

June 29, 1999

The Honorable James M. Inhofe, Chairman  
Subcommittee on Clean Air, Wetlands,  
Private Property and Nuclear Safety  
Committee on Environment and Public Works  
United States Senate  
Washington, D.C. 20510

Dear Mr. Chairman:

The Fiscal Year 1999 Energy and Water Development Appropriations Act, Senate Report 105-206, directed the Nuclear Regulatory Commission (NRC) to provide a monthly report on the status of its licensing and regulatory duties. I am pleased to transmit the sixth report which covers the month of May (enclosed).

In my April report, I highlighted the substantial progress that we were making on licensing and regulatory improvement initiatives. The staff continues to make progress on these and other important matters. Work is progressing on several risk-informed technical specification revisions that will maintain safety while reducing unnecessary regulatory burden at twelve Combustion Engineering designed and seven Babcox & Wilcox designed reactor plants, and the Brunswick Steam Electric Plant.

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In addition, I note for your attention that Section IV will be deleted from future reports as a result of the Commission's decision to discontinue the NRC Watch List.

Please do not hesitate to contact me if I may provide additional information.

Sincerely,

/s/ Shirley Ann Jackson

Shirley Ann Jackson

Enclosures:

1. May Monthly Report
2. Tasking Memorandum

cc: Senator Bob Graham

June 29, 1999

The Honorable Joe Barton, Chairman  
Subcommittee on Energy and Power  
Committee on Commerce  
United States House of Representatives  
Washington, D.C. 20515

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cc: Representative Ralph M. Hall

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Subcommittee on Energy and Water Development  
Committee on Appropriations  
United States House of Representatives  
Washington, D.C. 20515

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cc: Representative Peter J. Visclosky

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Subcommittee on Energy and Water Development  
Committee on Appropriations  
United States Senate  
Washington, D.C. 20510

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Enclosure 1

**MONTHLY STATUS REPORT  
ON THE  
LICENSING ACTIVITIES AND REGULATORY DUTIES  
OF THE  
UNITED STATES NUCLEAR REGULATORY COMMISSION**

**MAY 1999**

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## **XLI. Implementing Risk-Informed Regulations**

The NRC Office of Nuclear Reactor Regulation (NRR) is developing standardized methods for assigning a risk characterization to inspection findings in two areas: fire protection at full power operation, and internal events at low power and shutdown. These areas, which are being incorporated into the Reactor Oversight Process, will significantly expand the agency's ability to characterize more routinely the risk of various types of inspection findings.

Two staff safety evaluations of owners' groups combined plant topical reports for Risk-Informed Technical Specification relaxations are in progress and near completion. The first is Combustion Engineering Owners Group (CEOG) Joint Applications Report CE NPSD-1045, "Modifications to the Containment Spray System, and Low Pressure Safety Injection System Technical Specifications." This report proposes an allowed outage time of up to seven days for one inoperable Containment Spray System Train along with modifications to the Containment Spray System and Low Pressure Safety Injection System Action Statements (the report, at this time, applies to twelve CEOG plants). The second report is Babcock and Wilcox Owners Group (B&WOG) Topical Report BAW-2295, Revision 1, "Justification for Extension of Allowed Outage Time for Low Pressure Injection and Reactor Building Spray Systems." This report proposes an allowed outage time of seven days for both systems (the report applies to seven B&WOG plants.)

The staff continues with its review and evaluation of the risk associated with proposed plant-specific technical specification changes. The following are some examples: the staff reviewed and approved an amendment request by the Brunswick Steam Electric Plant for the extension of the allowed outage time for balance of plant and emergency electrical buses; the staff recently completed a risk assessment of a proposed Indian Point 3 request for a change in the number of operable Emergency Diesel Generators available during shutdown under certain conditions; and the staff is currently reviewing a risk-informed Technical Specifications amendment for Oconee involving allowed outage times for the High Pressure Injection System.

In addition, the staff is working with one of its contractors to enhance the process for reviewing risk-informed license applications. This work will support developing a centralized workload planning process for NRR. The staff is also developing related guidance for Project Managers and the Work Planning Center group. This guidance will enhance consistency and efficiency in the review process for license applications in the risk-informed and performance-based environment. The staff expects to complete this work in the near future.

In the new NRC Reactor Inspection and Oversight program (a discussion on this program is in Section II), the staff will be applying risk concepts and techniques in determining the significance of inspection findings. Inspection findings will be processed using the program's Significance Determination Process (SDP) at several pilot plants starting in June 1999. Full implementation of the new process is scheduled for April 2000. The SDP involves a "Phase 1" characterization and an initial screening process of inspection findings, and a "Phase 2" initial approximation of the risk significance for those findings which could not be screened out as low-significance. "Phase 3" of the process involves an as-needed refinement of the risk assessment of Phase 2 findings.

The staff continues to provide risk information (e.g., probabilistic safety assessment insights, plant risk profiles, and available information on any recent accident sequence precursor events) to the Senior Management Meeting (SMM) for plants identified for discussion.

## **XLII. Nuclear Plant Assessment, Inspection and Enforcement Processes**

The staff has continued to meet on a biweekly basis with the Nuclear Energy Institute (NEI) and other stakeholders to refine the proposed changes to its assessment, inspection and enforcement processes. Activities include the following:

- completed a workshop for NRC staff to provide information on regulatory oversight inspection procedures on April 26, 1999, in Atlanta, GA
- completed a 3-day public workshop to provide information on oversight processes and pilot program on May 20, 1999, in Philadelphia, PA
- in conjunction with the above, completed a utility management public workshop to provide an overview of oversight processes and pilot program on May 20, 1999, in Philadelphia, PA
- completed developing draft procedures for the new regulatory oversight process, including new risk-informed baseline inspection procedures, the significance determination process, and the assessment process
- drafted a revision to the Enforcement Policy to make it consistent with the revised oversight process, which will be published in the *Federal Register* in the near future
- published a request for public comment on recommended improvements to the oversight processes for nuclear power reactors (follow-up to SECY-99-007A) in the *Federal Register*
- continued biweekly meetings with NEI and other stakeholders to refine the proposed changes to the NRC assessment, inspection and enforcement processes
- finalized staff preparations in support of the nine-plant pilot program scheduled to start on June 1, 1999, to verify the new regulatory oversight process described in Commission papers SECY-99-007 and SECY-99-007A
- met with NEI and senior managers of the facilities participating in the new reactor oversight process and associated pilot program on May 21, 1999
- revised and issued NUREG-1649, "New NRC Reactor Inspection and Oversight Program," in plain-English format

### III. Status of Issues in the Reactor Generic Issue Program

Changes in the status or resolution dates for Generic Safety Issues since the April 1999 report and the reasons for the changes are described below:

**GSI Number:** 23  
**TITLE:** Reactor Coolant Pump Seal Failures  
**SCHEDULED RESOLUTION DATE:** 12/1999  
**STATUS:** The staff has concluded that generic imposition of new requirements is not appropriate because of significant design differences from plant to plant. A Task Action Plan has been developed to perform a limited number of plant specific reviews to determine if plant-specific actions are needed.

**GSI Number:** 145  
**TITLE:** Actions to Reduce Common Cause Failures  
**SCHEDULED RESOLUTION DATE:** 10/1999  
**STATUS:** A technical approach for the resolution of this issue has been developed. It is anticipated that the Advisory Committee for Reactor Safeguards will review this resolution at its September meeting, the first opportunity for placing this issue on the schedule.

**GSI Number:** 158  
**TITLE:** Performance of Safety-Related Power-Operated Valves Under Design Basis Conditions  
**SCHEDULED RESOLUTION DATE:** TBD  
**STATUS:** A technical approach utilizing industry voluntary initiatives and guidelines for resolving this issue has been developed in accordance with the Commission's intent to rely on industry activities as an alternative for NRC regulatory activities. The industry initiatives are in the formative state and the staff plans to follow them for assurance that they will provide the necessary level of attention to ensure that the valves perform adequately under design basis conditions.

**GSI Number:** 173.A  
**TITLE:** Spent Fuel Storage Pool: Operating Facilities  
**SCHEDULED RESOLUTION DATE:** From 06/1999 to 08/2000  
**STATUS:** The change in the scheduled resolution date from June 1999 to August 2000 represents a correction for an administrative error that occurred in the initial report submitted to Congress in December 1998. The revised Action Plan developed in July 1998 contained a scheduled resolution of August 2000.

### IV. Nuclear Power Plants Formerly on the Watch List

Clinton Nuclear Station has restarted and the licensee is slowly increasing power.

On April 29, 1999, the Commission issued its decision authorizing the restart of the Millstone Unit 2 nuclear power plant. Millstone Unit 2 subsequently reached full power on May 19, 1999.

As a result of the Commission decision to discontinue the NRC Watch List, described in the April Congressional report, as well as the recent restart of plants formerly on the NRC Watch List, this section of the report will be deleted from future reports.

## V. Licensing Actions and Other Licensing Tasks

Licensing actions may be defined as requests for: license amendments, exemptions from regulations, relief from inspection or surveillance requirements, topical reports submitted on a plant-specific basis, notices of enforcement discretion, or other licensee requests requiring NRC review and approval before it can be implemented by the licensee. The FY 1999 NRC Performance Plan incorporates three output measures related to licensing actions. These are: size of the licensing action inventory, number of licensing action completions per year, and age of the licensing action inventory.

Other licensing tasks may be defined as: licensee responses to NRC requests for information through generic letters or bulletins, NRC responses 2.206 petitions, NRC review of licensee topical reports, NRR responses to regional requests for assistance, and NRC review of licensee 10 CFR 50.59 analyses and FSAR updates. The FY 1999 NRC Performance Plan incorporates one output measure related to other licensing tasks (i.e., number of other licensing tasks completed).

The actual FY 1998 results, the FY 1999 goals and the FY 1999 results, through April 30, 1999, for the four NRC Performance Plan output measures are shown in the table below.

<b>PERFORMANCE PLAN</b>			
<b>Output Measure</b>	<b>FY 1998 Actual</b>	<b>FY 1999 Target</b>	<b>FY 1999 Actual (thru 4/30/99)</b>
Licensing actions completed per year	1425	1670	1115
Size of licensing actions inventory	1113	1000	840
Age of licensing action inventory	65.6% # 1 year; 86.0% # 2 years; and 95.4% # 3 years old	80% # 1 year; 95% # 2 years; and 100% # 3 years old	81.2%# 1 year; 95.5% # 2 years; and 99.0% # 3 years old
Other licensing tasks completed per year	1006	800	541

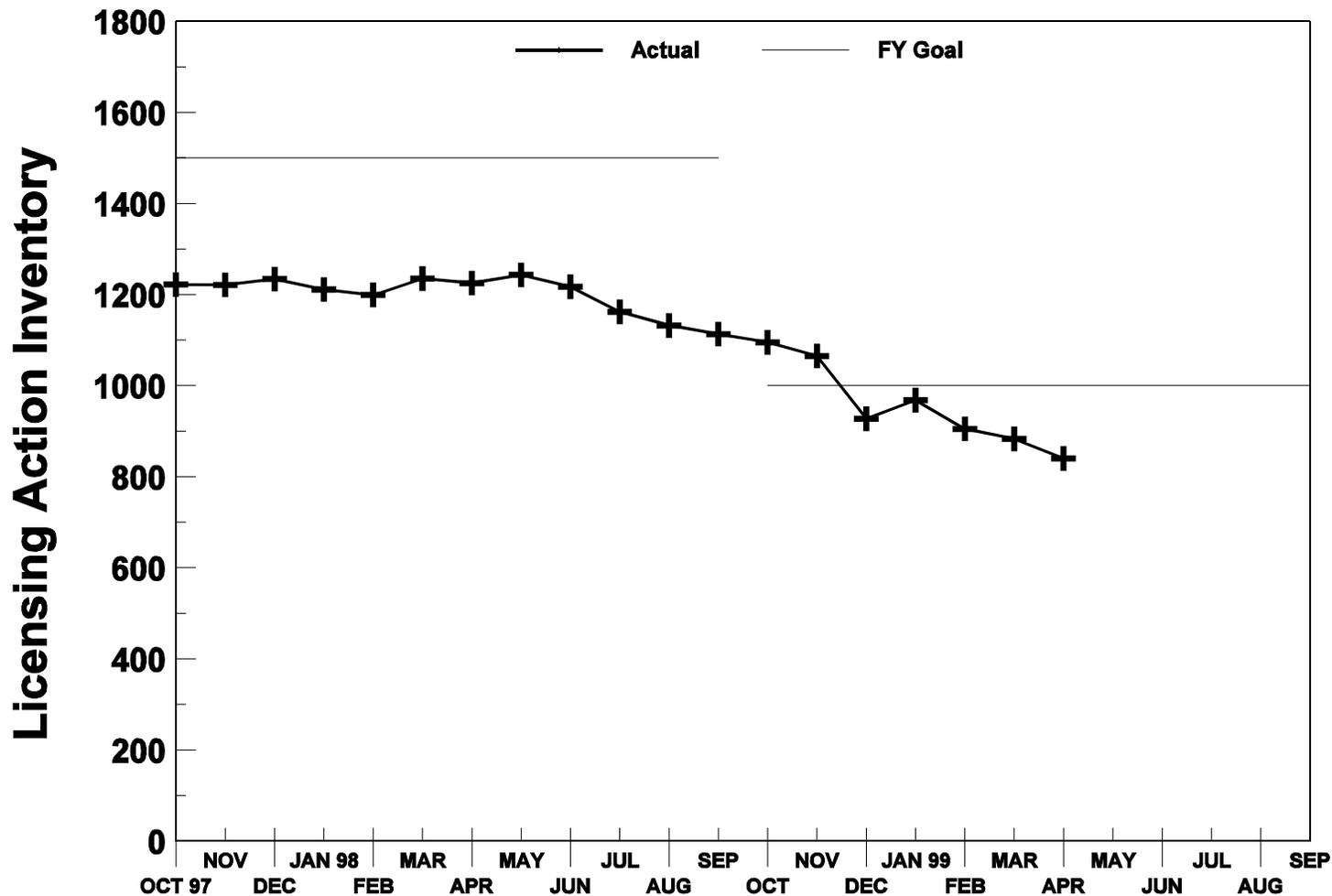
In FY 1999, NRC increased resources for completing licensing actions, such that given the current size of the inventory and the estimated number of licensing action requests, the inventory size and number of completions goals should be met by the end of the fiscal year. However, the goal for the age of the inventory has historically not been met. NRC has undertaken several initiatives to reduce the age of licensing action inventory. For instance, a special effort was initiated in mid-1998 to conduct a management review of the older items in the inventory. For each item, status was assessed, success paths for resolution were identified, and completion schedules were established. Monthly progress reports have been published and follow up management meetings have emphasized the need to meet established

schedules. The NRC has made substantial progress towards meeting the licensing action age goal.

The following charts demonstrate NRC's progress in meeting the four licensing action and other licensing task output measure goals.

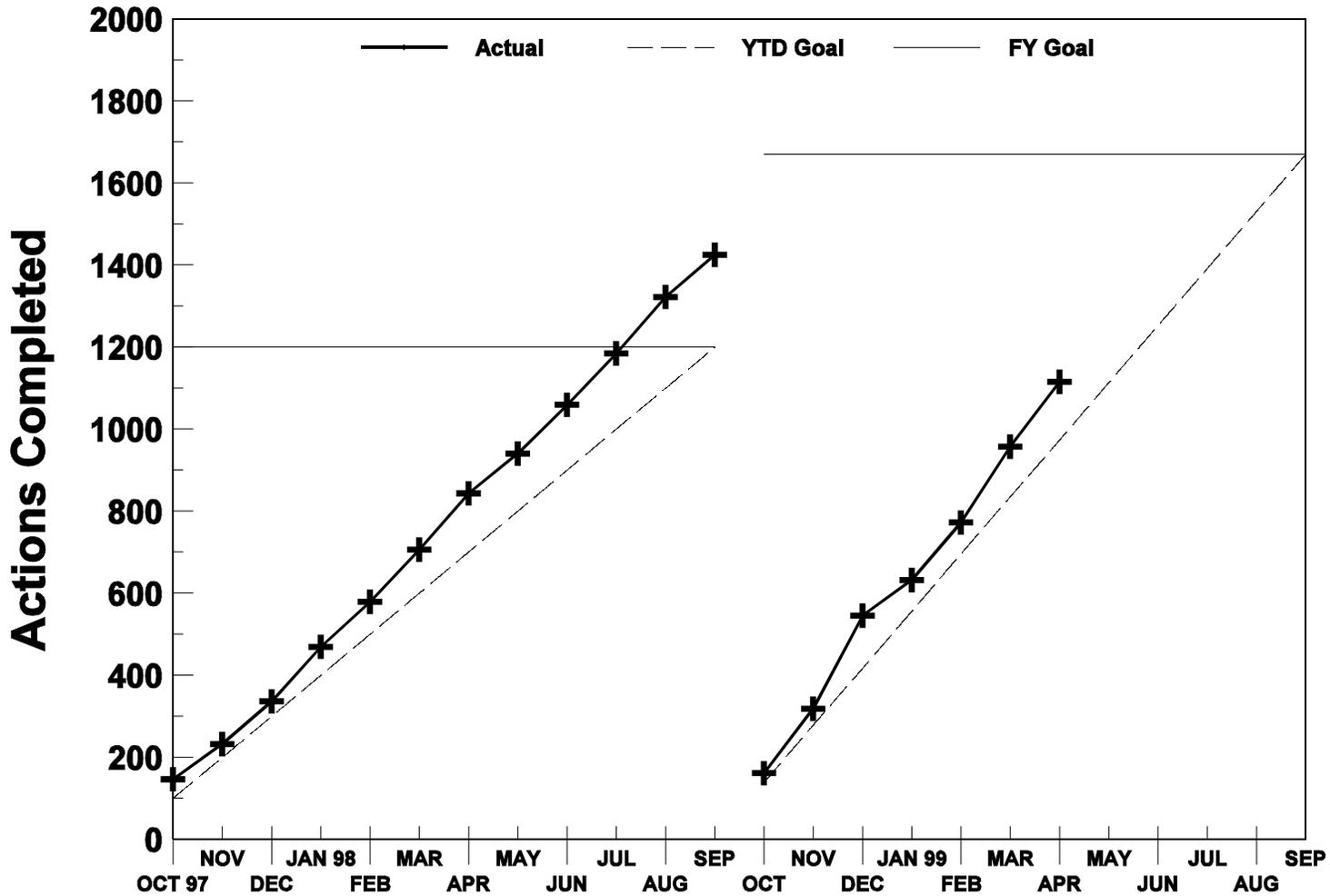
# Nuclear Reactor Safety - Reactor Licensing

## Performance Plan Target: Licensing Action Inventory



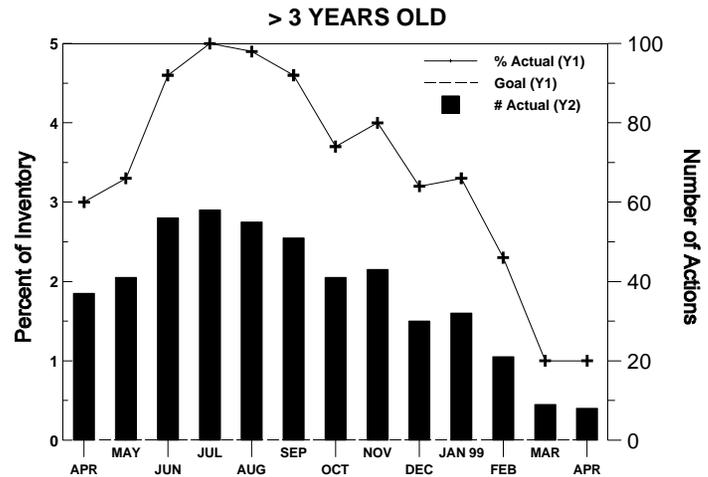
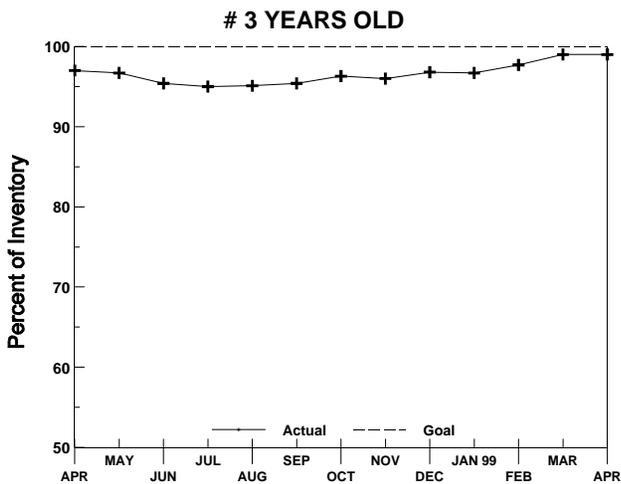
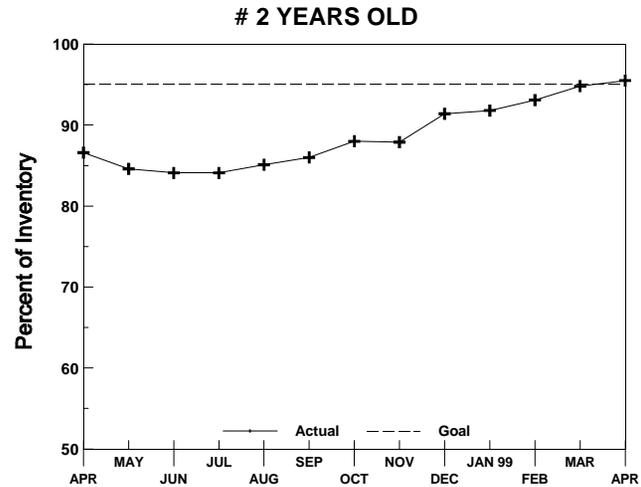
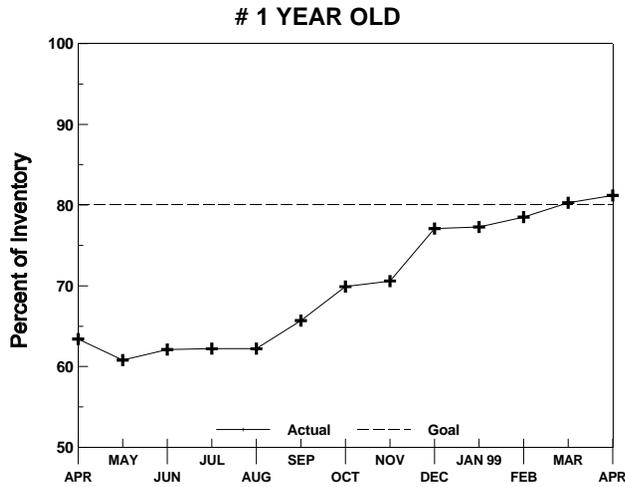
# Nuclear Reactor Safety - Reactor Licensing

## Performance Plan Target: Completed Licensing Actions



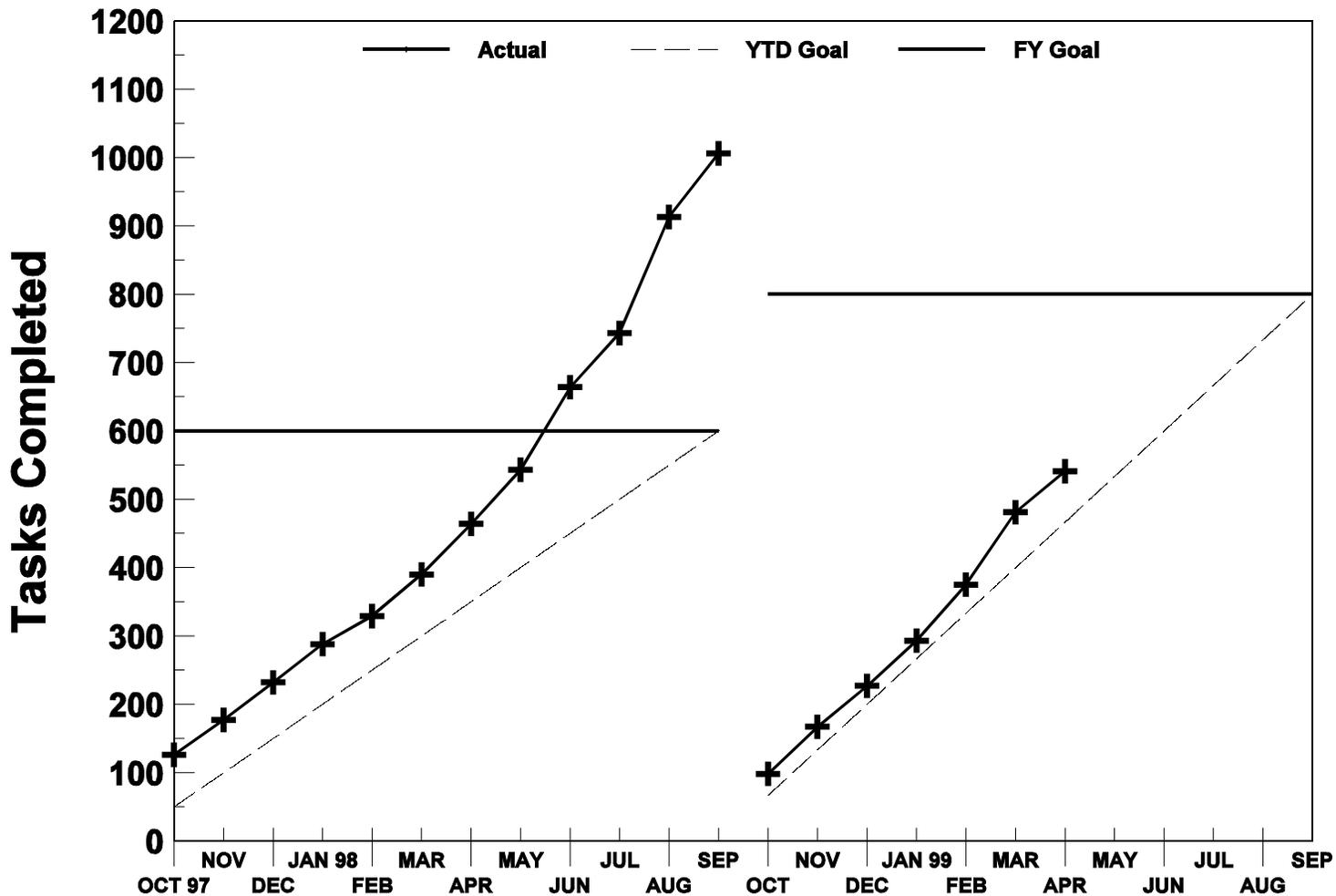
# Nuclear Reactor Safety - Reactor Licensing

## Performance Plan Target: Age of Licensing Action Inventory



# Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Completed Other Licensing Tasks



## **VI. Status of Calvert Cliffs License Renewal Application**

All activities associated with the review of the Calvert Cliffs license renewal application are on schedule. The NRC and Baltimore Gas & Electric are currently working to resolve the open and confirmatory items and issue the completed safety evaluation report by November 16, 1999. Review of the application and NRC safety evaluation report by the Advisory Committee on Reactor Safeguards has begun and an interim letter was issued by the Committee on May 19, 1999.

The public comment period for the Calvert Cliffs draft supplemental environmental impact statement for license renewal closed on May 20, 1999. The staff held a public meeting on April 6, 1999, to discuss the draft statement and to obtain comments from the public. The staff is currently addressing the comments received and preparing the final supplemental environmental impact statement for issuance by November 16, 1999.

## **VII. Status of Review of Private Fuel Storage, Limited Liability Corporation's Application for a License to Operate an Independent Spent Fuel Storage Installation on the Reservation of the Skull Valley Band of Goshute Indians**

Previously, the staff of the Nuclear Regulatory Commission had stated that the schedule for the development of the environmental impact statement was being revised to ensure that the interests of the Commission, as well as the two cooperating federal agencies could be accommodated. The two cooperating federal agencies are the United States Department of Interior's Bureau of Land Management and Bureau of Indian Affairs. The revised schedule for publication of the environmental impact statement would allow for timely evaluation of the proposed lease between the Skull Valley Band of Goshute Indians and Private Fuel Storage, Limited Liability Corporation which requires approval of the Bureau of Indian Affairs. The schedule would also allow for the timely evaluation of Private Fuel Storage, Limited Liability Corporation's revised transportation proposal, in which spent fuel would be transported to the site along a rail line to be built in a proposed right-of-way through public lands managed by the Bureau of Land Management. In the revised schedule, publication of the notice of availability of the draft environmental impact statement has been moved from October 1999 to March 2000. Publication of the notice of availability of the final environmental impact statement has been moved from September 2000 to February 2001. This revised schedule should ensure that sufficient time is available for all three agencies to complete their actions associated with the development of the document.

On May 19, 1999, the Director of the Nuclear Regulatory Commission's Spent Fuel Project Office met with the Chairman of the Board of Private Fuel Storage, Limited Liability Corporation. The current schedules for the safety and environmental reviews were discussed. The Director of the Spent Fuel Project Office discussed the reasons for the delay in the environmental review.

**VIII. Summary of Reactor Enforcement by Region**

		Reactor Enforcement Actions*				
		Region I	Region II	Region III	Region IV	TOTAL
Severity Level I	April 99	0	0	0	0	0
	FY 99 YTD	0	0	0	0	0
	FY 98 Total	0	0	0	0	0
Severity Level II	April 99	3	0	0	0	3
	FY 99 YTD	5	0	1	0	6
	FY 98 Total	3	1	1	1	6
Severity Level III	April 99	1	0	2	0	3
	FY 99 YTD	6	1	4	7	18
	FY 98 Total	46	11	15	19	91
Severity Level IV	April 99	0	0	1	0	1
	FY 99 YTD	50	42	54	60	206
	FY 98 Total	383	271	392	261	1307
Non-Cited Severity Level IV	April 99	35	34	36	37	142
	FY 99 YTD	175	126	169	159	629
	FY 98 Total	372	240	307	214	1133

\*Numbers of violations are based on enforcement action tracking (EATS) system data that may be subject to minor changes following verification. The number of Severity Level I, II, III listed refer to the number of Severity Level I, II, III violations or problems. The monthly totals generally lag by 30 days due to inspection report and enforcement development.

## **Description of Significant Actions (Severity Level I, II, III) taken in April 1999**

### **Connecticut Yankee Atomic Power, Haddam Neck Supplement IV, (EA 96-496)**

A Notice of Violation was issued on April 5, 1999. This action was based on a Severity Level III problem involving a November 1996 contamination event caused by poor control of radiological activities which resulted in a plant maintenance supervisor and a contractor refueling manager becoming contaminated while performing activities in the fuel transfer canal. The two individuals, although in the area to inspect the canal, performed an activity that had not been planned, namely, collecting and handling highly contaminated debris for removal from the area. By handling the highly contaminated material, the two workers caused an airborne condition in the canal and refueling cavity, which caused them to become internally contaminated. The health physics coverage at the entry point was inadequate in that the two individuals entered this area without adequate instruction regarding the radiological conditions that existed and the necessary precautions to minimize personnel exposure. Further, sufficient radiological surveys were not conducted to assess the radiological conditions to which the workers were exposed. These violations created a substantial potential for exposures in excess of regulatory limits. The NRC exercised enforcement discretion in accordance with Section VII.B.6 of the Enforcement Policy and did not propose a civil penalty for the violations because (1) the violations occurred prior to the licensee's decision, in December 1996, to permanently shutdown the Haddam Neck facility; and (2) the licensee was issued a \$650,000 civil penalty on May 12, 1997, to address the performance problems that existed prior to the decision to permanently shutdown the facility, and which indicated generally poor performance over a period of time.

### **Northeast Nuclear Energy Company (NNECo), Millstone Supplement VI, (EA 98-325)**

A Notice of Violation was issued on April 6, 1999. This action was based on three Severity Level II violations related to discrimination of plant employees. The NRC concluded that discrimination occurred in two OI Cases. OI Case No.1-96-002 involved two supervisors demoted as a result of a 1993 reorganization. A Supervisor in the Performance Engineering group engaged in protected activities with regard to check valve operability issues and his active support of another Millstone employee who had raised safety concerns about spent fuel off-loading practices at Millstone. These protected activities were a contributing factor in his demotion and thus, discrimination occurred which is prohibited by 10 CFR 50.7. A Supervisor in the Engineering Mechanics group engaged in protected activities with regard to the safety-related motor-operated valve program, heat exchanger issues, and reactor coolant pump maintenance problems at Millstone. The protected activities were a contributing factor in removal of his responsibilities and in a demotion and thus, discrimination prohibited by 10 CFR 50.7 occurred. With regard to OI Case No. 1-97-007 a Supervisor, Electrical Engineering at Millstone Unit 2 in August 1995, was dismissed after reporting to higher-level management and the Millstone Nuclear Safety Concerns Program that his immediate superior had threatened him and another employee with dismissal if a system modification was not completed before the scheduled conclusion of a Millstone Unit 2 refueling outage. The NRC concluded that the Electrical Engineering Supervisor's protected activity was a contributing factor in his dismissal and that the dismissal was discrimination, which is prohibited by 10 CFR 50.7. In recognition of the fact that the Licensee had taken substantial actions to address and correct the general and widespread employee concerns and discrimination problems that existed at the time of the violations, the NRC exercised discretion pursuant to the Special Circumstances provisions of Section VII.B.6 of the Enforcement Policy and refrained from issuing a civil penalty in this case.

**Commonwealth Edison Company, Zion  
Supplement III (EA 98-558)**

A Notice of Violation was issued on April 9, 1999. This action was based on a Severity Level III violation involving Safeguards Information (SGI) that was not locked in a security storage container while the SGI was unattended at the Zion Station from approximately July 1997 to January 14, 1998. ComEd representatives contacted the NRC on January 22, 1998, and reported that additional unattended and unprotected SGI documents had been found at the same location. The NRC concluded that a lead electrical designer, a supervisor, at the Zion Station willfully failed to protect unattended SGI from unauthorized disclosure in violation of 10 CFR 73.21(d)(2) by storing it in open packages on the floor of his work cubicle in the Design Engineering Department, which was located outside of the protected area at the Zion Station. Because the Zion Station was the subject of an escalated enforcement action within the two years preceding this Severity Level III violation, the NRC considered whether credit was warranted for Identification and Corrective Action in accordance with the Enforcement Policy. Credit was given for Identification because ComEd identified the violation and notified the NRC. Credit was also given for Corrective Action because of the immediate and long term measures taken by ComEd. As a result, no civil penalty was proposed in this case.

**Wisconsin Electric Power (WEPCo), Point Beach  
Supplement I (EA 99-002)**

A Notice of Violation was issued on April 28, 1999. This action was based on a Severity Level III violation involving the ice blockage of the minimum flow recirculation line for the two safety injection (SI) pumps. This violation occurred because the on-shift crew, the operations support group, and the WEPCo site management team failed to acknowledge the validity of a temperature alarm and appreciate the significance of low temperature readings for the Unit 1 SI pumps' minimum flow line. The evaluation performed by the on-shift crew subsequent to receiving the alarm resulted in the conclusion that, despite sub-zero ambient temperatures, there was not a freezing problem and the temperature alarm was bypassed. This conclusion was based on the mild temperature of the refueling water storage tank (RWST) and normal temperature indications elsewhere on the recirculation line. However, this conclusion failed to consider known deficiencies with the piping's heat tracing. In fact, the alarm functioned as designed by warning operators of the impending freezing of a portion of the Unit 1 SI pumps' minimum flow line. Eventually the water in a portion of the minimum flow line froze. Two weeks after the alarm was received, following questions by the NRC resident inspectors, an operating crew identified the frozen minimum flow line and WEPCo declared the SI system inoperable. Although WEPCo demonstrated there was minimal risk significance associated with the frozen piping, this analysis relied upon fortuitous failures of safety related, low pressure interfacing valves, which due to the ice blockage would have been exposed to high SI pump discharge pressure, deforming their diaphragm seals and creating a leakage path for SI pump cooling. Because the Point Beach facility has not been the subject of escalated enforcement actions within the last two years, the NRC considered whether credit was warranted for Corrective Action in accordance with the civil penalty assessment process in Section VI.B.2 of the Enforcement Policy. Corrective Action credit was warranted based on the significant resources and management attention focused to resolve the frozen pipe issue. Therefore, no civil penalty was proposed in this case.