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**NRC STAFF PROPOSES TO FINE VERMONT YANKEE \$55,000
FOR VIOLATIONS OF NRC REQUIREMENTS**

The Nuclear Regulatory Commission staff has proposed a \$55,000 fine against Vermont Yankee Nuclear Power Corporation for three of 12 violations found during an NRC inspection at the nuclear plant in Vernon, Vt.

Between September 29 and November 20, the NRC conducted a special inspection to follow-up on the findings of an architect/engineer team inspection last Spring. The team reviewed the plant's design and configuration for selected safety systems, as well as its conformance with the utility's safety analysis report, a licensing document which outlines measures taken to maintain the facility at an adequate safety level. NRC is taking enforcement action based on these inspections and on information provided during a predecisional enforcement conference held on March 2.

The three most significant violations, for which a fine is proposed, are associated with the plant license limit for the maximum torus water temperature. The torus is a large doughnut-shaped tank at the bottom of the plant's containment structure which contains several hundred thousand gallons of water. The plant is designed so that high-pressure steam which might result from a loss-of-coolant accident is quenched by being channeled into the torus pool.

Acting on a license amendment request and technical analysis submitted by Vermont Yankee, the NRC in 1985 authorized an increase in the normal torus water temperature limit from 90 to 100 degrees Fahrenheit. But in 1994, the company found that its analysis did not consider all the implications of a higher torus water temperature and determined that this 100-degree limit was inconsistent with assumptions made in the final safety analysis report when the plant was licensed.

The inspection last fall found that, despite this finding in 1994, the company did not correct the condition in a timely manner. Vermont Yankee later put administrative controls in place to assure that the torus water temperature did not exceed

90 degrees. A review in May of last year showed that the temperature had exceeded 90 degrees twice in 12 years, but that these conditions had not been reported to the NRC. Additionally, as of last November 20, the company had not moved to amend its license once again to limit torus water temperature to 90-degrees, consistent with the FSAR.

In a letter to the utility, Region I Administrator Hubert J. Miller acknowledged that there were no actual safety consequences from this situation. But, he said, if a loss-of-coolant accident had occurred with an initial torus water temperature above 90 degrees, the NRC lacked "high confidence" that the emergency core cooling systems and the containment could have performed their safety functions.

"Additionally," Mr. Miller wrote, "the failure to take prompt action to evaluate and correct an identified discrepancy between the [Final Safety Analysis Report] and the [license] technical specifications is a significant concern because the NRC relies upon licensees to operate the plant within the design basis and to promptly identify and report nonconforming conditions. These violations collectively represent breakdowns in your processes for design control, corrective actions and reportability."

Vermont Yankee was cited, but not fined for nine additional violations, including additional examples of the failure to take timely and effective corrective actions; several examples of failure to maintain control of the plant's design process; and a failure to report to the NRC when the facility was being run in a manner contrary to the plant's design basis.

Mr. Miller noted that once the violations were identified by the NRC team, the company took prompt and comprehensive corrective actions.

Vermont Yankee has 30 days to pay the proposed fine or to request in writing that all or part of it be withdrawn.

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