to
15 have kept to anything like that schedule?

16 MR. SCHOPFER: During the August meeting we said
17 we were evaluating the schedule. We had just gotten the
18 additional systems and we were evaluating what it would take
19 to do that.

20 We did in fact change by about two months, I
21 believe, from the date that we established after this
22 meeting in August. We established I think an October date
23 at that time -- or, excuse me, a November date, and now it
24 is two months beyond that.

25 COMMISSIONER MCGAFFIGAN: Since I have the floor,

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1 I will ask one other question that is a hypothetical
2 question and those are probably always -- your counsel would
3 tell you to avoid answering it, but let me ask it anyways --
4 [Laughter.]

5 CHAIRMAN JACKSON: That never stops Commissioner
6 McGaffigan.

7 COMMISSIONER MCGAFFIGAN: I'll ask you -- it would
8 help me if you could answer it.

9 If we took a top quartile plant, you know, INPO 1,

10 SALP 1, or 1.24-5 plant and subjected them to the same
11 inspection that you have been doing, how would Millstone be
12 different? Do you mean compare? How would Millstone
13 compare? We have gone through a very extensive process and
14 there are relatively small numbers of discrepancies, or
15 levels -- levels of the discrepancies are not very
16 significant, it looks like. I mean two level 3's and 30-odd
17 level 4's.

18 Take a top plant, you know, that you may have some
19 experience with. If they went in -- I mean --

20 CHAIRMAN JACKSON: Would they look the same?

21 COMMISSIONER MCGAFFIGAN: Would they look the
22 same?

23 MR. SCHOPFER: No, they wouldn't necessarily look
24 the same, but you would have -- you would still have a
25 number of discrepancy reports written on the basis that this
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1 program was set up on. The level of detail, and looking
2 back at calculations done, I said -- I talked about changes
3 made in -- processes made in '85 and '86. We are looking at
4 calculations done perhaps in '70s and early '80s, and other
5 plants that are in that category would have some issues with
6 calculations done at that time also.

7 That doesn't mean they are not significant. But
8 there would -- I am sure there would be some differences in
9 terms of the numbers and the type. But there would be
10 issues like this.

11 COMMISSIONER MCGAFFIGAN: Would Millstone be
12 comparable to a -- at this point, having -- not every plant
13 has invested what Millstone has over the last year to get
14 ready for you all, but would Millstone now be comparable to
15 a pretty good plant, if you were to do a similar inspection
16 at -- at one of the top quartile plants?

17 MR. SCHOPFER: I guess, based on the review to
18 date and, as you can see, the number of responses that we
19 have actually looked at in terms of -- or closed, I would
20 use the term that they are on track. Their configuration
21 control, their design and licensing basis has been restored,
22 I think, relatively well, based on the Configuration
23 Management Program, which is what we are basically
24 reviewing. So, as it stands today, they are on track to
25 satisfactory, if that was the terminology that you used

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1 earlier, Chairman Jackson.

2 COMMISSIONER MCGAFFIGAN: You are doing a good job
3 avoiding the question.

4 MR. SCHOPFER: Thank you. Thank you. I was
5 successful.

6 [Laughter.]

7 CHAIRMAN JACKSON: Why don't you go on.

8 MR. SCHOPFER: Okay. Where was I? I guess I was
9 on the project milestone schedule. As we said the discovery
10 completes on the date shown there.

11 There were three specific areas that were included
12 in the scope of the ICAVP for Unit 3 that had significant NU
13 engineering activities continuing this summer and fall, and
14 that was, as Northeast Utilities personnel mentioned
15 earlier, a significant number of -- or a number of
16 significant modifications that were made to the
17 recirculation spray system, some revisions to the service
18 water system hydraulic calculations and the motor-operated
19 value work in accordance with Generic Letter 89-10.

20 Those -- those things, issues were completed and
21 -- from an engineering standpoint, and most of that
22 information was submitted to us in mid to late November and
23 we are in the process of finalizing that, and that is what
24 has pushed that tier 1 date, or the -- the date out to
25 1/15/98, that's the primary basis for that.

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1 And, as noted here, our final report date is
2 somewhat dependent how well we do, "we" meaning both Sargent
3 & Lundy and Northeast Utilities, in responding to the
4 discrepancy reports and getting that -- those issues closed
5 out.

6 The next slide, which is not really my last slide,
7 but it was previously submitted last slide, is a summary of
8 the closed discrepancy reports. As noted earlier, we have
9 the process that issues preliminary discrepancy reports and
10 then end-user response and the closure process. There have
11 been about 500-plus preliminary DRs issued to date, and
12 about 220 of those have been responded to by Northeast
13 Utilities. And of those, we have completed the review as of
14 last week on 74, with 38 of those as confirmed DRs, 20
15 previously identified and 16 undiscrepant, the 38 show a
16 significance level here of primarily, almost entirely level
17 4's, with the two level 3's DRs.

18 CHAIRMAN JACKSON: How many total do you have yet
19 to review then? I mean to close out in the sense that you
20 have closed these.

21 MR. SCHOPFER: We have issued 550.

22 CHAIRMAN JACKSON: Five fifty.

23 CHAIRMAN JACKSON: Five hundred and fifty to date.

24 In fact, -- and that's, the next slide probably provides
25 that information. And I have tried to break it up by tier

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1 1, tier 2 and tier 3, to give a sense of where we are on the
2 closure process. Those numbers should add up to about 547,
3 I believe, on the issued numbers, and those preliminary DRs,
4 the NU responses, again, as of last week, it's 184, and I
5 think that number is probably about 220 or 230 now, and the
6 74 that have been closed.

7 As you can see, tier 1 is most complete in terms
8 of the DR responses provide by NU and reviewed by Sargent &
9 Lundy. NU has responded to something over 80 percent of the
10 tier 2 DRs and we have completed the review on about 75
11 percent of those. And the result is that we have found
12 nothing significant there. Basically, we have, you know, a

13 handful -- a handful, some more to get responses on and some
14 more to be reviewed, some, including some level 3's, but we
15 believe that, what we have seen to date, that we can
16 conclude that their systems that are needed to mitigate the
17 consequences of an accident are, in fact, in the correct
18 configuration and design basis for that.

19 Tier 3 is the next most complete with about half
20 of NU responses, and our review being about half of that.
21 Part of that being there are various pieces of a tier 3
22 review, as we went through earlier, and the NU -- the
23 comments that we have -- or the conclusions that we have
24 reached, similar to what was reported today on the NRC tier
25 3, is that we do believe their design control process is --

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1 meets 10 CFR 50 and is an adequate, satisfactory process for
2 going forward.

3 And their corrective action reviews and past
4 changes appear to be satisfactory also.

5 So we have no -- no significant findings coming
6 out of either the tier 2 or the tier 3 at this time.

7 COMMISSIONER DIAZ: Is this tracking which is
8 scheduled, the number that are still to be responded and
9 closed, how does that track with the proposed schedule?

10 MR. SCHOPFER: The -- I'll tell you that I also
11 will have a steep work-off rate, but the resources are truly
12 being focused on finishing the discovery. And when they are
13 finished, and as the schedule slide showed, next week,
14 basically, we will be able to spend more time on the
15 responses. We have done that as we go along, but those
16 resources will then be allowed to focus more on the
17 responses and take a large updraft. So I think we will be
18 able to meet the dates that we are talking about here.

19 CHAIRMAN JACKSON: So you are saying there are no
20 show-stoppers to this point?

21 MR. SCHOPFER: That is correct.

22 And the last slide, I think we talked about
23 earlier, is basically a breakdown of the levels and types of
24 the confirmed DRs of the closed -- excuse me, of the
25 confirmed DRs that are discrepant and calculations and

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1 as-built configuration being a couple of the primary areas,
2 but nothing significant found in those areas.

3 CHAIRMAN JACKSON: Okay.

4 MR. SCHOPFER: That's all I have.

5 CHAIRMAN JACKSON: Thank you very much.

6 MR. CURRY: Good morning, Chairman Jackson.

7 CHAIRMAN JACKSON: Good morning.

8 MR. CURRY: My name is Dan Curry and I am the Vice
9 President of Nuclear Services for Parsons and I am also
10 acting as the Project Director the Unit 2 ICAVP. I have
11 John Hilbish with me today. John is the head of our
12 regulatory review portion of the ICAVP project.

13 I would start, addressing the agenda, and tell you

14 that there is a difference between these two units, if you
15 think about the age of these two units, and that will cause
16 some significant changes to the volume of work that we will
17 be talking about, that we will be doing. And, certainly, as
18 we would recognize the difference between a plant that went
19 on-line in 1975, when we talk about calculations, these are
20 calculations that in some cases have been done back in the
21 '60s. So some of the things have been moving ahead. And
22 some of our reviews, of course, encompass, in some cases,
23 ten years more than what you have heard about on Unit 3.

24 We are performing this, primarily this review at
25 our headquarters in Redding, Pennsylvania, supported by our
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1 site walkdown team at the site. The tier 1 review, as has
2 been discussed previously, a deep vertical slice. Our two
3 systems, the last time I was here, we had just completed the
4 boundary review for those first two systems. We have now a
5 second set of systems selected by NEAC in the middle of
6 September. Each one of these selected systems, as Sargent &
7 Lundy had indicated, have significant interfaces and it
8 averages about 14 additional systems of the maintenance rule
9 systems would interface with each one of these.

10 If I talk about the tier 2, again, a very similar
11 process. We have identified, to give you a further idea of
12 the extent, about 56 of the 63 maintenance rule systems are
13 affected by things that we must look at to validate the tier
14 2 requirements. The process here is one that we identify
15 the critical design characteristics and then go through a
16 validation process.

17 Of interest, and we will discuss it later, is the
18 fact that eight of the analysis, that it will impact or need
19 to be reviewed as part of the tier 2, have been
20 self-identified by the licensee, that require re-performance
21 and so that is going to -- we will discuss that slip to the
22 schedule later.

23 Our tier 3, again, is a historical review, and, as
24 I had mentioned, that takes us back numbers of years, and we
25 are doing that in five year increments to look at their

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1 ability to continue to assess the adequacy of the CMP.

2 You asked earlier, Chairman Jackson about any
3 changes that we might have had, and, although this was not a
4 normalization based upon a sample, some of the things that
5 we have seen in our tier 1 reviews have led us to propose
6 some things to the staff saying that we have -- we will have
7 seen enough in some areas that we can propose limiting, if
8 not eliminating, some of the samples done in their
9 particular tier.

10 Moving to the overall tier status, I would like to
11 tell you the first thing we have done is we have focused our
12 reviews starting off with the high pressure safety injection
13 system, tier two and tier three, so that we can prepare for
14 the staff's implementation audit which is applied to the
15 approved audit plan. Last week, that audit was completed

16 successfully and so, as you see, the numbers for HPSI in
17 tier two and tier three are reasonably focused in those
18 directions.

19 I would also point out by doing one system in tier
20 one, that has allowed us not only to do the deep vertical
21 slice but it allows us to branch into a related system so
22 that the baselines for the programs that support all systems
23 will be evaluated as the work that we do in the
24 high-pressure safety injection. So that as we move forward,
25 we will have gotten the baseline requirements for all those

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1 19 major topical areas in the plant complete so that we
2 expect, if you will, I won't say it was a pilot but it will
3 essentially function as a pilot for us to move ahead more
4 rapidly in the other areas.

5 CHAIRMAN JACKSON: So this all relates to Unit 2?

6 MR. CURRY: Yes, ma'am.

7 CHAIRMAN JACKSON: Is the unit doing better than
8 you expected? In terms of moving along and completing --

9 MR. CURRY: I think, and we have identified and
10 had meetings with the licensee and the staff on that.
11 Because of the age, issue of retrieval of documents has been
12 significant and certainly the process by which we are
13 independent of the licensee makes it such that you would ask
14 for information and maybe it doesn't come back complete so
15 you must ask for something else.

16 And we have been working through a process that we
17 have included now formal conferences twice a week which I
18 think, all parties would agree, have tended to aide that
19 process so we can say, when you send us the answer to this
20 REI, make sure that you include something that deals with
21 this. And I think we would all agree that it has been a
22 learning process of how to retrieve documents on a plant of
23 this age.

24 And also a priority between the Unit 3 plant and
25 Unit 2. As you can imagine, there is a focus. And they

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1 have assured me that they love me but not necessarily am I
2 the first one in their heart.

3 CHAIRMAN JACKSON: At least you're loved.

4 MR. CURRY: Well, as was previously mentioned,
5 maybe some days it wanes up and down.

6 On AFW, if I could comment about that, early on
7 one of the reasons we did focus with HPSI is the fact that
8 the licensee had self-identified that there were significant
9 modifications to be done that would affect the main steam
10 line break and the loss of coolant accident analysis. And
11 rather than trying to be inefficient and jump back and forth
12 from changes they might be making, we decided it would be
13 more efficient to focus on that one particular system and
14 proceed directly.

15 As you see, our current schedule for a final
16 report is now April 7. Again, part of that depends upon

17 completion of corrective actions, completions of DRs and,
18 particularly, also some completions of the things they have
19 to do with AFW for us to be able to complete our review.

20 Our Unit 2 discrepancy report status is, of
21 course, they are much less mature from a numbers standpoint.
22 As you see, all the confirmed DRs in our particular case,
23 although the percentage is about the same, they are all
24 level fours right now and they are -- it would be too early
25 for me to try to draw a conclusion based upon what I see on

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1 their responses from level fours.

2 We do now presently have about 118 in progress,
3 132 have been posted on the web and, much as Sargent &
4 Lundy, we are working through that process.

5 CHAIRMAN JACKSON: Any other questions?

6 Okay, thank you very much.

7 We will now hear from Little Harbor Consultants.

8 Mr. Beck, you are leading the discussion?

9 MR. BECK: Thank you, Chairman Jackson. Good
10 morning, Commissioners.

11 I am John Beck, President of Little Harbor
12 Consultants and team leader for the Independent Third Party
13 Oversight Program at the Millstone site. With me this
14 morning is John Griffin, who is my co-team leader, and
15 Ms. Billie Gard, who is a principal on our team.

16 As you are aware, Little Harbor has the
17 responsibility to oversee Northeast's efforts to establish a
18 safety-conscious work environment at Millstone. We have
19 been acting in this capacity since approximately March of
20 this year. During this time, we have reported our findings
21 to Northeast and your staff at eight public meetings.
22 Little Harbor has maintained essentially a full-time
23 presence at Millstone, typically with five or six team
24 members at the site, depending on the requirements of the
25 particular oversight activities that were being conducted.

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1 Our next major activity will be to conduct a
2 second round of structured interviews with the work force at
3 the Millstone site. This will add a set of data points to
4 those which we gathered last June. The purpose of the
5 interviews is to determine how people at Millstone feel
6 about all facets of a safety-conscious work environment.
7 Those to be interviewed will be chosen by Little Harbor to
8 be representative of the work force and will be a different
9 set of people from those interviewed in June. The results
10 will be available prior to the anticipated Commission vote
11 and we will also continue our oversight of the various
12 Northeast programs supporting a safety-conscious work
13 environment with a particular emphasis on the effectiveness
14 of these programs.

15 CHAIRMAN JACKSON: Let me ask you some overarching
16 questions. And if you are going to get into them with your
17 specific slides later, please say so.

18 The first is, have you sensed or detected an

19 improvement in leadership on site as the leadership
20 assessment that the licensee spoke about indicates? And, if
21 so, or if not, you know, what specifics support your
22 conclusion?

23 MR. BECK: We are going to have some specific
24 comments that will directly address that question about
25 leadership, particularly with respect to the criteria

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1 relating to retaliation and so forth.

2 But, in general, I would say that there has
3 clearly been an improved understanding by the management
4 team at Millstone, vis-a-vis a safety-conscious work
5 environment, particularly over the last three months. And
6 we can perhaps illustrate that better in a few minutes.

7 John, would you like to add?

8 MR. GRIFFIN: No, I agree.

9 CHAIRMAN JACKSON: Do you find that employee
10 concerns rise as Millstone nears its deadline with the steep
11 work-off rates? Is there any detectable change?

12 MR. BECK: There has been a slight increase in
13 December over the month of November. But I wouldn't
14 particularly associate that with approaching a deadline.
15 That is always a question. What do the numbers, in and of
16 themselves, mean. Frankly, we are far more interested in
17 looking at the issues that are involved and looking at the
18 quality of those concerns. And, in particular, with respect
19 to any questions of retaliation or 50.7 issues.

20 One of the questions you raised earlier, and
21 perhaps I can respond to it now, was with regard to the
22 correlation between the corrective action program and
23 employee concerns issues. If I heard you correctly, we have
24 not, for example, none of us can recall a technical issue
25 that went to ECP that had not already been a CR and the

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1 concern was either unsatisfactory resolution of the CR by
2 the management team or untimely resolution of the CR and
3 that's not a --

4 CHAIRMAN JACKSON: Not that it wasn't addressed?

5 MR. BECK: Not that it was not addressed.

6 CHAIRMAN JACKSON: Do you have a way of measuring
7 or of detecting the overall stress on the managers and the
8 employees? Do you have experience with other sites to make
9 a comparison?

10 MR. BECK: Being on site essentially full time, we
11 cannot help but have our finger on the pulse of the
12 organization. The stress levels we have seen ebb and fall
13 or rise and fall depending on particularly what's going on
14 and who's affected by it. It is certainly not an unexpected
15 phenomenon to see people, when they are working as hard as
16 they are, show some signs of stress. I have seen on the
17 part of management a recognition that this is a fact of life
18 and some pretty careful attention being paid to stress in
19 general.

20 For example, if you go back to the MOV incident,
21 there was a lot of stress in that organization prior to the
22 retaliatory action that was taken. The stress level, in our
23 opinion, subsequent to that change in management, in the
24 group, although they are working very hard, appears to have
25 diminished somewhat.

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1 CHAIRMAN JACKSON: Okay, why don't you go on.

2 COMMISSIONER DICUS: If I may ask a quick
3 question?

4 CHAIRMAN JACKSON: I'm sorry. Go ahead.

5 COMMISSIONER DICUS: This round of interviews that
6 you have scheduled for February. What is the sampling size?

7 MR. BECK: we are going to sample approximately
8 280 to 300 individuals and they will be chosen across the
9 organization and up and down, excluding directors and above
10 in this particular case.

11 COMMISSIONER DICUS: Is that about the same
12 sampling size?

13 MR. BECK: Yes, it will be.

14 CHAIRMAN JACKSON: Okay.

15 MR. BECK: There have been -- slide number
16 3 -- two events at Millstone since our last meeting for
17 which we performed an independent investigation per the
18 provisions of our oversight program. The first involved
19 potential retaliation against contractors in the MOV
20 department by their immediate management who also happened
21 to be contractors. The second incident involved an
22 allegation of retaliation claimed by one of the individuals
23 disciplined by Northeast as a result of the training
24 department investigation.

25 In the first instance, we verified and agreed with

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1 the conclusions reached by the company investigation of the
2 ECP investigators of the MOV issue that retaliation was, in
3 fact, a factor in the termination of two contract engineers.
4 In the second case, we concluded that there was no evidence
5 of retaliation by Northeast management in the disciplinary
6 actions that they took.

7 Moving on to our evaluation of Northeast's
8 progress, with respect to establishing a safety conscious
9 work environment, our oversight plan contains 11 attributes
10 which we think are critical to an ideal safety-conscious
11 work environment. Since the plan was published in June, we
12 have added another attribute to cover incidents related to
13 harassment, intimidation, retaliation or discrimination.

14 Little Harbor continuously monitors these
15 attributes through interviews, reviews, investigations and
16 observations. As information dictates, the Little Harbor
17 team members working in a particular area meet to discuss
18 data and reach consensus for relative attributes. As
19 changes occur in the future, we will communicate these
20 changes to the NRC staff, Northeast Utilities and the
21 public.

22 CHAIRMAN JACKSON: What was the additional
23 attribute that you --
24 MR. BECK: It relates to the question of
25 harassment, intimidation, retaliation and/or discrimination,
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1 specifically.

2 CHAIRMAN JACKSON: And how do you weight the -- do
3 a relative weighting? You talk about doing program reviews,
4 interviews and then you have these attributes. How do
5 you -- is it you have a weighting system or you do one to
6 kind of check the other?

7 MR. BECK: Some of them are relatively
8 straightforward and simple and it is easy to make the
9 evaluation. Others involve a lot of subjective evaluation,
10 discussion by the team members who are involved in various
11 reviews or investigations and that consensus reaching demand
12 which we place on ourselves results in the weighting taking
13 place.

14 As we -- and I will go into later -- roll up our
15 12 attributes, if you will, to be consistent with the four
16 that you heard from the company on earlier this morning, you
17 will see how they --

18 CHAIRMAN JACKSON: Stack up?

19 MR. BECK: Yes.

20 This next slide shows our approach to evaluating
21 the status of Northeast's safety-conscious work environment
22 implementation efforts. And I will relate that to your
23 desire for satisfactory approaching expectations and not
24 meeting them in a moment. We have chosen to use five
25 gradations for evaluation of each Little Harbor attribute or
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1 roll-up to end use success criteria.

2 Green meets all expectations. Red, on the other
3 hand, requires significant improvement. And we use three
4 levels within the yellow band, as indicated on the slide.

5 We also evaluate our view of the current
6 performance trend for each attribute as indicated by an
7 arrow in the box. It is the consensus of the Little Harbor
8 team that each of the four Northeast success criteria, which
9 you heard discussed by the Company this morning, must be
10 rated neutral yellow or better to be considered ready for
11 restart of the unit at Millstone. Therefore, if you drew a
12 line below neutral yellow, a horizontal arrow, above that
13 line, you would have to be at that point or above to be
14 satisfactory.

15 The next slide, the status reports which we will
16 be sharing in a moment are based on our evaluation of
17 progress to date. Little Harbor opinions are based on our
18 initial structured interview results, initial reviews of the
19 employee concerns program and corrective action program and
20 other activities. We are continuing our review of the
21 comprehensive plant effectiveness, another round of
22 structured interviews, closure of our employee concerns

23 program and corrective action program reviews and continued
24 observations of site activities.

25 I am not going, due to the limited time available,
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1 to go through each of our 12 attributes but rather focus on
2 the four end use success criteria this morning. We did
3 include those other evaluations in our advance package,
4 however. If you have any questions about any of these, we
5 would be pleased to respond.

6 Going to the first end use success criteria,
7 willingness to raise safety concerns, we rate this
8 satisfactory today, a neutral yellow with a holding steady.
9 It is based on a roll-up of our attributes 2, 6, 7, 9 and
10 12, which were in your advanced package.

11 While there continue to be some problem areas at
12 Millstone, we believe that this attribute has improved and
13 workers at Millstone are willing to raise safety concerns
14 via one of the available mechanisms. Resolution of the
15 existing problem areas coupled with the ongoing training of
16 the work force should provide further improvement in this
17 criteria in the future.

18 The next criteria, issues are effectively resolved
19 by line management, which is really the corrective action
20 program, is also evaluated as neutral yellow but with an
21 improving trend. It is based on our attribute number 10 and
22 the evaluation of it, the corrective action program which we
23 reported on in September. We performed a comprehensive
24 review of the program and completed it as I said in
25 September.

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1 We concluded that Northeast has established an
2 excellent corrective action program which is being
3 aggressively implemented. Our continuing review in this
4 area will focus on the effective resolution of problems
5 addressed by the program.

6 The next area, effectiveness of the ECP, we do not
7 consider to be satisfactory today. It is a minus yellow
8 with an up arrow. And it is identical to our attribute
9 number 11. Northeast, however, has made significant strides
10 in improving the employee concerns program. We feel that
11 this rating would be up at least one notch to neutral
12 yellow, improving or satisfactory, but for the apparent high
13 percentage of persons who have used the program and who
14 indicate that they wouldn't use it again.

15 We are not satisfied today that we totally
16 understand why users of the employee concerns program feel
17 this way and will develop that understanding over the next
18 few weeks. Thus, our conservative rating at this time.

19 Overall, we feel that NU management and the
20 employees and contractors in the employee concerns program
21 have made significant strides over the next few months and
22 the program is continuing to improve but for that one
23 aspect.

24 And, finally, the last NU success criteria,

25 recognizing and dealing with harassment, retaliation,
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1 intimidation or discrimination we rate as red today. This
2 is a roll-up of our attributes 3, 4, 5, 8 and 9. The
3 sources of input were the Little Harbor reviews of end
4 process training, observations in the work place, specific
5 investigation of Millstone incidents, employee concern
6 follow-up interviews, validation of comprehensive action
7 plan action items and walk-in interviews.

8 I should add that we have observed positive
9 movement by Northeast management in this area very recently.
10 Some examples include the 10 CFR 50.7 training effort which
11 you saw as in progress. We were involved in communicating
12 our expectations of such a program while it was being
13 developed. We have monitored the training sessions as they
14 are under way and we think it has significant potential to
15 raise the level of awareness from first line supervisors up
16 within the Northeast management chain.

17 We also have witnessed some behavior on the part
18 of management responses to recent issues involving potential
19 retaliatory behavior and it has been very positive and
20 significantly better than it had been in the past. The
21 consolidation and addition of management resources under
22 Mr. Brothers regarding all matters associated with a
23 safety-conscious work environment at Millstone we think is a
24 very positive step and is beginning to show positive
25 results.

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1 That concludes our prepared remarks.

2 In summary, we have seen improvement in the last
3 few months with respect to the safety-conscious work
4 environment. The employee concerns program in particular
5 has made significant strides but requires some effort to
6 improve the perception of its users. The most difficult
7 task facing Northeast management is clearly the need to
8 improve its performance with respect to harassment or
9 potential retaliatory actions in the work place. We are
10 going to in particular monitor very closely these areas.

11 We would be pleased to respond to any questions
12 you may have.

13 CHAIRMAN JACKSON: The first one is an
14 informational one. I didn't take down the roll-up. If you
15 go back through the 1, 2, 3, 4, tell me how your criteria
16 roll up into the different ones.

17 You're saying that NU's Criteria 1 is a
18 combination of which ones of yours?

19 MR. BECK: Their Criteria 1 involves our Criterion
20 2, which is employee perceptions of the policy that NU has
21 established for a safety-conscious work environment.

22 CHAIRMAN JACKSON: You can just give me the
23 numbers.

24 MR. BECK: Okay, I'm sorry -- 2, 6, 7, 9, and 12.

25 CHAIRMAN JACKSON: Okay, and number 2?

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1 MR. BECK: Number 2 is number 10.
2 CHAIRMAN JACKSON: Okay.
3 MR. BECK: Number 3 is number 11.
4 Number four is three, four, five, eight, and nine
5 again.
6 CHAIRMAN JACKSON: No, I appreciate your doing
7 that grouping, but essentially what you are saying is that
8 the ability to grapple with alleged instances of harassment,
9 intimidation, retaliation or discrimination -- they really
10 have a long way to go yet, and then the very thing that is
11 the subject of your existence, namely the Employee Concerns
12 Program and its effectiveness they have some improvements to
13 make.
14 MR. BECK: That's correct.
15 CHAIRMAN JACKSON: Okay. All right. Are there
16 any additional questions? Yes?
17 COMMISSIONER DICUS: In the presentation that
18 Northeast Utilities made on their program they analyzed
19 themselves and they indicated, as you are well aware, that
20 you concurred with where they felt they stood in the issues
21 that they were dealing with with the program.
22 Do you concur completely or is there an area, a
23 significant area not a minor area, a significant area where
24 maybe you don't concur with their own analysis?
25 MR. BECK: If I may, Commissioner, I interpreted

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1 that "LAC concurs" as another criteria they are setting for
2 themselves.
3 Today we do agree on those four elements, namely
4 the first two are satisfactory, the last two are not today,
5 so we are in synch at this point in time.
6 CHAIRMAN JACKSON: Okay. Thank you very much.
7 Now we will hear from the NRC Staff -- last but
8 not least.
9 MR. THOMPSON: Good afternoon.
10 CHAIRMAN JACKSON: Yes, I guess it is. Good
11 afternoon. You sure it is not tomorrow?
12 MR. THOMPSON: Chairman Jackson, Commissioners, as
13 you know, this is an effort that the NRC Staff has put a
14 major focus on. This is our fourth presentation and I think
15 you know the gentlemen at the table with me.
16 Before I turn it over to Bill though, I would like
17 to indicate that we are recognizing the importance of where
18 we are in this program -- I'm sorry --
19 CHAIRMAN JACKSON: We know who you are.
20 MR. THOMPSON: We have our tent cards here.
21 Before we get to having Bill go through and
22 summarize what we believe are the important elements of our
23 0350 process, and that is our restart assessment program, I
24 would like to indicate that this is a time we recognize that
25 there are lots of activities that are ongoing at the site.

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1 There are a lot of activities that the Staff will be doing
2 at the site and we need to keep the Commission currently
3 informed of those programs and previously we had given
4 reports on kind of a quarterly basis, but we think it is
5 important that we do that more on a monthly basis now.

6 The next report we believe would be in January and
7 it would obviously be toward the middle or the end of
8 January, depending on the site activities but it is part of
9 the process that we need to keep you currently informed of
10 the status and we intend to do that and with those brief
11 remarks I would like to turn it over to Bill, who will hit
12 the highlights of some of our activities as well as address
13 your concerns with an overall summary of where we are with
14 our evaluation of the status.

15 CHAIRMAN JACKSON: Thank you.

16 DR. TRAVERS: Good afternoon.

17 My first slide simply presents an overview of what
18 I would like to cover. It is very similar to the topics
19 that we have touched on in previous briefings.

20 I'll move right on. In the second slide I'll
21 mention that the Special Projects Office was formed just
22 about one year ago, just one year and one month ago, to
23 focus on the Millstone issues and we have been continuing to
24 implement the Millstone review plan that we described to the
25 Commission in SECY 97-003.

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1 Of course we have based our plan on Manual Chapter
2 0350, which provides the guidance that we typically use to
3 assess the restart status of plants that are facing
4 troubles, and we have at Millstone developed Restart
5 Assessment Plans for each of those units.

6 I have indicated in bulletized form the principal
7 elements, so I am going to touch on probably each one of
8 those. I have some, more in detail in some than others, but
9 this listing includes the principal areas that we have
10 identified as those issues which we expect to identify
11 improvements and issue resolution prior to coming to the
12 Commission for an ultimate decision on restart of any of the
13 three units.

14 An important element that I would like to mention
15 right upfront, and we have been doing this in the past, of
16 our program is the fact that we have a commitment up in the
17 Millstone area to make our process a very public and open
18 one.

19 We think we have been meeting that by virtue of a
20 number of activities that we have been carrying out that are
21 somewhat extraordinary, somewhat above the norm.

22 Just mentioning a few of those, we have continued
23 to brief the public in evening sessions every four to six
24 weeks or so. We have been carrying out most of the
25 technical exchanges that we have had with the utility in

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1 public forums at the Millstone site or near the Millstone
2 site such that those meetings are observable to members of
3 the public.

4 We have had a very close working relationship, a
5 continuing one, with the State of Connecticut Nuclear Energy
6 Advisory Council. You may recall that we have an agreement
7 with the Council to participate at least as observers in our
8 conduct of ICAVP design basis, licensing basis verification
9 activities, and they have been expending quite a lot of
10 effort to participate with us, observe our process and
11 provide their own sense of how we are carrying out our
12 activities in their own public meetings.

13 So those are sort of the principal elements of our
14 public -- I'll call it outreach program for lack of a better
15 term.

16 Before I turn to a more detailed discussion of
17 some of the elements that we have listed in our Restart
18 Assessment Plan, I would like to tell you that our overall
19 assessment is that the licensee is continuing to make
20 progress in their efforts to bring about needed change at
21 Millstone.

22 Led by essentially a new Senior Management team
23 since late 1996, NU has initiated a rather broad scoped
24 effort to identify problem areas and to implement corrective
25 actions.

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1 Although progress has not kept pace with the
2 licensee's initial schedules, our oversight program is
3 identifying improvements in essentially all of the elements
4 of our NRC Restart Assessment Plans for Units 3 and 2.

5 Despite this progress, I think it is important to
6 point out that NU has not yet completed some significant
7 work. You have heard enough about that. We will talk some
8 more about it as well.

9 As a result though, a number of our most important
10 inspections have not yet taken place.

11 For example, of a total of eight team inspections
12 that are planned at Unit 3, two are complete, two are in
13 process, and four are planned.

14 Examples of some of the planned inspections
15 include ones which will assess corrective actions, work
16 planning and control, quality assurance, and the operational
17 readiness of both the plant and operations personnel.

18 These NRC evaluations are necessarily focused in
19 the latter stages of the licensee's improvement program and
20 we are planning to initiate a number of inspections
21 following the licensee's own determination that they are
22 ready.

23 I think it is fair to say thus far that our
24 planning for the conduct of our own verification activities
25 has not resulted in delays. We have been pretty efficient

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1 at rescheduling in the face of some of the slips that have
 2 occurred in their schedule and the necessity of rescheduling
 3 some of the important team inspections.

4 With that as an overview, let me turn to some of
 5 the specifics.

6 DR. TRAVERS: The next slide provides a listing of
 7 the significant items list. That list, which is a portion
 8 of our restart assessment plan, contains a detailed listing
 9 of both the programmatic and specific issues that we have
 10 identified for each unit that we think are important for
 11 resolution before we come to the Commission.

12 To facilitate our review, NU is providing us with
 13 packages or submittals that address each of the -- or most
 14 of them, most of the significant items list. Some of the
 15 issues do not require packages and we are handling those
 16 without. But this rack-up includes the total number of the
 17 SIL items identified at unit three, for example, is 86. The
 18 number of packages, and these -- this number specifically
 19 addresses the number of completed -- complete packages as
 20 58. And the fact that at Unit 3, at least, to date, we have
 21 closed 30 of those.

22 This chart, the more I thought about it, the more
 23 I think about it, does not provide a very good indication of
 24 the overall status of where we stand in carrying out our
 25 assessment at Unit 3 particularly, in that because of the
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1 fact that we are getting and have reviewed, in fact, a
 2 number of partial submittals of packages, we would estimate
 3 that the percent completion is closer to about 70 percent
 4 and that really is not -- this slide could throw you off
 5 from that considerably if you didn't know the fact that we
 6 are reviewing partial submittals, we have closed a number of
 7 those at least in part.

8 CHAIRMAN JACKSON: How are you documenting staff
 9 review and closure of the SIL items?

10 DR. TRAVERS: Each of the significant items that
 11 are identified here as closed, and the future items as well,
 12 are being identified and documented in NRC inspection
 13 reports. The reason I haven't added the fact that we have
 14 closed an additional 10 at Unit 3 is because we haven't
 15 issued the inspection report yet that will in fact document
 16 our closure of those items.

17 CHAIRMAN JACKSON: Okay, so that's the fundamental
 18 documentation?

19 DR. TRAVERS: Yes, that's right.

20 CHAIRMAN JACKSON: And what issues on this list do
 21 you believe pose the greatest challenge for the licensee at
 22 this stage?

23 DR. TRAVERS: I think you are going to hear
 24 something similar to what's been said already but let me
 25 take off what I see as the most significant challenges that
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1 lie ahead. In the area of safety conscious work
2 environment, we have heard from Little Harbor and we are
3 certainly relying on their expertise to a great extent, that
4 focus on the need for substantial improvement in the area of
5 HIRD issues and we concur with that.

6 We have also identified some issues that I am
7 going to be discussing in a minute related to the
8 verification of design basis/licensing basis issues. We see
9 that as a challenge.

10 We see the corrective action program, at least our
11 assessment of it, as adequate to be a challenge. We
12 have -- I don't want to mislead you about the future
13 inspections that we have planned. They are certainly
14 important. We have, although relying on those to a great
15 extent in the future, been carrying out assessments in all
16 of these areas and we have, as I indicated generally,
17 identified improvements in even the area of corrective
18 actions. But if you look at backlogs, if you look at the
19 physical modifications that are still required to be
20 completed before restart, certainly these pose a number of
21 challenges for this utility.

22 I also agree with what Mr. Kenyon said about the
23 importance of the transition to an operating state. These
24 plants have been shut down two years or more or less in some
25 cases. But it is an awfully long time and an important

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1 aspect of what they have to accomplish is to move into a
2 period where they can establish an operational confidence
3 that translates into safe operations.

4 CHAIRMAN JACKSON: Let me ask you this question
5 now. You have identified as, you know, among the greatest
6 challenges, the backlogs and physical modifications. But
7 when we heard from the licensee, they were indicating, at
8 least for Unit 3, that they expected to have -- you know, be
9 physically ready at the end of the month. And so how do you
10 square those two?

11 DR. TRAVERS: Well, they may very well be. But as
12 I look at the data, I look at it the same way as you. I'm
13 sort of in a "show me" mode. I think that's less important,
14 frankly, than doing it right. But, nevertheless --

15 CHAIRMAN JACKSON: I understand.

16 DR. TRAVERS: -- we understand what you've been
17 told by NU and we think we understand, for example, that
18 many of the items that they have to complete are simply
19 lacking some element as, for example, testing. So many of
20 these may fall in rather quick succession.

21 But by virtue of the numbers not falling for so
22 long, we are sort of in a conservative mode and want to list
23 that as an example of something we think is a challenge
24 still.

25 CHAIRMAN JACKSON: Thank you.

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1 DR. TRAVERS: Sargent & Lundy and Parsons have
2 given you a summarized version of their activities and under

3 the ICAVP order, the NRC staff is carrying out related but
4 independent activities as well, as you know. And we wanted
5 to list several of the activities that have been completed
6 since last we met with the Commission and they are included
7 on this slide.

8 The first item has to do with the fact that we
9 carried out a team inspection to evaluate the implementation
10 of Sargent & Lundy of its NRC approved audit plan for the
11 conduct of their activities. Our findings were generally
12 positive. We did note in our inspection that when we went
13 in, it was fairly early. We didn't have an opportunity to
14 review everything we would have liked to at that time. But
15 we will have an opportunity in our subsequent tier two and
16 three inspections.

17 So we have completed this inspection. We have
18 generally found positive results. Those minor findings that
19 were identified have been acted on by Sargent & Lundy and
20 corrected, in our view, and we still have an opportunity and
21 we expect to exercise that as we carry out some of our
22 remaining team inspections.

23 CHAIRMAN JACKSON: So when you say then that it
24 was completed, you mean it was completed relative to what
25 there was for you to inspect at that point?

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1 DR. TRAVERS: That's exactly right.

2 CHAIRMAN JACKSON: But there are some additional
3 inspections you would have to do?

4 DR. TRAVERS: We have been having an opportunity,
5 as we have gone on, really, to have a pretty -- a very close
6 understanding of the way Sargent & Lundy is carrying out its
7 activities. At the time this inspection was ongoing, they
8 weren't there yet.

9 CHAIRMAN JACKSON: I see. Okay.

10 DR. TRAVERS: The second bullet has to do with an
11 inspection that has been referenced briefly here and I am
12 going to cover it in my next slide but it fundamentally has
13 to do with our first system, safety system functional
14 inspection at Unit 3.

15 Additionally, completed over this period is the
16 fact that the Nuclear Energy Advisory Council selected the
17 final two systems to be reviewed by Parsons at Unit 2.

18 And, lastly, we have also, similar to the first
19 inspection I mentioned, carried out a team inspection at
20 Parsons of their implementation and, again, we found
21 positive indications of their conformance with the
22 NRC-approved audit plan.

23 At Unit 3, the NRC staff has completed the first
24 of two team inspections which involve a detailed evaluation
25 of an important safety system. These NRC inspections are in

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1 addition to the ICAVP reviews being carried out by S&L; with
2 one inspection focusing on one of the systems being reviewed
3 by S&L; and one system focusing on a system outside the scope

4 of S&L's program. The staff's first safety system
5 functional inspection focused on a review of the emergency
6 core cooling system mode of the chemical and volume control
7 system. And a number of issues were identified and
8 documented in a recently issued inspection report, and I
9 have listed the principal issues resulting from that.

10 CHAIRMAN JACKSON: But these appear troubling. I
11 mean should I be troubled?

12 DR. TRAVERS: I would characterize them as raising
13 a concern, perhaps a fundamental concern, that we feel we
14 can address in subsequent inspections by --

15 CHAIRMAN JACKSON: Would you say what that
16 fundamental concern is?

17 DR. TRAVERS: The fundamental concern is, goes
18 back to what the purpose of our verification inspections
19 really are here. A little while ago there was a question
20 about where Millstone is, or maybe where it was, relative to
21 industry standards. What we have, and are dealing with now,
22 is a situation where we have asked, by virtue of a number of
23 problems that were identified several years ago, for
24 Northeast to go in and carry out a very rigorous assessment
25 of their licensing and design basis.

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1 They have completed, essentially completed that
2 program, and we are now coming in at the end of that.
3 Sargent & Lundy, NRC staff, Parsons at Unit 2.

4 The question that the findings raise, and I don't
5 think they answer, is whether or not the licensee's program
6 for identifying on its own where they stand, relative to
7 licensing basis and design basis, was adequate, and whether
8 or not we should rely on it by virtue of the sampling
9 program that looks at a very limited, or somewhat limited,
10 set of systems.

11 CHAIRMAN JACKSON: Because of the findings in your
12 out of scope SSFI?

13 DR. TRAVERS: That's right.

14 CHAIRMAN JACKSON: Commissioner.

15 COMMISSIONER McGAFFIGAN: Did you intentionally
16 not adopt the same vocabulary as Sargent & Lundy, and
17 Parsons, with regard to level -- the levels? How would you
18 assign these issues to the levels that the contracts are
19 using? Are these level 3's, are they level 4's, are they --
20 what are they?

21 DR. TRAVERS: Well, I should point out that they
22 are preliminary findings at this point, and -- but they
23 potentially could be --

24 COMMISSIONER McGAFFIGAN: Level 1's?

25 DR. TRAVERS: Level 1, the first one at least.

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1 COMMISSIONER McGAFFIGAN: At least the first one,
2 sure.

3 DR. TRAVERS: But the reason I say they are
4 preliminary is because we have identified them with the
5 team. We will be attending an enforcement conference,

6 because of the significance of this issue, with the licensee
7 in January. And, at that time, they will have an
8 opportunity to provide us some additional information on
9 what -- what they think the issue is or isn't, and what they
10 are doing about it.

11 Now, we have heard today, and we have heard before
12 today, that they have implemented a number of activities
13 that are directed at addressing this issue, not just in this
14 system, but across the 88 maintenance one and two systems
15 that were covered in their own program.

16 So that's why I say I don't think this finding,
17 and where we are at today, answers the question that has
18 been raised. And rather than suggest to you that it does,
19 what I would suggest is what we intend to do as follow-on to
20 pursue this fundamental question and, that is, simply to
21 evaluate the information that the licensee provides to us,
22 in whatever mechanism, whether it is the enforcement
23 conference, or through whatever means, and to garner the
24 information that we will obtain in three remaining team
25 inspections that also, essentially, address the same issue,

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1 you know, whether or not we can rely on what was done as a
2 good and rigorous assessment of licensing basis and design
3 basis.

4 CHAIRMAN JACKSON: Yes. Commissioner Diaz.

5 COMMISSIONER DIAZ: In other words, you believe
6 that the remaining inspections should give you assurance
7 that the Configuration Management Program of the licensee is
8 adequate to not have this kind of problems in other safety-
9 related systems?

10 DR. TRAVERS: I think it certainly will provide
11 additional data for us to assess the overall question.

12 CHAIRMAN JACKSON: To make that judgment.

13 DR. TRAVERS: To make that judgment. And since
14 this is one of four, and if you recognize the very
15 substantial effort that Sargent & Lundy is going through, we
16 really think that we have to integrate all of that
17 information before we make a conclusion.

18 But -- excuse me. But there is an indication, and
19 even at this early stage, that, based on these findings,
20 which we think were a good find on the part of our team, it
21 was a very good team, very -- very capable people who were
22 working on it, that the licensee has identified on its own a
23 need to assess across the other systems whether or not the
24 implications identified apply to those other systems.

25 Now, they are going to be telling us more about

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1 that. We have had some preliminary information. I think
2 they told you that activity is not complete yet. So, we
3 will certainly be interested in that information and include
4 it in our assessment of the fundamental question.

5 CHAIRMAN JACKSON: Okay. Thank you.

6 DR. TRAVERS: In the next three -- I didn't

7 mention the other issue. The first one is the most
8 significant. I will mention the second issue just briefly.

9 CHAIRMAN JACKSON: Let me make sure I understand
10 something before --

11 DR. TRAVERS: Yes.

12 CHAIRMAN JACKSON: Is the licensee going to
13 revisit, they are going to revisit their Configuration
14 Management Program, or are they going to be waiting on the
15 results of your other SSFI?

16 DR. TRAVERS: They are not waiting. They are, in
17 fact, carrying out analysis which, ultimately, may render
18 the issue not to be very significant. The question has to
19 do with air entrainment and the possibility of binding of
20 pumps.

21 CHAIRMAN JACKSON: Right.

22 DR. TRAVERS: But there is a possibility that when
23 the analysis is conducted, that it is judged to not be
24 significant.

25 CHAIRMAN JACKSON: Right.

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1 DR. TRAVERS: But the expectation we would have
2 had, of their program, is that they would have identified it
3 and triggered the analysis. So, as a minimum, that is what
4 we see as --

5 CHAIRMAN JACKSON: So it is the identification of
6 the issue, and the significance of that, as well as the
7 significance the issue turns out to have in and of itself.

8 MR. THOMPSON: That's exactly right.

9 DR. TRAVERS: Yes. That's exactly right.

10 CHAIRMAN JACKSON: Okay.

11 DR. TRAVERS: The last -- the second two issues,
12 principal issues from that inspection finding, the second
13 one has to do with an identification of the fact that tech
14 spec requirements that should have resulted in a number of
15 valves being tested for leak tightness, did not result in
16 those valves testing. And so that is an issue that they are
17 looking a little bit more broadly at as well.

18 And, lastly, we found a number of fairly minor,
19 but nevertheless discrepancies from the as-found condition
20 of the plant with the description in the FSAR.

21 In the next three months, we expect to complete
22 all of the remaining ICAVP inspection activities at Unit 3,
23 and they are listed here as the tier 2 and tier 3 inspection
24 which is underway, the Unit 3, tier 1, in scope inspection,
25 our corrective action inspection at Unit 3, and we also

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1 expect, at Unit 2, to have completed the tier 1 out of scope
2 system review and the tier 2 and tier 3.

3 At Unit 2, three of five ICAVP inspections will be
4 complete, we expect, within the next three months.

5 An extremely important element of our restart
6 assessment plan is the issue of Employee Safety Concern
7 Program and safety conscious work environment, more broadly.
8 You have heard from Little Harbor, and, as a matter of fact,

9 in this area, we are relying to a great extent on this
10 independent contractor's expertise in assessing these
11 issues. The staff is, nevertheless, however, acting
12 independently as well to assess the status of improvements
13 in this area, and this slide is meant to give you a
14 summarization of some of the activities that we have
15 completed since last we met with the Commission.

16 CHAIRMAN JACKSON: Now, are the project officer,
17 special project office managers and staff making any
18 observation on a day-to-day basis as they go about in
19 documenting those in any way?

20 DR. TRAVERS: Documenting, I think not. But what
21 we are certainly doing is observing and garnering a view in
22 this area.

23 But, as I was going to mention, in a formal sense,
24 we are just this week --

25 CHAIRMAN JACKSON: You are going to develop a plan
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1 to assess what, the ECP?

2 DR. TRAVERS: We have actually developed a plan
3 that we forwarded in the recent SECY.

4 CHAIRMAN JACKSON: SECY paper, that's right. As
5 well as the safety conscious work environment.

6 DR. TRAVERS: Exactly right.

7 CHAIRMAN JACKSON: Right.

8 DR. TRAVERS: And to a very great extent, the
9 parameters that we are think are reasonable to assess these
10 issues are the ones you have heard about today. We don't
11 have any suggestions for major changes. We are looking at
12 them on our own and, to the extent that we have had a
13 continuing audit, a few personnel up at the site looking at
14 these issues. Just this week, we have implemented the first
15 week of a two week on-site inspection team -- or on-site
16 evaluation team, to assess both Northeast's progress and
17 ECP, and, more generally, safety conscious work environment.
18 But also to get a sense of the implementation of Little
19 Harbor in conduct of its NRC approved audit plan. You know,
20 this is very similar to what we are doing, evaluating
21 Sargent & Lundy and Parsons.

22 CHAIRMAN JACKSON: It is useful that, if your own
23 folks are on kind of a -- you know, as you go about, you do
24 have the opportunity to observe. Typically, when people
25 know there are inspections, there are various things. And
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1 programs are as programs do. You know, my mantra. So --

2 [Laughter.]

3 COMMISSIONER DICUS: Based upon these observations
4 that you have, do you generally concur at this point with
5 what Little Harbor and the licensee are saying?

6 DR. TRAVERS: Yes, we do. Particularly, -- well,
7 in just about everything Little Harbor said, they provided a
8 very detailed assessment of the situation. Improvements in
9 the ECP program, for example, with needed improvements yet.

10 But a significant effort still remaining in the area of
11 safety conscious work environment. And we certainly do
12 concur with that assessment.

13 Now, we are going to be getting this week, and in
14 our second team inspection week, a little bit better
15 assessment, from our own perspective, on these things.
16 Right now we generally track with the findings you have
17 heard from Little Harbor.

18 I'll move to the next slide. In the next three
19 months, similar to what we have been doing, we expect to
20 continue to monitor both the licensee and Little Harbor. We
21 are attending meetings that are again observable to the
22 public to discuss these issues including some of the major
23 missteps that have occurred, the MOV issue and so forth.

24 We expect to carry out the second week of the team
25 inspection that I mentioned at Unit 3. This is really a
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1 site issue, by the way, even though today we are mostly
2 focusing on Unit 3. We believe that this issue certainly is
3 one which needs to be considered in a site-wide sense.

4 In addition to that focused team inspection on ECP
5 and safety-conscious work environment and in recognition of
6 the importance of effective corrective action programs, we
7 are also going to include in our conduct of the 4500
8 inspection, that inspection again focuses on the corrective
9 action program, a particular focus on safety-conscious work
10 environment and the resolution of concerns raised by
11 employees. So we think there is a good fit there to get an
12 even better assessment of this issue in the context of that
13 team inspection. That is upcoming.

14 Of course, we will continue to track the program
15 measures that we have identified in our program planning.

16 In the licensing arena, we have identified here
17 sort of a rollup of a number of issues that have been
18 identified as important, and the only thing I will say about
19 this is that we believe today that based on what we have
20 in-house and where we stand with these reviews that we don't
21 see a major pitfall to March or April kind of a timeframe
22 for our assessment and completion.

23 In some cases some of these license amendments
24 need to be done in January timeframe, I guess, to support
25 Mode 4 operations.

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1 DR. TRAVERS: Mode 4 operations.

2 DR. TRAVERS: But we don't see a major problem
3 with what the licensee today thinks it can do by virtue of
4 its programs.

5 CHAIRMAN JACKSON: The only question I really have
6 in terms of your project planning schedule, which is the
7 next slide -- I'm jumping ahead -- I see that in the -- all
8 right.

9 When you talk about these calendars, these
10 quarters, and these are calendar year quarters --

11 DR. TRAVERS: Yes, they are.

12 CHAIRMAN JACKSON: For instance, I note that you
13 have, you know, a Commission briefing, this is for Unit 2 --
14 DR. TRAVERS: Oh -- Unit 3 I think is scheduled
15 similar to the --
16 CHAIRMAN JACKSON: Well, yes, the schedules are
17 basically similar except that what is on the planning
18 schedule tracks a little bit more.
19 I am looking, for instance, at license amendments
20 for Unit 2, and you have those tracking all the way out
21 till -- you know, in the summer.
22 I guess --
23 MR. THOMPSON: In May, end of May.
24 CHAIRMAN JACKSON: End of May, so you nonetheless
25 feel that this is a reasonable tool to support the projected

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1 Commission briefing in June of '98 --
2 DR. TRAVERS: With a caveat, always a caveat, and
3 that caveat simply is that we recognize the possibility in
4 the midst of some of the discovery that still is continuing
5 of the need for as yet an unidentified license amendment.
6 CHAIRMAN JACKSON: The only reason I raised that
7 one, particularly for that plant, is because that is the
8 older one, where there could be some more design basis
9 issues --
10 DR. TRAVERS: Exactly.
11 CHAIRMAN JACKSON: -- that might arise, but okay,
12 that's fine.
13 Any other questions? Comments? Commissioner?
14 COMMISSIONER DIAZ: As the planned start is
15 getting toward restart and you look at the amount of
16 resources that we have in Millstone, are you planning to
17 start phasing out some of those resources into other needs,
18 or is there a schedule being made of --
19 MR. THOMPSON: We are looking at that very closely
20 right now. Obviously, we have the resources available.
21 It's a very important time that we make sure that we have
22 the resources available to accomplish it.
23 Likewise we also look at the operating plant and
24 we go through and update that, so we will be looking at
25 those elements and giving back to the Commission, if we see

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1 a need, to change, increase, decrease or whatever the
2 appropriate aspect is with respect to those resources, so we
3 recognize that is a very important element for us to be
4 sensitive to and to communicate with the Commission on.
5 CHAIRMAN JACKSON: Right. Thank you.
6 I would like to thank Northeast Utilities, Sargent
7 & Lundy, Parsons Power, Little Harbor Consultants, and of
8 course the NRC Staff for briefing the Commission on the
9 progress in assessing the readiness for restart of the
10 Millstone units.
11 Once again I will state on behalf of the
12 Commission that we recognize how difficult it is, as you can

13 see from some of our own questions, to condense the
14 substance of the reviews performed by each of the groups
15 into briefings like this. That is why it has been a
16 marathon session, but this is the primary reason, of course,
17 that the NRC in November of last year created the Special
18 Projects Office headed Dr. Travers and to provide for direct
19 oversight of all licensing and inspection activities and to
20 tailor the manual chapter 0350 process to specifically
21 address the issues at these units.

22 So I was going to ask, but Mr. Thompson, you in
23 fact preempted me, that the Special Projects Office keep the
24 Commission informed on a more timely basis, and what you are
25 suggesting about the monthly reports sounds reasonable.

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1 I believe the next Commission meeting should be in
2 the mid-February timeframe in order to better assess the
3 results of some of the significant inspections, but that can
4 be adjusted, as appropriate.

5 MR. THOMPSON: Okay.

6 CHAIRMAN JACKSON: And the Commission values these
7 sessions to focus all of us on the results to date and to
8 gauge the effectiveness of the process being utilized,
9 because that is a big issue, and so I encourage all the
10 parties to remain steadfast in their various tasks and not,
11 even though there is a schedule, not to be so schedule
12 driven that we aren't results-focused, because in the end,
13 when it comes to coming to the Commission for a decision,
14 the decision is going to have to rest on what the results
15 are and the verification of those results by all the parties
16 involved.

17 The Commission is appreciative of the insights
18 from the contractors as well as from the licensee in
19 obtaining honest feedback on the challenges and successes in
20 making the Millstone station a safe station with an
21 effective corrective action program and an environment that
22 is supportive of raising and resolving safety issues.

23 As I state at each meeting, the Commission itself
24 does not presuppose that any of the three plants will
25 restart by any certain data because it is results-dependent.

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1 However, the Commission must be prepared to assure the
2 allocation, as you have just heard the discussion of, of
3 adequate staff resources to the oversight of the facility
4 and its restart progress, and for that reason the Commission
5 will continue to assess whether adequate progress is being
6 made in readiness for restart of the units and whether our
7 own, the NRC Staff assessment process, is effective, is
8 comprehensive, and is timely, and so unless there are any
9 closing comments, which I hope there are none --

10 [Laughter.]

11 CHAIRMAN JACKSON: -- I would like to wish all of
12 you a safe and wonderful holiday season and a healthy and
13 happy New Year.

14 We stand adjourned.

15 [Whereupon, at 12:44 p.m., the meeting was
16 concluded.]
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