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  NRC STAFF PROPOSES TO FINE VERMONT YANKEE NUCLEAR POWER CORP.
$50,000 FOR ALLEGED VIOLATION OF NRC REQUIREMENTS

     The Nuclear Regulatory Commission staff has proposed a
$50,000 fine against Vermont Yankee Nuclear Power Corporation for
an alleged violation of NRC requirements at its Vermont Yankee
Nuclear Power Station in Vernon, Vermont.

     The NRC staff conducted a special inspection June 3-14 to
look into the circumstances surrounding Vermont Yankee's discovery
in April that it had failed to analyze possible failure modes of
emergency core cooling system equipment and the effect on the
system's performance. Specifically, in its analysis of loss-of-
coolant accidents, Vermont Yankee did not consider all possible
scenarios and how they would affect the equipment necessary to
recover from the accident.

     In a letter to Vermont Yankee, NRC Region I Administrator
Hubert Miller said the NRC is concerned that the condition existed
for 22 years without being identified during previous analyses
even though there was prior opportunity to do so. But Miller also
recognized and commended the utility's project team that found the
vulnerability.

     The NRC staff also recognized Vermont Yankee's corrective
actions as prompt and comprehensive. Since the NRC gave Vermont
Yankee credit for both identifying and correcting the problem, a
civil penalty would not normally be issued in accordance with the
NRC's enforcement policy. However, the NRC staff decided that the
$50,000 civil penalty was appropriate because of the length of
time the condition existed and because the licensee had prior
opportunities to find the non-complying conditions.

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to request in writing that part or all of it be withdrawn.

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