significant hazards consideration comments received: No.

Local Public Document Room locations: Emporia State University, William Allen White Library, 1200 Commercial Street, Emporia, Kansas 66801 and Washburn University School of Law Library, Topeka, Kansas 66621.

Dated at Rockville, Maryland, this 31st day of May, 1995.

For the Nuclear Regulatory Commission.

Elinor G. Adensam,

Acting Director, Division of Reactor Projects—III/IV, Office of Nuclear Reactor Regulation.

[FR Doc. 95–13759 Filed 6–5–95; 8:45 am]

BILLING CODE 7590–01–P

[Docket No. 50–389A; DD–95–10]

Florida Power & Light Company' St. Lucie Plant, Unit #2; Issuance of Director's Decision Under 10 CFR 2.206

Notice is hereby given that the Director, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission (NRC), has issued the Director's Decision concerning the petition dated July 2, 1993, filed by Robert A. Jablon, Esq., et. al, on behalf of the Florida Municipal Power Agency (petitioner). The petitioner requested that the NRC take certain enforcement actions against the Florida Power & Light Company (FPL) for allegedly violating the antitrust license conditions applicable to Unit 2 of the St. Lucie plant.

After consideration and careful review of the facts available to the staff and the decision reached in a parallel proceeding involving the same parties and similar issues before the Federal Energy Regulatory Commission (FERC), the Director has determined that the issues raised by the petitioner that could be remedied by the NRC have addressed and resolved in the FERC proceeding(s) so as to require no further action by the NRC. As a result, no proceeding in response to the petition will be instituted. The reasons for this decision are explained in the ''Director's Decision under 10 CFR 2.206'' (DD–95–10), which is published below.

A copy of the Director's Decision has been filed with the Secretary of the Commission for Commission review in accordance with 10 CFR 2.206(c). The Decision will become the final action of the Commission 25 days after issuance, unless the Commission on its own motion institutes review of the Decision within that time as provided in 10 CFR 2.206(c).

Copies of the Petition, dated July 2, 1993, and the Notice of Receipt of Petition for Director's Decision under 10 CFR 2.206 that was published in the **Federal Register** on September 23, 1993 (58 FR 47919), and other documents related to this Petition are available in the NRC Public Document Room, the Gelman Building, 2120 L Street NW. (Lower Level), Washington, DC 20555 and Local Public Document Room at the Indian River Community College, 3209 Virginia Avenue, Ft. Pierce, FL 33450.

Dated at Rockville, Maryland, this 26th day of May 1995.

For the Nuclear Regulatory Commission.

William T. Russell,

Director, Office of Nuclear Reactor Regulation.

[FR Doc. 95–13758 Filed 6–5–95; 8:45 am]

BILLING CODE 7590–01–M

[Docket Nos. 50–213, 50–245, 50–336, 50–423]

Northeast Utilities; Haddam Neck Plant and Millstone Nuclear Power Station, Units 1, 2, 3; Issuance of Director's Decision Under 10 CFR 2.206

Notice is hereby given that the Director, Office of Nuclear Reactor Regulation, has taken action with regard to a Petition dated March 3, 1994, by Mr. Ronald Gavensky (Petition for action under 10 CFR 2.206). The Petition pertains to the Haddam Neck Plant and Millstone Nuclear Power Station, Units 1, 2, and 3.

In the Petition, Petitioner, a quality control receipt inspector raises, numerous concerns regarding receipt inspection activities by Northeast Utilities at both the Haddam Neck Plant and Millstone Nuclear Power Station, Units 1, 2, and 3, Petitioner alleges violations of 10 CFR Part 50, Appendix B, by Northeast Utilities in the receipt inspection area. Petitioner alleges that parts represented as having been inspected and accepted for use were in fact deficient. Petitioner alleges that adequate training, skilled personnel, and necessary tools were not available to perform adequate receipt inspections. Petitioner alleges that he observed unethical and incorrect methods of receipt inspection, and that he sought to identify quality problems within his own department, along with recommendations and solutions, but was not permitted to do so. Finally, Petitioner accuses Northeast Utilities of ''white washing'' his concerns in the receipt inspection area. Petitioner alleges that, on two occasions, Northeast Utilities' management hired investigators to pursue concerns raised by Petitioner only to conclude that there were no problems. Petitioner requests that the licenses of Northeast Utilities be temporarily revoked until after the NRC conducts an investigation of Petitioner's allegations.

The Director of the Office of Nuclear Reactor Regulation has determined to deny the Petition. The reasons for this denial are explained in the ''Director's Decision Pursuant to 10 CFR 2.206'' (DD–95–11), the complete text of which follows this notice, and is available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street NW., Washington, DC, and at the local public document rooms located at the Russell Library, 123 Broad Street, Middletown, CT 06457 for the Haddam Neck Plant, and at the Learning Resources Center, Three Rivers Community-Technical College, Thames Valley Campus, 574 New London Turnpike, Norwich, CT 06360, for Millstone Nuclear Power Station, Units 1, 2, and 3.

A copy of the Decision will be filed with the Secretary of the Commission for the Commission's review in accordance with 10 CFR 2.206(c) of the Commissions regulations. As provided by this regulation, the Decision will constitute the final action of the Commission 25 days after the date of issuance unless the Commission on its own motion institutes a review of the Decision within that time.

Dated at Rockville, Maryland, this 31st day of May 1995.

For the Nuclear Regulatory Commission.

William T. Russell,

Director, Office of Nuclear Reactor Regulation.

I. Introduction

On March 3, 1994, Mr. Ronald Gavensky (Petitioner) filed a Petition with the U.S. Nuclear Regulatory Commission (NRC) pursuant to 10 CFR 2.206. In the Petition, the Petitioner, a Northeast Utilities (NU) quality control inspector raised concerns regarding receipt inspection activities by NU at the Haddam Neck Plant and the Millstone Nuclear Power Station.[1]

The Petitioner alleged violations of 10 CFR Part 50, Appendix B, by NU in the receipt inspection area. He alleged that parts represented as having been inspected and accepted for use were in

[1] Northeast Nuclear Energy Company (Millstone licensee), an electric operating subsidiary of Northeast Utilities (NU), holds licenses for the operation of Millstone Nuclear Power Station, Units 1, 2, and 3. The Connecticut Yankee Atomic Power Company (Haddam Neck licensee), an electric operating company owned in part by NU, holds the license for the Haddam Neck Plant. Reference in the Petition to the ''license of Northeast Utilities'' refers to the licenses of the Haddam Neck Plant and Millstone Nuclear Power Station, Units 1, 2, and 3.

fact deficient; that adequate training, skilled personnel, and necessary tools were not available to perform adequate receipt inspections; and that he had observed unethical and incorrect methods of receipt inspection, and that he had sought to identify quality problems within his own department, along with recommendations and solutions, but had not been permitted to do so. Finally, the Petitioner accused NU of ''whitewashing'' his concerns. Specifically, the Petitioner alleged that on two occasions NU's management had hired investigators to investigate concerns he had raised only to conclude that there were no problems. The Petitioner requested that the ''license of Northeast Utilities'' be temporarily revoked until after the NRC investigates his allegations.

On May 9, 1994, I informed the Petitioner that the Petition had been referred to my office for preparation of a Director's Decision. I further informed the Petitioner that his issues were not considered immediate safety concerns and, therefore, did not warrant immediate shutdown of the Haddam Neck Plant and Millstone Nuclear Power Station, Units 1, 2, and 3. I also informed the Petitioner that the NRC would take appropriate action within a reasonable time regarding the specific concerns raised in the Petition. By letter dated November 28, 1994, following a telephone conversation with the Petitioner of November 15, 1994, this office provided him portions of NRC Inspection Reports that relate to his concerns and a copy of a Brookhaven National Laboratory Associated Universities, Inc. report of an evaluation of 30 bolts chosen at random from the Millstone Warehouse in November 1993. This office also provided the Petitioner status reports of the Director's Decision concerning his Petition pursuant to 10 CFR 2.206 of March 3, 1994, by letters dated February 23, and May 9, 1995.

NU voluntarily submitted a response to the NRC on July 26, 1994 (NU response), regarding the issues raised in the Petition. The Petitioner voluntarily submitted a response dated August 16, 1994, regarding the issues raised in the NU response. Based on a review of the issues raised by Petitioner as discussed below, I have concluded that no substantial health and safety issues have been raised that would require the initiation of formal enforcement action.

II. Discussion

In the Petition, the Petitioner raised numerous concerns regarding receipt inspection activities by NU at the Haddam Neck Plant and Millstone Nuclear Power Station, Units 1, 2, and 3. The issues raised in the Petition are summarized and evaluated below.

A. Adequacy of the NU Receipt Inspection Program

The Petitioner alleged that NU did not have skilled personnel or the necessary tools or equipment to perform adequate receipt inspection until 1990 for the Haddam Neck Plant and could not have had a properly executed receipt inspection department until 1989 for the Millstone Nuclear Power Station, Units 1, 2, and 3. He alleged that at the present time there are only two skilled mechanical receipt inspectors at the Millstone Nuclear Power Station. Also, all current receipt inspectors are qualified at Level 2 to ANSI/ASME Standard N45.2.6–1972. However, most lacked the actual experience in mechanical receipt inspection required by the standard to which NU is committed.

The Petitioner alleged that, when he was first employed by NU 16 years ago, he found parts still packed in the original containers unopened but green tagged (acceptable for use). He also found cracked parts, bent parts, mismatched parts, all of which were green tagged, and many bad parts accepted for use by the architect-engineer, Stone and Webster Engineering Corporation (SWEC) and wrongly installed.

The Petitioner also claimed that he had observed unethical and incorrect methods of receipt inspection and that he was prevented from raising quality problems either by his supervisor or the Director of Quality.

Most of the specific concerns raised by the Petitioner appear to relate to NU procurement activities before 1990. At that time, NU, as indicated in the NU response to the Petition, maintained an approved-suppliers list and relied heavily, like most utilities, on vendor audits and certifications to ensure the adequacy of procured parts. Because of extensive use of an approved-suppliers list, NU stated that its internal programs, including elements for ensuring independently the quality of procured parts, were not relied on to the same extent as they are now. NU considered this approach appropriate at the time, given the number of vendors who maintained 10 CFR Part 50, Appendix B quality assurance programs.

As the number of vendors maintaining Appendix B programs declined and the instances of counterfeit and fraudulent products increased, the nuclear industry, including NU, found it necessary to develop more sophisticated internal programs to qualify commercial-grade parts procured for nuclear safety-related applications. Generic Letter 89–02, ''Actions To Improve the Detection of Counterfeit and Fraudulently Marketed Products,'' dated March 21, 1989, describes these emerging procurement issues. To address these issues, Generic Letter 89–02 conditionally endorsed Electric Power Research Institute (EPRI) Report NP–5662, ''Guideline for the Utilization of Commercial Grade Items in Nuclear Safety Related Applications (NCIG–07),'' dated June 1988. On June 28, 1990, the Nuclear Management and Resources Council (NUMARC) board of directors directed licenses to adhere to the guidance in EPRI Report NP–5652 and to review and strengthen their procurement programs in accordance with specific guidance in NUMARC 90–13, ''Nuclear Procurement Program Improvements.'' The procurement programs for the Haddam Neck Plant and Millstone Units 1, 2, and 3 were significantly upgraded in response to Generic Letter 89–02 and the NUMARC initiatives.

In February 1989, the vendor interface and procurement programs at Haddam Neck were inspected (see NRC Inspection 50–213/89–200 dated May 25, 1989) as part of an initial group of 13 team inspections conducted by the NRC to evaluate licensee procurement and commercial-grade dedication programs. That inspection identified several deficiencies including weaknesses in the procurement and dedication of commercial grade items for safety-related applications at the Haddam Neck Plant.

Upgraded procurement programs have been implemented at the Haddam Neck Plant and Millstone Nuclear Power Station, Units 1, 2, and 3. The programs at the Millstone units were inspected by the NRC (NRC Inspection Reports 50–245/91/–201, 50–336/91–201, and 50–423/92–201 dated November 5, 1991). The upgraded program at the Haddam Neck Plant, while not inspected by the NRC in the level of detail as Millstone, was reviewed in part during the resolution of the identified deficiencies from NRC Inspection 89–200 as well as the 1990 Maintenance Team Inspection. The inspection at Millstone found that, before June 1987, commercial-grade items were purchased and receipt inspected with acceptance criteria primarily based on verification of the correct part number. Between 1988 and 1990, NU upgraded its procedures to upgrade its procurement inspection services. The NRC assessment team noted that NU had made a significant effort to strengthen the commercial-grade dedication program and that its

overall program description was generally consistent with the dedication approaches described in EPRI Report NP 5652. The team found that receipt inspection capabilities at Millstone Nuclear Power Station, Units 1, 2, and 3 had undergone several improvements. The Millstone Nuclear Power Station receipt inspectors had a new enclosed facility. The facility's equipment was being enhanced and included micrometers, gage blocks, a metal sorter, a shadow graph, and a variety of electronic devices. The improved receipt inspection facility and improved testing and inspection equipment had enhanced the capability of the receipt inspection process to detect misrepresented parts, equipment, and material. The procurement inspection services consisted of 12 inspectors and 1 supervisor. The receipt inspectors were certified under requirement established by procedures. The assessment team identified several procedural weakness and implementation weaknesses involving the improper identification of design criteria, safety function(s), critical characteristics, and methods for verifying the critical characteristics. The assessment team found strengths and potential strengths in such areas as receipt inspection testing capabilities at the Metallurgy Laboratory Facilities in Berlin, Connecticut, and at the Millstone Nuclear Power Station site, self assessments of the commercial-grade dedication program, the 4-day procurement and commercial-grade dedication training course, the review project of previous commercial-grade inspections at Millstone Nuclear Power Station and the general consistency of the program with the dedication approaches of EPRI NP–5652. In addition, the quality, attitude, and dedication of the licensee's personnel were evident. The team concluded that, with appropriate modifications to address the weaknesses, the program, if properly implemented, would provide adequate control over the commercial-grade procurement process.

Additional inspections of the procurement programs for the Haddam Neck Plant and Millstone Units 1, 2, and 3 have been conducted by the NRC (NRC Inspection Reports 50–423/92–11 dated May 30, 1992, 50–213/92–14 dated August 12, 1992, 50–423/92–24 dated January 12, 1993, 50–423/93–26 dated January 14, 1994, and 50–336/94–21 dated August 31, 1994). In 1992, after its inspection of the Haddam Neck Plant, the NRC staff concluded that adequate measures were in place to ensure that the level of quality of procured items was commensurate with their safety-related application. In 1993, the NRC staff reported that NU's receipt inspection program at Millstone Nuclear Power Station, Units 1, 2, and 3 was deliberate, controlled, and consistent in the choice of attributes required to be inspected and the documentation of results. After its inspection of NU's procurement program late in 1993, the NRC staff found no significant safety issues. In 1994, the NRC staff reported in NRC Inspection Report 50–336/94–21 that NU's procurement inspection services inspections were performed by personnel certified under NU's Quality Services Department Procedures QSD 1.08, ''Department Indoctrination, Training and Qualification,'' and QSD 2.08, ''Selection, Training, Qualification and Certification of Inspection, Examination and Testing Personnel.'' The Quality Department Inspector Training Program served as the basis of the training required for certification. The program emphasized technical knowledge, skill development, and problem solving. The procurement inspection personnel were well trained, with 10 of 12 inspectors certified to a Level 2 in at least two disciplines. In addition, refresher training was provided to maintain proficiency and certification of personnel. Also in 1994 (NRC Inspection Report 50–336/94–21), the NRC staff reported that NU's procurement inspection services maintained an inventory of over 500 tools for measuring and testing and that appropriate inspectors were trained and certified in the use of these tools. Such tools are typical of many nuclear power plants' inventory. NU also stocked some exceptional tools such as an optical comparitor shadowgraph, an Ames hardness tester and an alloy analyzer. In summary, during these post-1990 inspections, the NRC staff noted procurement program upgrades and found no significant safety issues in the procurement area.

B. Quality of Fasteners Installed at Northeast Utilities Facilities

Petitioner has an extensive background in the area of receipt inspection of fasteners of NU nuclear facilities and has raised a number of specific concerns regarding the quality of fasteners. The focus of the NRC evaluation of the Petitioner's concerns is receipt inspection of fasteners and assurance that fasteners will perform their intended function. NU acknowledged in its response of July 26, 1994, the Petitioner's efforts in raising and aggressively pursuing valid issues. NU acknowledged that, in March 1992, the Petitioner had issued six nonconformance reports (NCRs) based on his visual inspection of various surplus fasteners procured in 1983 for use at Millstone Unit 3. Later, he issued an additional NCR, citing potential programmatic deficiencies by SWEC, concerning procurement of various other materials installed at Millstone Unit 3.

The concerns of the Petitioner were verified in NRC Inspection Report 50–423/92–11 dated May 30, 1992. In the report, the staff noted that an inspection in 1992 by NU of 6 of the 43 items obtained from SWEC stock that were designated for transfer to the Millstone Nuclear Power Station stores resulted in an initial rejection of all 6 items. An item was defined as all of a specific type of bolt or fastener material, e.g., 600 5/16″×4½″ bolts were classified as one item. Six NCR reports were written concerning these findings and indicated that all of the material constituting the 6 items was scrapped.

Also, the staff noted that 32 of 48 items that had been transferred from SWEC stock and introduced into Millstone Nuclear Power Station stores in 1990 were receipt inspected and green tagged without proper dedication. These items were considered acceptable for use as safety-related material for installation in the three Millstone Units 1, 2, and 3. An NCR report was written concerning this finding. Further, NU identified work orders indicating that fastener material (bolts, nuts, washers) from the 32 items had been used in Millstone Units 1, 2, and 3 during the previous 2 years. The bolts were used principally in the mounting of electrical components (relays, terminal boards, etc.), fans, ventilation housing, and cable trays. The materials were also used on various safety-related systems, such as Millstone Unit 1 reactor protection system bypass switches, Millstone Unit 2 containment air recirculation fans, and Millstone Unit 3 shutdown margin monitor.

In NRC Inspection Report 50–423/92–11, the staff noted that NU had tested 6 bolts from the lots of the 32 items and had found that the chemical properties and tests to determine tensile properties were acceptable. A Corrective Action Request (CAR) that was initiated on April 27, 1992, as a result of the NCRs, indicated that these 6 bolts were the poorest appearing bolts of the lots. Thus, NU determined that the bolts were functionally acceptable. In NRC Inspection Report 50–423/92–16 dated September 3, 1992, the staff reported that, as a result of its questions about whether the 6 tested fasteners adequately represented the population of fasteners installed, NU tested an

additional 30 fasteners randomly selected from the warehouse and one sample chosen by the NRC staff that had linear indications running from the body into the head of the fastener. NU determined that all the fasteners met specification requirements for material and mechanical properties. The NRC staff raised a second concern, that is, that the sample did not represent all the fasteners because all the manufacturers were not represented. NU then took another sample of 30 fasteners from each of 3 manufacturers. The testing of these bolts showed that all the fasteners, except for one cap screw, were acceptable. The one cap screw had a tensile strength of only 121.3 ksi rather than the specified strength of 125 ksi. However, the cap screw did have an acceptable yield strength. The licensee performed a statistical analysis on the results of the testing and determined that the probability of an installed bolt from the 32 items failing to perform its safety function is extremely small (in the order of 1 chance in 345,000). The NRC staff concluded in NRC Inspection Report 50–423/92–24 dated January 12, 1993, that the results for all the fasteners tested except one were acceptable and that the nonconforming conditions, including some visual deficiencies, would not have impaired the capability of the fasteners to perform their functions, and that NU's current inspection program was deliberate and controlled.

NU initially indicated that the remaining fasteners transferred from SWEC to the Millstone Nuclear Power Station stores would be scrapped. However, it did install some of the fasteners in the units after performing additional inspections and dedicating the fasteners before they were installed.

Finally, a random sample of 30 bolts of various sizes was taken from the Millstone Nuclear Power Station warehouse bins during November 1993 for laboratory tests. They were tested by the Brookhaven National Laboratory Associated Universities, Inc., and 26 of the 30 met specification requirements for chemical, mechanical, and dimensional properties. Four bolts did not pass the thread fit inspection with a ''Go'' gage. However, the discrepancies would not have prevented the bolts from performing their function. (See letter dated May 2, 1994, from Brookhaven National Laboratory Associated Universities, Inc., to Mr. James A. Davis, NRC, which is available in the NRC's Public Document Room). In summary, on the basis of the extensive tests of samples of fasteners taken from the warehouse bins, the NRC staff concludes that materials in the bins are acceptable for use.

The possibility of nonconforming fasteners already installed in safety-related applications was addressed in an NU letter to the NRC staff dated September 22, 1994. NU concluded that this issue did not warrant action for the Haddam Neck Plant and Millstone Units 1, 2, and 3. NU indicated that periodic testing and inspection are performed on installed fastener components. Further, safety-related plant equipment is periodically tested to ensure that fasteners have not degraded. Piping systems and valves are pressure tested periodically and fasteners are visually inspected. Other components, such as pumps, are tested and key fasteners are checked for tightness and degradation. These inspections ensure that components remain fastened. Loose components, when found, are evaluated for generic implications, such as installation errors or defective materials, and are repaired or replaced as necessary. Plant walkdowns are performed in accessible areas at least three times a day by trained individuals able to identify abnormal conditions. Components that have degraded because of fastener problems are more likely to leak initially than suffer a catastrophic failure and are, therefore, likely to be identified and repaired. In addition, the NRC staff notes that fastener installations typically provide for large safety margins in application. Also, fastener inspection continues through the installation phase and nonconforming conditions, particularly visual defects, are likely to be identified and corrected. On the basis of these considerations, the NRC staff concludes that the possibility of installed nonconforming fasteners is not a significant safety issue.

C. Alleged ''Whitewashing'' of Petitioner's Concerns

The Petitioner alleged that the procurement inspection services supervisor and his manager had performed perfunctory investigations into his concerns related to the adequacy of NU's receipt inspection program and the Millstone Unit 3 construction.

The first investigation was one commissioned by the NU Nuclear Safety Concerns Program (NSCP) and was performed between May 18 and May 29, 1992, by an independent review team (IRT) composed of outside consultants. The IRT investigated five areas of concern identified by the Petitioner. These areas included NU's control and oversight of the SWEC Quality Assurance Program, NU control of vendor activities, adequacy of NU receipt inspection program in the areas of training and adequacy of tools, adequacy of the NCR process in the receipt inspection area, and adequacy of the transfer of materials with respect to ''visual damage'' inspection. In addition, the IRT interviewed the Petitioner and most, if not all, of the members of the Procurement Inspection Services Department.

In NRC Inspection Report 50–423/92–16 dated September 3, 1992, the NRC staff presented the results of its review of the first investigation. The staff found that the IRT review was cursory in nature in two areas and that the IRT had not supported its conclusions in these areas. Specifically, (1) the IRT had not reviewed, in detail, the SWEC lower tier procedures and procurement documents pertaining to the fasteners transferred from SWEC to the Millstone Nuclear Power Station stores, and (2) the IRT concluded that NU's oversight of SWEC's quality assurance program was satisfactory without determining how the nonconforming fasteners were accepted and placed in stock and whether a programmatic problem existed that allowed the acceptance of the discrepant fasteners.

The NRC staff made an additional observation regarding the IRT review of the concern regarding guidance for inspecting for visual damage. The concern submitted by the Petitioner to the NSCP was the lack of guidance for performing inspections for visual damage during receipt inspection. On the basis of its review, the IRT concluded that damage would be identified. However, the examples chosen to support the claim that instruction was given on identifying visual damage were examples for inservice inspection, not receipt inspection. The Quality Services Director committed to review the definition of visual damage and revise its as necessary for use in receipt inspection.

Although the IRT report may have been cursory in two areas, it was comprehensive in the other areas investigated: the Combustion Engineering reactor head studs inspection, the A&G Engineering Inc. bolting, that tools available for use, and the training received by those performing receipt inspection. In addition, the IRT conducted a substantial number of interviews to support the investigation. During its inspection regarding the adequacy of the IRT report, the NRC staff could find no information that suggested a deliberate effort on the part of NU to color the results of the investigation.

''Whitewash'' implies a deliberate act to conceal a fault or defect in an effort to exonerate or give the appearance of soundness. Although the NRC staff found that the IRT investigation and report were not complete in two areas and in regard to the definition of ''visual damage,'' the NRC did not find evidence of a deliberate effort on the part of NU to conceal a defect or falsify records. Thus the NRC does not consider the IRT report as a ''whitewash.''

NRC Inspection Report 50–423/92–24 dated January 12, 1993, discusses the second investigation. This investigation evolved as a result of the NRC inspection findings on the IRT report concerning the effectiveness of NU's and SWEC's receipt inspection programs. It also was a result of a CAR initiated on April 27, 1992, as a result of several NCRs issued by the Petitioner. The CAR was initiated because a significant amount of bolting material had been transferred from SWEC quality assurance stock to NU and green tagged without proper receipt inspection and because there was a question about the SWEC receipt inspection program. NUNU initiated the CAR to resolve these concerns. The purpose of the CAR was to provide reasonable assurance that, under SWEC's quality assurance program for Category I, non-engineered items, nonconforming items were identified and were prevented from being installed at Millstone Unit 3. To accomplish this, UN reviewed SWEC's program for establishing purchase order and receipt inspections requirements. NU concluded that appropriate procedures existed to ensure the quality of Category I, non-engineered items. To review the implementation of the procedures, NU reviewed approximately 4500 receipt inspection reports (RIRs) and selected for detailed review 1000 that identified nonconforming conditions. From this review, NU concluded in closeout documents that SWEC's program was effective in ensuring the quality of Category I items.

The NRC staff reviewed a sample of RIRs and identified a small number of fasteners that were not inspected for specific attributes, such as the fabrication attribute or coating/preservatives, as required by Quality Assurance Directive (QAD) 7.7, ''Receiving Inspection—General.'' With the exception of these discrepant bolts, there were no other accepted nonengineered items which have subsequently been found to be nonconforming. Therefore, it appeared that the SWEC's receipt inspection program had been effective.

The staff did note that NU had closed the CAR without adequately justifying that SWEC receipt inspections had been conducted in accordance with quality assurance program requirements. The licensee's review of these concerns identified that SWEC inspections for non-engineered items relied heavily on the experience of the inspector and did not strictly follow QAD 7.7. Specifically, the receipt inspector would decide what needed to be inspected by review of procurement documents. The inspector conducted the inspections and documented the results on a generic checklist. Therefore, any required attribute could have been inspected and documented in another attribute of the inspector's choice.

Considering the extensive effort by NU to resolve this issue and in spite of the deficiencies noted during the NRC inspection, the NRC staff could find no information that suggested a deliberate effort on the part of NU to conceal a defect or falsify records. Thus, the NRC staff does not consider the closeout of the CAR as a ''whitewash.''

III. Conclusion

The institution of proceeding pursuant to 10 CFR 2.206 is appropriate only if substantial health and safety issues have been raised. *See Consolidated Edison Co. of New York* (Indian Point Units 1, 2, and 3) CLI–75–8, 2 NRC 173, 175 (1975) and *Washington Public Power Supply System* (WPPSS Nuclear Project No. 2), DD–84–7 19 NRC 899, 924 (1984). This is the standard that has been applied to the concerns raised by the Petitioner to determine whether the action requested by the Petitioner, or other enforcement action, is warranted.

On the basis of the above assessment, I have concluded that no substantial health and safety issues have been raised regarding the Haddam Neck Plant and Millstone Nuclear Power Station, Units 1, 2, and 3 that would require initiation of formal enforcement action. In particular, safety issues related to the Petitioner's allegations concerning discrepant fasteners were resolved by either removing those fasteners from stores or determining that they were functionally adequate. Therefore, no enforcement action is being taken in this matter.

Although the concerns raised did not warrant the action requested in the Petition, the Petitioner's initiative has led to improvements in the procurement receipt inspection program for the Haddam Neck Plant and the Millstone Nuclear Power Station.

Current inspection plans call for continued NRC inspection effort in this programmatic area for the Haddam Neck Plant and Millstone Units 1, 2, and 3 to ensure compliance with current requirements.

The Petitioner's request for action pursuant to 10 CFR 2.206 is denied. As provided in 10 CFR 2.206(c), a copy of this Decision will be filed with the Secretary of the Commission for the Commission's review. This Decision will constitute the final action of the Commission 25 days after issuance unless the Commission, on its own motion, institutes review of the Decision in that time.

Dated at Rockville Maryland, this 31st day of May 1995.

For the Nuclear Regulatory Commission.

William T. Russell,

Director, Office of Nuclear Reactor Regulation.

[FR Doc. 95–13766 Filed 6–5–95; 8:45 am]

BILLING CODE 7590–01–M

Draft Regulatory Guide; Issuance, Availability

The Nuclear Regulatory Commission has issued for public comment a draft of a guide planned for its Regulatory Guide Series. This series has been developed to describe and make available to the public such information as methods acceptable to the NRC staff for implementing specific parts of the Commission's regulations, techniques used by the staff in evaluating specific problems or postulated accidents, and data needed by the staff in its review of applications for permits and licenses.

The draft guide is a proposed Revision 1 to Regulatory Guide 1.152, and it is temporarily identified as DG–1039, ''Criteria for Digital Computers in Safety Systems of Nuclear Power Plants.'' The guide will be in Division 1, ''Power Reactors.'' This regulatory guide is being revised to provide current guidance on methods acceptable to the NRC staff for promoting high functional reliability and design quality for the use of digital computers in safety systems of nuclear power plants. The term ''computer'' is used here has a system that includes computer hardware, software, firmware, and interfaces. This guide endorses the Institute of Electrical and Electronics Engineers Standard Std. 7–4.3.2–1993, ''Standard Criteria for Digital Computers in Safety Systems of Nuclear Power Generating Stations.''

The draft guide has not received complete staff review and does not represent an official NRC staff position.

Public comments are being solicited on the guide. Comments should be accompanied by supporting data. Written comments may be submitted to the Rules Review and Directives Branch, Division of Freedom of Information and