

August 2, 2000

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 2000 Energy and Water Development Appropriations Act, Senate Report 106-58 and House Report 106-253, directed the Nuclear Regulatory Commission (NRC) to continue to provide a monthly report on the status of its licensing and regulatory duties. The initial reporting requirement arose in the Fiscal Year 1999 Energy and Water Development Appropriations Act, Senate Report 105-206. As further directed in House Report 106-253, we have expanded the monthly report to include regulatory reform efforts affecting power reactor operations beyond 10 CFR Part 50, particularly NRC efforts to harmonize NRC security regulations with Part 50. We have also expanded the monthly report to include the status of all license renewal applications that are under active review and other NRC initiatives in developing implementation guidance for the license renewal rule. I am pleased to transmit the nineteenth report, which covers the month of June (Enclosure 1).

The May report provided information on a number of significant NRC activities. These activities included the summary of the agency's annual Senior Management Meeting (SMM) to discuss the safety performance of nuclear power plants and nuclear fuel cycle facilities. On May 25, the staff briefed the Commission on the SMM results. The staff recommended, and the Commission concurred, that three plants be the subject of agency focus, meaning that these plants require the direct attention of the Executive Director for Operations or the Commission. The three agency focus plants are D.C. Cook Units 1 and 2, operated by American Electric Power Company, near Benton Harbor Michigan; and Indian Point 2, operated by the Consolidated Edison Company, near Buchanan, New York. All other nuclear power plants will receive routine NRC oversight. No nuclear fuel facilities warranted discussion at the public meeting.

I would like to provide an update on the status of the Indian Point 2 (IP2) nuclear power plant, which has been shut down due to a steam generator tube failure. The plant remains shutdown and must receive NRC approval to restart. The staff continues its review of the Consolidated Edison Company of New York (the licensee) steam generator inspection condition monitoring and operational assessment reports submitted on June 2, 2000. Although the licensee has recently answered a large portion of the staff's questions from earlier requests for information, the licensee still is working on issues regarding the burst pressure model used and the probability of detection of indications in the U-bend region of the steam generators. The staff also conducted a public meeting on June 25 at the Cortlandt Town Hall, Cortlandt Manor, New

York. The meeting was being held to (1) provide the public with a brief overview of the NRC's overall process for reviewing Indian Point 2 plant performance; (2) discuss the current status of NRC's ongoing review of steam generator tube integrity issues; and (3) provide an informational forum to allow the public to ask questions associated with the above issues.

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Since our last report, the Commission and the NRC staff also:

- ! approved the transfer of Vermont Yankee Nuclear Power Station's operating license to AmerGen Vermont, LLC, a wholly owned subsidiary of AmerGen. PECO Energy Company (PECO) and British Energy, Inc., (BE, Inc.), each own a 50-percent interest in AmerGen. This license transfer review is similar to others conducted by the NRC in conjunction with the acquisition by AmerGen of Three Mile Island Unit 1, in Pennsylvania, the Clinton nuclear power station in Illinois and the Oyster Creek Nuclear Generating Station in New Jersey.
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I have enclosed (Enclosure 2) the update to the Tasking Memorandum which delineates the specific initiatives completed by the agency since August 1998 and future milestones.

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

Sincerely,

/RA/

Greta Joy Dicus
Acting Chairman

Enclosures:

1. Monthly Report
2. Tasking Memorandum

cc: Senator Bob Graham

August 2, 2000

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

Dear Mr. Chairman:

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Greta Joy Dicus
Acting Chairman

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1. Monthly Report
2. Tasking Memorandum

cc: Representative Rick Boucher

August 2, 2000

The Honorable Ron Packard, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

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Greta Joy Dicus
Acting Chairman

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2. Tasking Memorandum

cc: Representative Peter J. Visclosky

August 2, 2000

The Honorable Pete V. Domenici, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

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2. Tasking Memorandum

cc: Senator Harry Reid

August 2, 2000

The Honorable Tom Bliley, Chairman
Committee on Commerce
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

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2. Tasking Memorandum

cc: Representative John D. Dingell

August 2, 2000

The Honorable Bob Smith, Chairman
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

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The May report provided information on a number of significant NRC activities. These activities included the summary of the agency's annual Senior Management Meeting (SMM) to discuss the safety performance of nuclear power plants and nuclear fuel cycle facilities. On May 25, the staff briefed the Commission on the SMM results. The staff recommended, and the Commission concurred, that three plants be the subject of agency focus, meaning that these plants require the direct attention of the Executive Director for Operations or the Commission. The three agency focus plants are D.C. Cook Units 1 and 2, operated by American Electric Power Company, near Benton Harbor Michigan; and Indian Point 2, operated by the Consolidated Edison Company, near Buchanan, New York. All other nuclear power plants will receive routine NRC oversight. No nuclear fuel facilities warranted discussion at the public meeting.

I would like to provide an update on the status of the Indian Point 2 (IP2) nuclear power plant, which has been shut down due to a steam generator tube failure. The plant remains shutdown and must receive NRC approval to restart. The staff continues its review of the Consolidated Edison Company of New York (the licensee) steam generator inspection condition monitoring and operational assessment reports submitted on June 2, 2000. Although the licensee has recently answered a large portion of the staff's questions from earlier requests for information, the licensee still is working on issues regarding the burst pressure model used and the probability of detection of indications in the U-bend region of the steam generators. The staff also conducted a public meeting on June 25 at the Cortlandt Town Hall, Cortlandt Manor, New York. The meeting was being held to (1) provide the public with a brief overview of the NRC's overall process for reviewing Indian Point 2 plant performance; (2) discuss the current status of NRC's ongoing review of steam generator tube integrity issues; and (3) provide an informational forum to allow the public to ask questions associated with the above issues.

With respect to D.C. Cook (a two-unit facility operated by American Electric Power Co., the licensee), the NRC informed the licensee on June 13th of the staff's determination that the performance improvements and plant modifications were sufficient for Unit 2 to resume operations. Subsequently, Cook-2 officially returned to service on June 25th after concluding a 33-month shutdown that began in 1997 due to safety questions raised during a design inspection by NRC. Unit 2 achieved 100% power on July 5th. D.C. Cook officials continue to work on the return-to-service schedule for Unit 1.

Since our last report, the Commission and the NRC staff also:

- ! approved the transfer of Vermont Yankee Nuclear Power Station's operating license to AmerGen Vermont, LLC, a wholly owned subsidiary of AmerGen. PECO Energy Company (PECO) and British Energy, Inc., (BE, Inc.), each own a 50-percent interest in AmerGen. This license transfer review is similar to others conducted by the NRC in conjunction with the acquisition by AmerGen of Three Mile Island Unit 1, in Pennsylvania, the Clinton nuclear power station in Illinois and the Oyster Creek Nuclear Generating Station in New Jersey.
- ! received a request by the state of Oklahoma to assume regulatory authority over certain nuclear materials. If the request is granted, Oklahoma will become the 32nd state to sign such an agreement with NRC.
- ! met with Mallinckrodt company officials in a public meeting June 23 at the company's Missouri facility to review the findings from the NRC Augmented Inspection Team (AIT). The AIT was dispatched to review the circumstances surrounding possible radiation exposures above NRC limits to several workers. On June 22, staff issued a Confirmatory Order to Mallinckrodt requiring the company to review and improve its radiation protection program and its training for workers.
- ! received a letter from Virginia Electric and Power Company (Virginia Power) formally notifying the Commission of Virginia Power's intent to submit a license renewal application for its Surry independent spent fuel storage installation (ISFSI). This will be the first ISFSI license renewal. Virginia Power plans to submit its application for ISFSI license renewal in the last quarter of 2001. The Surry ISFSI's current twenty year license expires in 2006.

I have enclosed (Enclosure 2) the update to the Tasking Memorandum which delineates the specific initiatives completed by the agency since August 1998 and future milestones.

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

Sincerely,

/RA/

Greta Joy Dicus
Acting Chairman

Enclosures:

1. Monthly Report
2. Tasking Memorandum

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

June 2000

Enclosure 1

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III. Implementing Risk-Informed Regulations

The staff continues to make progress on tasks involving use of probabilistic risk information in five general areas: Rulemaking and Generic Communications; Licensing Activities; Reactor Oversight (Inspection, Enforcement and Licensee Performance Assessment); Events Assessment; and Probabilistic Risk Analysis Methods and Standards. Although various activities are in progress, an impediment in the area of Rulemaking has recently been identified that would impact the completion of certain NRC activities and commitment as discussed below.

In the NRC response to the House Appropriations Committee conference report for the fiscal year 2000 appropriations bill, the NRC committed to provide the House and Senate Appropriations Committees a copy of the rule on risk informing the scope of systems, structures and components subject to special treatment in 10 CFR Part 50 (Option 2) in December 2000. In the course of developing this proposed rulemaking, the NRC has run into several impediments to meeting this commitment, including obtaining industry guidance documents for evaluation as acceptable methods for implementing the rulemaking, and industry definition and participation in a demonstration pilot program. The NRC also underestimated the complexity of the issues involved in a rulemaking of this difficulty and magnitude.

The NRC has now received preliminary drafts of the industry guidelines, and expects to define the scope and participation in the pilot program over the next several months. The NRC, with the participation of its stakeholders, continues to identify and resolve issues associated with the rulemaking. Upon reconsideration of the challenges posed by this effort, the NRC staff now expects to provide the proposed rulemaking to the Commission in August 2001. Upon Commission action on the proposed rule, we will be able to satisfy the Congressional reporting requirement arising from the House Appropriations Committee conference report for the fiscal year 2000 appropriations bill. The milestone schedule for this effort is included in Item I.D.1 of the Commission Tasking Memorandum (Enclosure 2 to this report).

IV. Revised Reactor Oversight Process

The NRC commenced initial implementation of its new Reactor Oversight Process¹ (ROP) at all nuclear plants (except for D.C. Cook due to its extended shutdown) in April 2000. It has continued meeting with the Nuclear Energy Institute (NEI) and other interested stakeholders on a periodic basis to continue refining the ROP and collect lessons learned information. Recent activities include:

- II In May 2000, the NRC regional staff began conducting public meetings in the vicinity of the non-pilot plants to describe the new ROP to the public. These meetings generally have been attended by small numbers of local public, state and local officials, public interest groups, licensees and the media.
- II NRC managers and members of the Inspection Program Branch (IIPB) are continuing efforts to interface with the NRC staff and stakeholders to discuss ROP initial

¹During the pilot stage of its development, NRC referred to its Revised Reactor Oversight Process by the initialism "RROP." With full scale initial implementation, the program is called the new Reactor Oversight Process and is referred to as the "ROP."

implementation issues. The IIPB staff made presentations at the Reactor Inspector Counterpart meetings in Regions I, III, and IV. At these meetings, the IIPB staff discussed inspection program issues including those related to performance indicators and the significance determination process with the regional staff. The Inspection Program Branch also provided a general overview of the reactor oversight process in two separate presentations to all of the NRR staff and other interested NRC Headquarters staff. In addition, the NRC staff participated in the Regional Division Directors' periodic meeting to discuss initial implementation issues with the ROP, and other policy and program issues.

- II The IIPB staff organized and participated in the Nuclear Energy Agency's International Workshop on Inspection Activities that was held from May 14-17, 2000, in Baltimore, MD. The workshop, hosted by the NRC and sponsored by the Nuclear Energy Agency (NEA) Committee on Nuclear Regulatory Activities (CNRA) Working Group on Inspection Practices, was attended by senior inspectors and regulators from over 16 countries. Workshop participants exchanged information and insights on current inspection practices in the area of radiation protection, regulatory inspections required for long shutdowns, and use of objective indicators by the regulatory authority.

III. Status of Issues in the Reactor Generic Issue Program

There has been no change in this area since the last monthly report.

IV. 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 2000 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 to 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 2000 NRC Performance Plan incorporates one output measure related to other licensing tasks. This is the number of other licensing tasks completed.

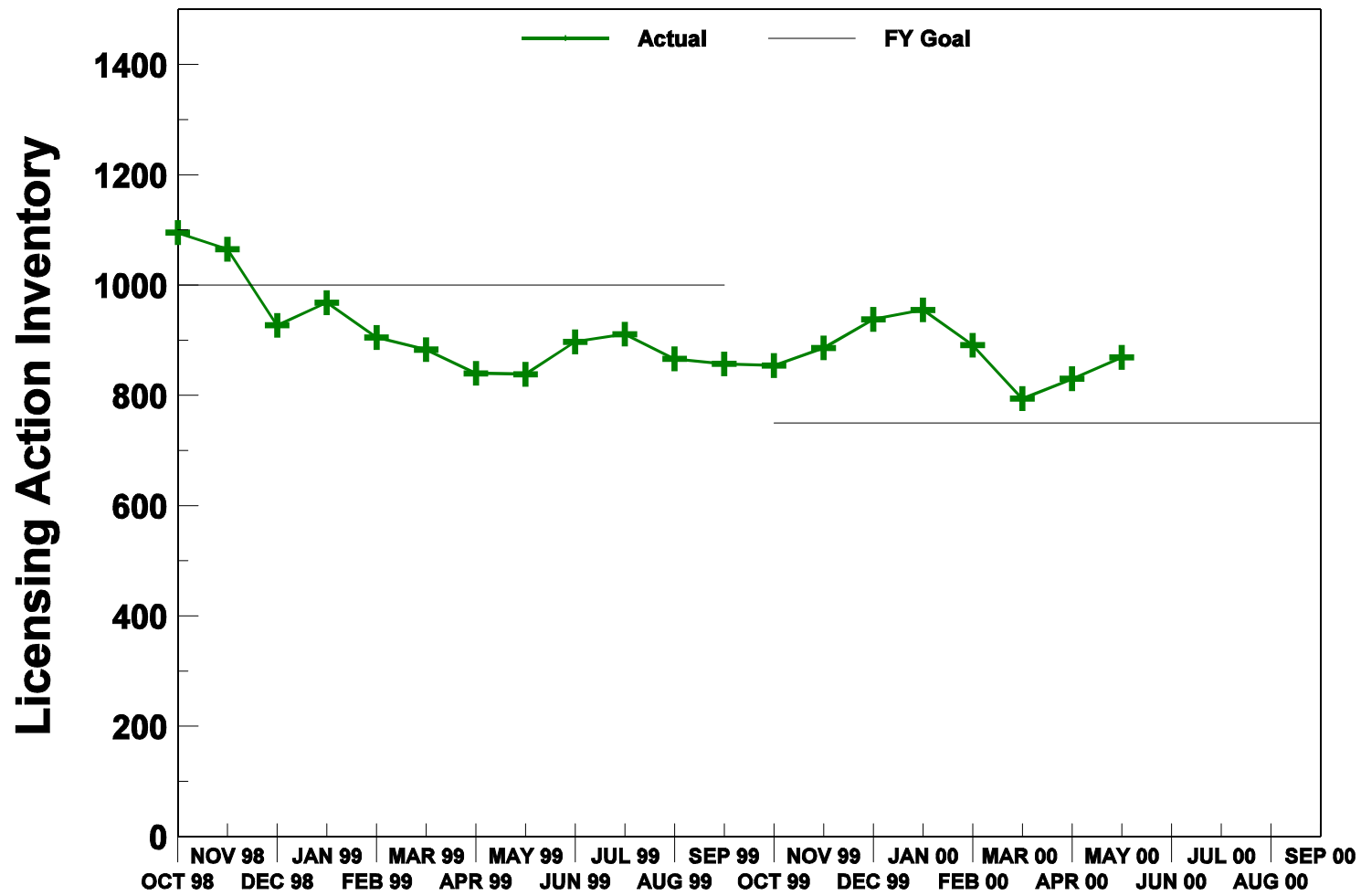
The actual FY 1998 and FY 1999 results, the FY 2000 goals and the actual FY 2000 results, through the end May 2000, for the four NRC Performance Plan output measures for licensing actions and other licensing tasks are shown in the table below.

PERFORMANCE PLAN				
Output Measure	FY 1998 Actual	FY 1999 Actual	FY 2000 Goals	FY 2000 Actual (thru 05/31/2000)
Licensing actions completed/year	1425	1727	1500	1043
Size of licensing actions inventory	1113	857	750	869
Age of licensing action inventory	65.6% # 1 year; 86.0% # 2 years; and 95.4% # 3 years old	86.2%# 1 year; 100% # 2 years; and 100% # 3 years old	95% # 1 year and 100% # 2 years old	89.3% # 1 year; 99.3% # 2 years; and 0.7% > 2 years old
Other licensing tasks completed/year	1006	939	800	860

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

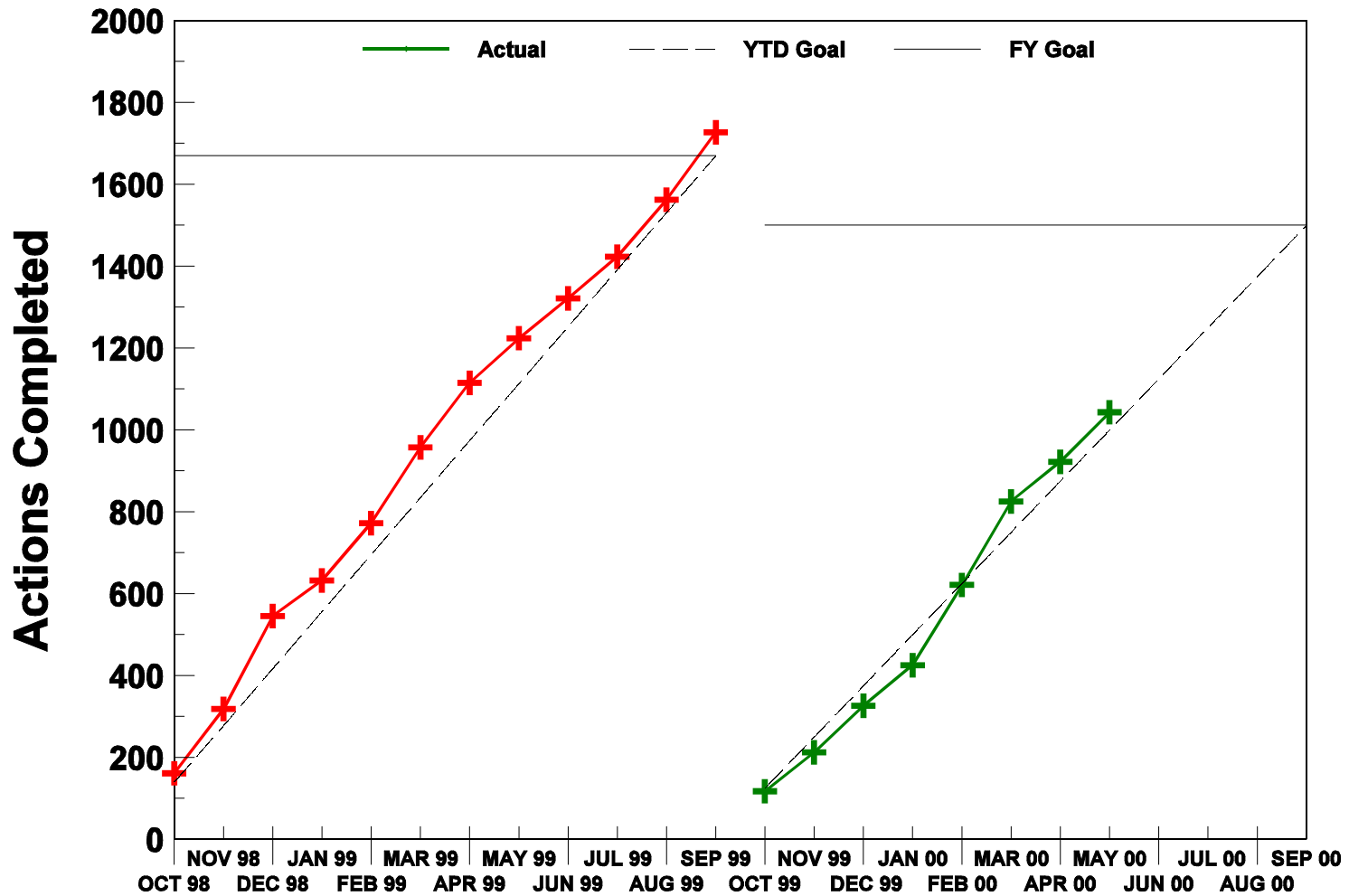
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Licensing Action Inventory



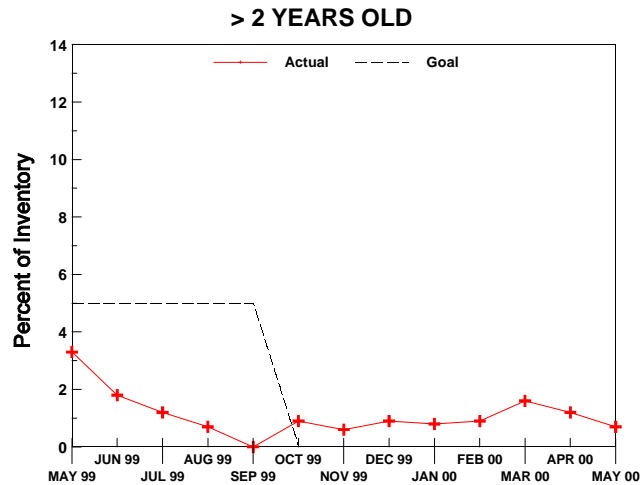
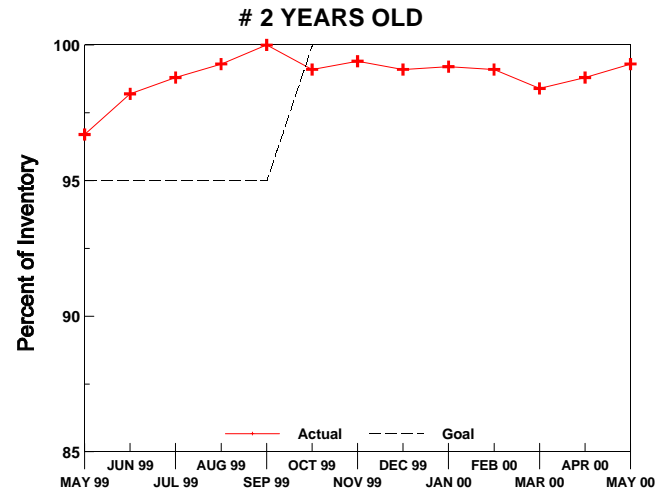
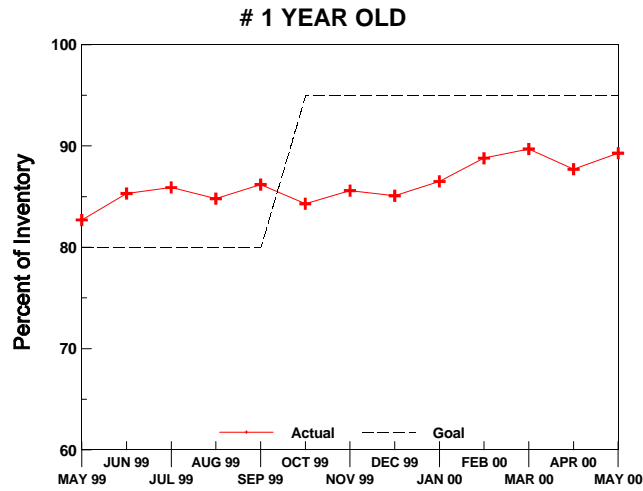
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Completed Licensing Actions



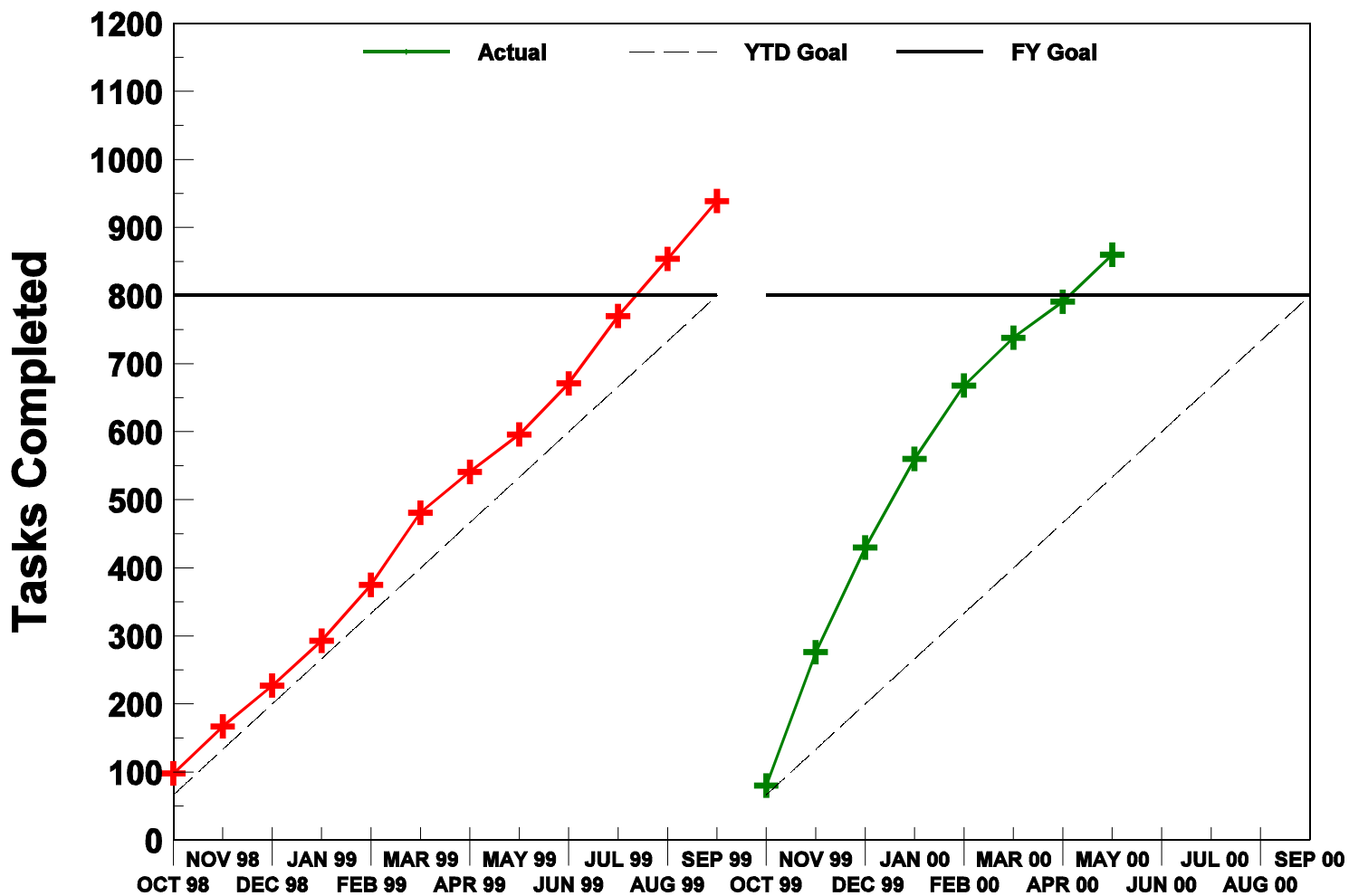
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Age of Licensing Action Inventory



Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Completed Other Licensing Tasks



V. Status of License Renewal Activities

Calvert Cliffs Renewal Application

The renewed licenses for Calvert Cliffs were issued on March 23, 2000, which completed the NRC's review of the Calvert Cliffs license renewal applications.

The Commission's denial of a request for hearing on the Calvert Cliffs application was appealed to the Court of Appeals for the D.C. Circuit. On April 11, 2000, the court issued its decision denying the petition for review. The petitioner requested a rehearing by the full Court of Appeals which was denied on June 15, 2000. The petitioner now has until September 13, 2000, to seek review in the Supreme Court.

Arkansas Nuclear One, Unit 1, Renewal Application

The review of the Arkansas Nuclear One, Unit 1, renewal application is on schedule. All environmental requests for additional information (RAIs) were issued by June 5, 2000, and the applicant's responses are due by August 18, 2000. All technical RAIs were issued by June 12, 2000, and the applicant's responses are due by September 12, 2000.

Hatch, Units 1 and 2, Renewal Application

The review of the Hatch renewal application is on schedule. The staff is continuing its review and is issuing RAIs. All environmental RAIs are scheduled to be issued by July 17 and all technical RAIs by July 28, 2000.

License Renewal Implementation Guidance Development

The NRC staff is continuing development of implementation guidance for the license renewal rule with input from interested stakeholders. The revised standard review plan, generic aging lessons learned report, and regulatory guide are scheduled to be issued in August 2000 to obtain public comments. To that end, the staff is continuing to hold public meetings to discuss industry comments on the early drafts of the standard review plan and generic aging lessons learned report, which were released to obtain early stakeholder feedback.

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

During this reporting period, the staff of the NRC held a noticed public meeting with representatives of PFSLLC. The purpose of the meeting was to discuss the open items remaining in the staff's safety review of the application from PFSLLC. The representatives of PFSLLC stated that all outstanding information requested from the U.S. Air Force on military air operations in the area of the proposed Private Fuel Storage Facility had been received. This is one of the primary subjects of open items. PFSLLC is in the process of reviewing this information and preparing it for submittal to NRC. NRC staff emphasized the importance of all outstanding information being provided by June 30, 2000, if the staff is to be able to complete its review and issue its Safety Evaluation Report by September 30, 2000.

Work continued on the Draft Environmental Impact Statement during this reporting period. NRC staff and its contractors at Oak Ridge National Laboratory completed a camera ready

document which reflects the most recent major changes to the applicant's Environmental Report (i.e., a revised cost-benefit analysis). NRC staff also responded to the applicant's recent request that, for the Private Fuel Storage license application, all license review activities associated with the BNFL Fuel Solutions TranStor dual-purpose cask system be stopped. In terms of the Private Fuel Storage environmental review, this involves revision of the Draft Environmental Impact Statement to remove references to TranStor and, as appropriate, the revision of any analysis or conclusion which was based on TranStor as a bounding case or condition. In addition, the staff and its contractors are reviewing the document to ensure that the comments from the three cooperating Federal agencies (U.S. Department of Interior's Bureau of Land Management, U.S. Department of Interior's Bureau of Indian Affairs, U.S. Surface Transportation Board) are appropriately addressed. The Draft Environmental Impact Statement is scheduled to be released for public comment by June 30, 2000.

Litigation in the adjudicatory proceeding on the PFSLLC's application continued during this reporting period. Hearings on the safety contentions before the Atomic Safety and Licensing Board were held from the 19th to the 27th of June.

VII. Enforcement Process and Summary of Reactor Enforcement by Region

Reactor Enforcement by Region

		Reactor Enforcement Actions*				
		Region I	Region II	Region III	Region IV	TOTAL
Severity Level I	May 2000	0	0	0	0	0
	FY 2000 YTD	0	0	0	0	0
	FY 99 Total	0	0	0	0	0
	FY 98 Total	0	0	0	0	0
Severity Level II	May 2000	0	0	0	0	0
	FY 2000 YTD	1	2	0	0	3
	FY 99 Total	5	0	2	0	7
	FY 98 Total	3	1	1	1	6
Severity Level III	May 2000	3	0	2	0	5
	FY 2000 YTD	4	0	4	3	11
	FY 99 Total	9	2	7	8	26
	FY 98 Total	46	11	15	19	91
Severity Level IV	May 2000	0	0	0	0	0
	FY 2000 YTD	0	1	1	4	6
	FY 99 Total	52	42	57	60	211
	FY 98 Total	383	271	392	261	1307
Non-Cited Severity Level IV	May 2000	23	14	24	20	81
	FY 2000 YTD	228	144	203	214	789
	FY 99 Total	343	267	334	305	1249
	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 refers 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.

Escalated Reactor Enforcement Actions Associated with the Revised Reactor Oversight Process						
		Region I	Region II	Region III	Region IV	Total
NOVs related to white, yellow or red findings	May 2000 -Red	0	0	0	0	0
	-Yellow	0	0	0	0	0
	-White	0	0	0	0	0
	FY 2000	2	1	0	0	3

Description of Significant Actions taken in May 2000

**Commonwealth Edison Company, Braidwood Nuclear Station
Supplement IV (EA 00-010)**

On May 18, 2000, a Notice of Violation was issued for a Severity Level III violation based on a radiation protection technician deliberate failure to follow required procedures when he activated the alarms on the portal monitors a total of 14 times and failed to contact the radiation protection department before leaving the station. Because this was a deliberate violation and the Braidwood Station was the subject of an escalated enforcement action within the two years preceding this violation, the NRC considered whether credit was warranted for Identification and Corrective Action in accordance with the civil penalty assessment process in Section VI.B.2 of the Enforcement Policy. Since Commonwealth Edison Company (ComEd) identified the violation and notified the NRC, credit was warranted for the Identification factor. Credit was also warranted for Corrective Action because ComEd promptly corrected the violation. Therefore, no civil penalty was proposed in this case.

**American Electric Power Company, D. C. Cook Nuclear Power Plant
Supplement IV (EA 99-329)**

On May 5, 1999, a Notice of Violation was issued for a Severity Level III violation based on discrimination against an employee for engaging in protected activities. On November 23-26, 1999 the NRC Office of Investigations (OI) conducted an investigation at the American Nuclear Power Company's (AEP's) Buchanan engineering offices. The investigation was initiated to determine whether a contractor engineer employed by Cataract, Inc., who was hired to perform engineering tasks for the D. C. Cook Nuclear Power Plant, was discriminated against because he had previously engaged in protected activity. Based on evidence developed during the investigation, OI determined that discrimination had occurred in violation of the NRC's Employee Protection regulation, 10 CFR 50.7. Specifically, the contractor engineer reported to AEP's engineering offices on October 1, 1998, for a six-month assignment. The contractor engineer had previously engaged in protected activity in that he had testified as an intervenor at

an NRC licensing hearing while employed at the Comanche Peak Nuclear Power Plant. On the day that he reported to work at AEP, an AEP engineer recognized the contractor engineer from previous employment and advised the supervisor that the contractor engineer was "trouble" and that he had testified. The supervisor terminated the contractor engineer's employment with AEP on October 7, 1998. Because the D. C. Cook Nuclear Plant was the subject of escalated enforcement actions within the two years preceding this violation, the NRC considered whether credit was warranted for Identification and Corrective Action. Identification credit was warranted because AEP identified this incident as having the potential of being perceived as discriminatory and determined that corrective action was needed. Credit is also warranted for Corrective Action. Therefore, no civil penalty was proposed in this case.

First Energy Nuclear Operating Company, Beaver Valley Power Station Supplement I (EA 00-045 and EA 00-053)

On May 3, 2000, a Notice of Violation was issued for two Severity Level III violations and one Severity Level III problem. The first Severity Level III violation was based on the failure to correct a condition adverse to quality involving the service water and river water pump vacuum break check valves that rendered a SW pump inoperable. The second Severity Level III violation involved the failure to perform an adequate design review of a temporary modification to the filtered water system (a source of seal water to the river water (RW) pumps). The Severity Level III problem was based on design deficiencies associated with the seal water supply to the RW pumps, and the failure of the RW pump testing program to identify one of those deficiencies. Because the facility had been the subject of escalated enforcement action within the last 2 years, the NRC considered whether credit was warranted for Identification and Corrective Action. Credit was warranted for identification for these Severity Level III violations. Credit was also warranted for corrective actions for these Severity Level III violations. Therefore, to encourage prompt identification and comprehensive correction of violations, no civil penalty was proposed for any of the violations.

VIII. Power Reactor Security Regulations

The NRC staff is continuing its work to risk-inform 10 CFR 73.55, "Requirements for physical protection of licensed activities in nuclear power reactors against radiological sabotage," and associated power reactor security regulations. The staff is continuing to hold periodic meetings with the stakeholders to achieve insights into this process.

The staff has reviewed the industry's proposed interim pilot program, now called the Safeguards Performance Assessment program, and provided comments to the Nuclear Energy Institute (NEI). The NEI has responded to these comments, and a public meeting has been scheduled for July 12, 2000 to discuss the program, the staff's views, and the NEI response. In addition, the staff is preparing a Commission Paper enclosing the Safeguards Performance Assessment program and the staff's comments, pursuant to the Staff Requirements Memorandum of November 22, 1999, directing the staff to keep the Commission informed of the details of the pilot program.