

# INFORMATION REPORT

March 23, 2004

SECY-04-0048

For: The Commissioners  
From: William M. Dean, Assistant for Operations, Office of the EDO  
Subject: SECY-04-0048 WEEKLY INFORMATION REPORT - WEEK  
ENDING MARCH 12, 2004

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## Enclosure

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\*No input this week.

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Office of Nuclear Reactor Regulation  
Items of Interest  
Week Ending March 12, 2004

Quad Cities Nuclear Power Station Unit 2 (Quad Cities Unit 2) - Steam Dryer Indications

On March 8, 2004, NRC staff held a conference call with Exelon to discuss indications found in the Quad Cities Unit 2 steam dryer during the current refueling outage. The licensee has determined that inadequate design, analysis, and installation of the previous repairs led to some of the indications. The licensee believes that the increased efforts to understand extended power uprate (EPU) vulnerabilities since failure of the Quad Cities Unit 1 dryer in November 2003, including improved modeling, testing, and review by an expert independent review team will result in a solution to recurring steam dryer degradation. The licensee stated that both Quad Cities units will remain at pre-EPU power levels until test data taken after return to service is evaluated.

Acceptability of Browns Ferry License Renewal Application for Review

On March 4, 2004, the staff determined that the license renewal application for Browns Ferry Units 1, 2 and 3 was sufficient and acceptable for the staff to begin its review. The application was received on January 6, 2004. On February 19, 2004, the applicant submitted supplemental information required for the staff to complete the sufficiency review. The staff's review of the application will be based on the current licensing basis for Units 1, 2 and 3 with the commitment in the application that Unit 1 will be essentially the same as Units 2 and 3 prior to restart. Although an operating license is maintained, Unit 1 has been shutdown since 1985. In the application for the license renewal, the applicant also indicated their intent to submit a licensing amendment request for extended power uprate for the three units later this year while the staff's review of the license renewal application is ongoing.

The staff is developing the license renewal review schedule to accommodate the additional reviews that will be needed for the evaluation of Unit 1 lay up, coordination of the Unit 1 restart items, and Units 1, 2 and 3 power uprate evaluations. Because of the complexity of the application, the applicant has agreed to a review schedule that would exceed the standard schedule (22 months without a hearing or 30 months with a hearing).

Palo Verde Steam Generator Tube Leakage

NRR staff supported Region IV's special inspection at Palo Verde Unit 2, which was conducted from February 25 to March 3, 2004. This special inspection was chartered because of the increased risk associated with an extended period that the plant was in a reduced inventory condition and the unexpected system interactions occurring in the shutdown cooling system during this period. The special inspection also included the assessment of the steam generator tube leakage which was the reason for the plant shutdown.

The licensee had replaced the Unit 2 steam generators in December 2003 and experienced consistent levels of leakage, on the order of 0.5 gallons per day since plant start-up. The plant shutdown after the leak rate increased to levels of 2-4 gallons per day plant. A leaking

peripheral tube in one steam generator was identified and plugged. In addition, the licensee performed inspection and testing to provide reasonable assurance of steam generator integrity prior to plant startup. Currently, the licensee is in the process of completing their root cause investigation. They are investigating the possibility that the tube may have been damaged by a screw during crating at the tube mill. The NRC staff will pursue the generic implications associated with this experience when the licensee's root cause analysis is completed.

#### Public Meeting Regarding Grid Reliability Issues

On March 4, 2004, representatives from NRR and RES met with licensee and industry representatives in a Category 2 public meeting to discuss grid reliability issues at the Double Tree Hotel in Rockville, Maryland. The purpose of the meeting was to have licensee and industry representatives provide information as to what effect recent concerns with grid reliability have had on the operation of nuclear power plants, especially those plants affected by the August 14, 2003, Northeast U.S. power outage.

The NRC staff discussed recent preliminary findings on this matter. The Electric Power Research Institute (EPRI) delivered a presentation on Loss of Offsite Power (LOOP) Events and Industry Experience. Licensee representatives did not report taking any particular actions since the August 14, 2003, power outage. The Nuclear Energy Institute (NEI) stated that communication between independent system operators should be improved and that the Federal Energy Regulatory Commission should create and enforce reliability standards. The staff discussed issues, including: requests for data on LOOP events and emergency diesel generator (EDG) reliability and how they compare to the values assumed in the Station Blackout analysis; if grid conditions are considered when planning EDG online maintenance, what communication protocols exist between the plants and the transmission system operators; and if transmission voltage regulating equipment are included in the determination of offsite power operability. At the conclusion of the meeting, the staff noted that some questions had been addressed generally, but that some remained unanswered. The staff reminded the licensee and industry representatives that even though the operation of the power grid is outside their jurisdiction, plant risk associated with grid reliability is a licensee responsibility.

#### Fast Breaker Meetings

On March 9, 2004, the staff held a meeting to discuss the NEI's white paper "Evaluation of Accident Scenario Timing for Emergency Planning of Fast-Breaking Events." Essentially, the white paper examines the technical basis for the Commission's fast-breaker-related regulations. Representatives from Office of General Counsel, RES, Office of Nuclear Security and Incident Response, and NRR were in attendance and discussed the technical merits of the white paper. Staff recommendations will be discussed at a management-level meeting on the policy implications of the white paper, scheduled for March 17, 2004.

Office of Nuclear Material Safety and Safeguards  
Items of Interest  
Week Ending March 12, 2004

U.S. Nuclear Waste Technical Review Board Panel on the Natural System

On March 9-10, 2004, staff from the Division of Waste Management and the Center for Nuclear Waste Regulatory Analyses (hereafter, the Center) attended the U.S. Nuclear Waste Technical Review Board Panel Meeting on the Natural System, in Las Vegas, Nevada. The panel discussed issues related to the proposed high-level waste repository at Yucca Mountain in Nevada, particularly how components of the natural geologic system would work together to isolate radioactive waste. On the first day, discussions focused on unsaturated zone fluid flow and radionuclide transport; the second day was devoted to issues related to the saturated zone and included a presentation by the Center staff on the groundwater flow system of the Yucca Mountain area.

NMSS Staff Meeting with Connecticut Yankee on Decommissioning

On March 9, 2004, staff from the Connecticut Yankee Atomic Power Company (CYAPCO) met with NRC staff in Rockville, Maryland. CYAPCO staff presented information on: the decommissioning status; recent groundwater monitoring results; site characterization results and plans; upcoming groundwater monitoring activities; the biennial License Termination Plan (LTP) update; and potential LTP amendments. CYAPCO informed the staff that it has modified the approach to decommissioning in that all buildings will be removed to 4 feet below grade. CYAPCO will submit three hydrogeologic reports to NRC in the future to document the ongoing groundwater monitoring activities. Additionally, CYAPCO is considering proposed revisions to the LTP, to reevaluate volumetric concrete-derived concentration guidelines, and reactor in-core sump concrete activation. Regional staff, Environmental Protection Agency Headquarters staff, and Connecticut Department of Environmental Protection staff also participated via telephone bridge line.

Scoping Meeting on Proposed Louisiana Energy Services Enrichment Plant

On March 4, 2004, staff from the Divisions of Waste Management and Fuel Cycle Safety and Safeguards, and Offices of the General Counsel and Public Affairs, held a scoping meeting in Eunice, New Mexico, to discuss NRC's role and responsibilities, the safety review process, and the environmental review process applicable to the Louisiana Energy Services proposed gas centrifuge enrichment plant project. Approximately 250 individuals attended the meeting, including local officials and members of the Nuclear Information and Resource Service. The staff presentations were followed by a short question and answer period from the public. Members of the public and local elected officials indicated strong support for the project. Scoping comments focused on impacts on water resources, transportation, property value, and waste management.

### Environmental Justice Scoping Meetings on Proposed Louisiana Energy Services Enrichment Plant

During the week of March 1-4, 2004, staff from the Division of Waste Management held environmental justice scoping meetings with members of the Hispanic and African American communities in Carlsbad and Hobbs, New Mexico, to discuss the Louisiana Energy Services proposed gas centrifuge enrichment plant project. Representing a variety of viewpoints, the group included a policeman, small business owner, County commissioners, a staff member from a local college, plus others with various political and community interests. In general, the group was in favor of the enrichment project primarily because of economic opportunities. Their primary concerns were related to waste management, water use, and transportation issues.

### Waste Management Conference

During February 29 - March 4, 2004, a staff management representative from the Spent Fuel Project Office (SFPO) participated in the Waste Management 04 (WM04) conference in Tucson, Arizona. This conference is the largest international gathering to address a broad spectrum of radioactive waste issues, drawing over 2000 participants from industry and government. The theme for WM04 was "Global Accomplishments in Environmental and Radioactive Waste Management: Cost Effectiveness, Risk Reduction, and Technology Implementation." There were a number of important panel discussions and presentations addressing transportation of spent nuclear fuel, and there was a great deal of interest the Department of Energy's transportation strategy for Yucca Mountain.

Office of Nuclear Regulatory Research  
Items of Interest  
Week Ending March 12, 2004

Completion of Decontamination and Examination Activities on Discarded North Anna Unit 2  
Reactor Vessel Head Nozzles

The initial phases of the NRC/industry collaboration on the decontamination and non-destructive examinations of nozzles removed from the discarded North Anna Unit 2 (NA2) reactor vessel head have just been completed. The nozzles were removed in July 2003 and shipped to Pacific Northwest National Laboratory (PNNL). After an extensive effort at PNNL to decontaminate the nozzles, four industry teams completed non-destructive examinations using a combination of classical and innovative examination techniques. A report on those findings will be presented to the NRC, probably in the late summer time frame. Additionally, another industry-sponsored team obtained dimensionally accurate castings of the shape and surface structure of the Control Rod Drive Mechanism (CRDM) tube internal diameter to enhance knowledge about residual stress distribution in the nozzle. Beginning in mid-summer, NRC will commence a program at PNNL to complete both non-destructive and destructive examinations of one or two of the NA2 nozzles, while the industry engages in destructive examinations of two other nozzles.

Seismic Audit for North Anna Early Site Permit Application

On March 2-3, 2004, two RES staff members supported NRR's Seismic Audit for the North Anna Early Site Permit (ESP). This was the first seismic audit since the last commercial nuclear power plant was built more than 20 years ago. The ESP application was submitted by Dominion Power to expand its current facilities at North Anna by adding Units 3 and 4. Dominion Power and its contractors presented their findings in seismic and geologic background and the methodology used in calculating a Probabilistic Seismic Hazard Analysis. There were extensive discussions on the performance-based method used by the applicant to obtain ground motion spectrum. On March 4, the applicant demonstrated the geotechnical work done for the ESP and potential neotectonic activities at and near the North Anna plant site.

Chief Information Officer  
Items of Interest  
Week Ending March 12, 2004

Freedom of Information Act and Privacy Act Requests received during the period of  
March 5 through March 11, 2004:

Haddam Neck Plant, decommissioning documents, license termination plan, hydrogeology, all decommissioning contract documents, and trust & funding assurances	FOIA/PA-2004-0153
OIG Report 04-03-I	FOIA/PA-2004-0154
St. Lucie, Florida Power & Light, all communications re: incidental capture of endangered sea turtles, 2000, 2001 and up to March 4, 2003 (Referral by Dept. of Commerce)	FOIA/PA-2004-0155
Contracts DASW01-98-D-0071 & DASW01-98-D-0070, winning proposal	FOIA/PA-2004-0156
OI Investigation Nbr. 3-2002-030, report, exhibits, interview transcripts	FOIA/PA-2004-0157
Crystal River, Florida Power & Light, all communications re: incidental capture of endangers sea turtles, 2000, 2001 and up to 11-08-02 (Referral by Dept. of Commerce)	FOIA/PA-2004-0158

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ENCLOSURE G

Office of Human Resources  
Items of Interest  
Week Ending March 12, 2004

<b>Arrivals</b>		
Anne-Marie Grady	Reliability and Risk Engineer	RES
David Orrik	Consultant	NSIR
Bruce Watson	Health Physicist	NMSS
<b>Departures</b>		
Robert W. Moody	Audit Manager	OIG

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ENCLOSURE I



Office of State and Tribal Programs  
Items of Interest  
Week Ending March 12, 2004

National Association of Regulatory Utility Commissioners (NARUC) Winter Meeting

On March 8, 2004, Chairman Diaz addressed the NARUC Winter Meeting in Washington, D.C. The Chairman's remarks addressed reliability in the areas of electric grid stability; license renewal, power upgrades and new reactors; and the disposal of spent fuel and high-level radioactive waste. Martin Virgilio, Director for the Office of Nuclear Materials Safety and Safeguards, met later that day with the NARUC Subcommittee on Nuclear Issues and addressed the topics of high-level waste storage, transportation, and licensing process for the proposed repository at Yucca Mountain.

On March 11, 2004, the NARUC Electricity Committee adopted a resolution urging Congress to reform the Nuclear Waste Fund to ensure that sufficient funds are appropriated to enable initial waste acceptance in 2010.

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ENCLOSURE L

Office of Public Affairs  
Items of Interest  
Week Ending March 12, 2004

Media Interest

The Office of Public Affairs (OPA) responded to significant media inquiries on the following:

NRC's decision to permit FirstEnergy Corp. to restart the Davis-Besse nuclear power plant;

The agency's year-end assessment of inspection results giving the two reactors at Indian Point a "green" rating, the agency's highest; and

The opportunity to request a hearing on TVA's application to renew the operating licenses for Units 1, 2 and 3 of the Browns Ferry plant in Alabama.

Other Public Affairs Items

On March 11, 2004, a regional Public Affairs Officer participated as a panelist at the "Communications" session of the Regulatory Information Conference.

OPA supported two public meetings on an environmental review for a proposed 20-year extension of D.C. Cook's operating licenses.

<b>Press Releases</b>	
<b>Headquarters:</b>	
04-032	NRC Announces Opportunity For Hearing On Application To Renew Browns Ferry, Units 1, 2 and 3 Operating Licenses (3/10)
04-033	NRC Announces Opportunity For Hearing On Application To Renew Millstone Nuclear Plant, Units 2 and 3 Operating Licenses (3/12)
<b>Regions:</b>	
I-04-008	NRC, PSEG To Discuss Work Environment At Salem, Hope Creek Nuclear Power Plants (3/11)
I-04-009	NRC Proposes \$3,000 Fine Against West Virginia Firm For Failure To Constantly Control Two Nuclear Gauges (3/11)
II-04-007	NRC To Hold Regulatory Conference To Discuss Brunswick Nuclear Plant Operations (3/11)
II-04-008	NRC To Meet With Honeywell Officials In Illinois On March 18 To Discuss Improvement Efforts Since December Event (3/11)
II-04-009	NRC To Meet With FPL Officials To Discuss Safety Performance At Turkey Point Nuclear Power Plant (3/12)

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ENCLOSURE M

II-04-010	NRC To Meet With FPL Officials To Discuss Safety Performance At St. Lucie Nuclear Power Plant (3/12)
III-04-011	NRC Approves Davis-Besse Restart (3/8)

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ENCLOSURE M

Office of International Programs  
Items of Interest  
Week Ending March 12, 2004

Visit of Dr. Shin Chang, Taiwan Atomic Energy Council

On March 8-9, 2004, Dr. Shin Chang, Section Chief, Department of Nuclear Regulation, Taiwan Atomic Energy Council, was in town to attend NRC's Regulatory Information Conference. He met with staff from NRR to discuss several issues, including spent fuel pool reracking; inspector training; plant inspections; medical exams for non-power operators; commercial grade dedication; and the maintenance rule. Dr. Chang also toured the NRC Operations Center.

Meetings with A-C. Lacoste

On March 11, 2004, A-C. Lacoste, Director General of the Nuclear Safety Authority in France, had meetings with Chairman Diaz and Commissioner Merrifield. Mr. Lacoste discussed the unusually severe climatic conditions in France last year, the French proposal for an international event scale for materials, and the safety review for the European Pressurized Reactor (EPR).

Visit of Chairman, Indonesian Nuclear Energy Control Board (BAPETEN)

On March 8, 2004, Dr. Azhar Djalois, Chairman of BAPETEN, accompanied by his two Deputy Chairmen, met with Commissioner Merrifield and the Director of OIP to discuss recent developments in the Indonesian nuclear program and possible requests for assistance in strengthening Indonesia's nuclear infrastructure, including human resource training. They met for similar discussions with Chairman Diaz on March 10, 2004.

Office of the Secretary  
Items of Interest  
Week Ending March 12, 2004

Document Released to Public	Date	Subject
<b>Decision Documents</b>		
1. SECY-04-0026	02/20/04	Proposed Rule to Amend 10 CFR 9, Subpart A, Freedom of Information Act Regulations and Subpart B, Privacy Act Regulations
2. SECY-04-0029	02/23/04	Options for Full-Scale Spent Nuclear Fuel Transportation Cask Testing Under the Package Performance Study
3. SECY-04-0030	02/24/04	Development of a More Robust Materials Research Program
4. SECY-04-0032	02/26/04	Programmatic Information Needed for Approval of a Combined License Without Inspections, Tests, Analyses and Acceptance Criteria
<b>Memoranda</b>		
1. M040226B	03/12/04	SRM - Briefing on Status of Davis-Besse Lessons Learned Task Force Issues
2. M040304	03/12/04	SRM - Briefing on NMSS Programs, Performance, and Plans - Waste Management
3. M040309A	03/12/04	SRM - Briefing on Materials Safety Programs, Performance and Plans

Commission Correspondence

1. Letter to Governor Sonny Perdue, Governor of Georgia, dated March 2, 2004, concerns NRC's State Liaison Officer Program.

Federal Register Notices Issued

1. Application for License to Export a Nuclear Utilization Facility.

Region I  
Items of Interest  
Week Ending March 12, 2004

Briefing of New York City Police Department

On March 9, 2004, a Region I Branch Chief briefed an investigator from the New York City Police Department (NYPD) Terrorist Incident Prevention Unit regarding radioactive materials that could be used in improvised explosive devices.

Materials Safety Working Group

On March 9-11, 2004, the Materials Safety Working Group met in Region I to continue its work on developing security measures for the next set of high-risk materials licensees. The group is composed of representatives from various NRC offices, including the Regions, as well as from Agreement States. The group completed development of core security requirements. Work will continue on specific tailored requirements that will be applicable to various groups of licensees.

Region III  
Items of Interest  
Week Ending March 12, 2004

Restart Approval for Davis-Besse

On March 8, 2004, James Caldwell, Regional Administrator, issued a letter to FirstEnergy Nuclear Operating Company, approving the utility's request to resume operation of the Davis-Besse Nuclear Power Plant. Closure of the Confirmatory Action Letter and the Restart Checklist was included with the letter documenting the restart decision. Additionally, the letter included issuance of a Confirmatory Order to FirstEnergy requiring independent assessments and inspections at Davis-Besse to provide reasonable assurance that the licensee's long-term corrective actions remain effective. A Press Release was issued that day concerning the restart decision and a Press Conference was held by telephone in the afternoon.

The NRC staff has commenced around the clock inspection coverage of plant activities during startup and will provide expanded inspection coverage beyond startup. The NRC's Oversight Panel will continue to coordinate the inspection and regulatory activities for Davis-Besse until it is determined that the plant's performance warrants resumption of the NRC's normal reactor oversight program. The Panel will continue to hold periodic public meetings in the vicinity of Davis-Besse with FirstEnergy officials to review the status of ongoing activities at the plant.

Region IV  
Items of Interest  
Week Ending March 12, 2004

Arkansas Nuclear One Management Changes

On March 8, 2004, the licensee announced management changes at Arkansas Nuclear One. Tim Mitchell, Assistant to the Site Vice President, will assume the position of Director of Nuclear Safety Assurance effective immediately.

Regulatory Conference with Waterford-3

On March 8, 2004, Region IV conducted an open Regulatory Conference with Waterford-3 at the regional office in Arlington, Texas. Headquarters personnel participated via video conference. The purpose of the conference was to discuss an inspection finding and associated apparent violation involving the failure to establish appropriate instructions for installation of a fuel line on emergency diesel generator A in May 2003. As a result, the fuel line catastrophically failed during testing in September 2003, resulting in a significant fuel oil leak that rendered the emergency diesel generator incapable of performing its intended safety function. There were no members of the public present at the conference.



Office of Congressional Affairs  
 Items of Interest  
 Week Ending March 12, 2004

**CONGRESSIONAL HEARING SCHEDULE, NO. 49**

OCA Contact	DATE & PLACE	TIME	WITNESS	SUBJECT	COMMITTEE
Combs	03/15/04 Las Vegas	10:00	OCRWM, Los Alamos, Nevada Cancer Institute	Exposure to Silica During Yucca Mountain Project Excavations	Senators Domenici/Reid Energy and Water Development Appropriations
Keeling	03/15/04 2154 RHOB	10:00	DHS, GAO, CRS, American Red Cross, RAND Corp. and Heritage Foundation	Homeland Security Advisory System	Reps. Shays/Kucinich National Security, Emerging Threats and International Relations Government Reform
Gerke	03/16/04 2247 RHOB	1:00	Ellis Merschoff, OMB, GAO, DOJ, DOL, Commerce and Treasury	Oversight of Federal Information Security Management Act	Reps. Putnam/Clay Tech, Info Policy, Intergovernmental Relations & the Census Government Reform
Long	03/17/04 2362B RHOB	10:00	DOE	FY05 Nuclear Energy Budget	Reps. Hobson/Visclosky Energy and Water Development Appropriations
Combs	03/24/04 2362B RHOB	10:00	DOE	FY05 Nuclear Waste Budget	Reps. Hobson/Visclosky Energy and Water Development Appropriations
Combs	03/25/04 TENTATIVE	2:00	NRC, DOE, Bechtel, NEI, NARUC	Review of the Progress of DOE's Yucca Mountain Project	Reps. Hall/Boucher Energy and Air Quality Energy and Commerce

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ENCLOSURE R

Gerke	03/31/04 2154 RHOB	TBA	GAO	Government Performance and Results Act	Reps. Platts/Towns Gov't Efficiency & Financial Management Government Reform
Gerke	March 2004 TBA	TBA	DOE	Final Report by U.S. - Canada Power System Outage Task Force	Senators Domenici/Bingaman Energy and Natural Resources
Portner	04/01/04 2123 RHOB	9:30	DOE	Fiscal 2005 Budget: DOE	Reps. Barton/Dingell Energy and Commerce
Portner	04/29/04 TENTATIVE	TBA	NRC Commissioners	NRC Oversight	Senators Voinovich/Carper Clean Air, Climate Change, and Nuclear Safety Environment and Public Works

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ENCLOSURE R