

United States Nuclear Regulatory Commission
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No. 97-180

FOR IMMEDIATE RELEASE
(Wednesday, December 10, 1997)

NRC PROPOSES \$2.1 MILLION IN FINES
FOR VIOLATIONS AT MILLSTONE STATION

The Nuclear Regulatory Commission staff has proposed fines totaling \$2.1 million against Northeast Nuclear Energy Company for numerous violations of NRC requirements at the company's Millstone Nuclear Power Station in Waterford, Conn. It is the largest civil penalty ever proposed by the NRC.

This enforcement action results from a number of inspections at all three Millstone units from October 24, 1995, through last December 31, by members of the NRC Region I staff in King of Prussia, Pa., as well as by a special team made up of members of the NRC headquarters staff.

In his letter informing Northeast of the civil penalty, L. Joseph Callan, NRC Executive Director for Operations, said that while the violations did not result in actual consequences to public safety, many of them were "longstanding and indicative of a deficient safety culture, fostered by plant and corporate management, which neither set high standards nor actively encouraged workers to identify and report safety issues or act upon issues when they were reported." He said the violations are representative of "the systemic nature of the significant regulatory problems" at Millstone.

Mr. Callan noted that, earlier this year, NRC fined Northeast \$650,000 as a result of similar inspection findings at the company's Haddam Neck facility, which the utility is now moving to decommission. In addition to the significance of the violations at Millstone itself, Mr. Callan said NRC is taking

this enforcement action to ensure that effective management and oversight are maintained to prevent similar problems from occurring at the company's Seabrook plant in New Hampshire and to indicate the seriousness with which the agency views the safety, regulatory and employee concerns problems at the Millstone station.

Mr. Callan also told Northeast that the total civil penalty, which closes out a significant number of NRC inspections, reflects the degree of NRC's regulatory concern in this case. "I note," he wrote, "that but for the extended shutdown of all three units, the civil penalties may have been higher."

All three Millstone units are shut down, Unit 1 since November 1995 and the other two units since early 1996. Since January 1996, Millstone has been on the NRC's "Watch List" of plants under special scrutiny by the agency. In June of that year, it was placed in the "Watch List" Category 3, requiring for each reactor specific authorization from the Commission before any operations can resume. Orders issued by NRC have required Northeast to arrange for independent, third-party review of its corrective actions for plant configuration and design, and for oversight of a comprehensive plan for reviewing and dealing with employee safety concerns in such a way that workers do not fear retaliation. The NRC has established a special projects directorate to oversee all inspections and licensing activities at Millstone, including oversight of Northeast's independent corrective action verification activities.

NRC has categorized many of the violations in two areas: (1) longstanding deficiencies in engineering programs and practices; and (2) failure to have effective programs and practices to correct problems once they were found. NRC also found a number of violations of the plants' operating license technical specifications, as well as several failures to assure that the plants were operated in accordance with design requirements in the plants' Final Safety Analysis Report when they were licensed.

The formal Notice of Violation lists the violations and the associated civil penalties in these terms:

Inadequate Engineering Violations -- \$500,000

- * Failure to establish adequate design measures, to verify the adequacy of design and translate design

features into work instructions---14 violations affecting such areas as the Unit 1 spent fuel pool cooling system, the Unit 3 service water system, and the operability of a backup feedwater pump.

- * Inadequate or missing safety evaluations and failures to update the Final Safety Analysis Report---numerous instances of changes being made in plant systems without a safety evaluation being performed, on many occasions putting them at variance with the Final Safety Analysis Report; 17 violations affecting components that include standby diesel generators, safety-related electrical cables, and the hydrogen monitoring system that would be used in case of a severe accident.

Corrective Action Violations -- \$1 Million

- * Failure to assure that significant problems were promptly identified and corrected, to determine their causes, and to prevent recurrence---17 violations which affected conditions ranging from the amount of reactor cooling water in storage tanks to the reliability of coolers for a vital electrical switchgear room in case of an earthquake.
- * One instance in December 1995 when Northeast sent NRC a letter with inaccurate information about whether the company had analyzed the root cause of deteriorating material conditions of the Millstone Unit 1 radioactive waste facilities.

Technical Specification Violations -- \$500,000

- * Eight technical specifications (part of the operating license) were violated, some on multiple occasions. Systems rendered either inoperable or unreliable by these conditions included a gas turbine generator which provides backup emergency electrical power, the Unit 2 emergency core cooling systems, and a Unit 3 steam-driven auxiliary feedwater pump.

Quality Assurance Violations -- \$100,000

- * Five quality assurance requirements were violated, some on multiple occasions, affecting various components ranging from feedwater pump bearings in Unit 3 to shutdown cooling piping cross-connected with the spent fuel pool cooling system in Unit 1.

Northeast has 30 days to pay the civil penalty or to appeal.

Note to Editors: A copy of the Notice of Violation and the cover letter sent to Northeast Utilities has been placed on the NRC Internet homepage at: <http://www.nrc.gov/OPA/reports/ms.htm>

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