MSPB, 725 17th Street, NW., Washington, DC 20503.

Dated: June 1, 1998.

Robert E. Taylor,

Clerk of the Board.

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NUCLEAR REGULATORY COMMISSION

[Docket No. 50–289]

GPU Nuclear Inc., et al. Three Mile Island Nuclear Station, Unit No. 1; Confirmatory Order Modifying License Effective Immediately

I

GPU Nuclear Inc., (GPUN or the Licensee) is the holder of Facility Operating License No. DRP–50, which authorizes operation of Three Mile Island Nuclear Station, Unit No. 1 located in Dauphin County, Pennsylvania.

II

The staff of the U.S. Nuclear Regulatory Commission (NRC) has been concerned that Thermo-Lag 330–1 fire barrier systems installed by licensees may not provide the level of fire endurance intended and that licensees that use Thermo-Lag 330–1 fire barriers may not be meeting regulatory requirements. During the 1992 to 1994 timeframe, the NRC staff issued Generic Letter (GL) 92–08, ''Thermo-Lag 330–1 Fire Barriers'' and subsequent requests for additional information that requested licensees to submit plans and schedules for resolving the Thermo-Lag issue. The NRC staff has obtained and reviewed all licensees' corrective plans and schedules. The staff is concerned that some licensees may not be making adequate progress toward resolving the plant-specific issues, and that some implementation schedules may be either too tenuous or too protracted. For example, several licensees informed the NRC staff that their completion dates had slipped by 6 months to as much as 3 years. For plants that have completion action scheduled beyond 1997, the NRC staff has met with these licensees to discuss the progress of the licensees' corrective actions and the extent of licensee management attention regarding completion of Thermo-Lag corrective actions. In addition, the NRC staff discussed with licensees the possibility of accelerating their completion schedules.

GPUN was one of the licensees with which the NRC staff held a meeting. At this meeting, the NRC staff reviewed with GPUN the schedule of Thermo-Lag corrective actions described in the GPUN submittals to the NRC dated February 10, 1994, December 5, 1994, July 7, 1995, August 16, 1996, November 5, 1996, December 31, 1996, August 19, 1997, and November 23, 1997, to complete implementation of Thermo-Lag 330–1 fire barriers corrective actions by December 31, 1999, excluding those corrective actions which are the subject of the pending exemption request dated December 31, 1996, and supplemented by letters dated July 31, 1997, September 8, 1997, and December 30, 1997. Based on the information submitted by GPUN and provided during the meeting, the NRC staff has concluded that the schedule presented by GPUN is reasonable. This conclusion is based on the: (1) Amount of installed Thermo-Lag, (2) the complexity of the plant-specific fire barrier configurations and issues, (3) the need to perform certain plant modifications during outages as opposed to those that can be performed while the plant is at power, and (4) integration with other significant, but unrelated issues that GPUN is addressing at its plant. In order to remove compensatory measures such as fire watches, it has been determined that resolution of the Thermo-Lag corrective actions by GPUN must be completed in accordance with the current GPUN schedule. By letter dated April 27, 1998, the NRC staff notified GPUN of its plan to incorporate GPUN's schedule commitment into a requirement by issuance of an order and requested consent from the Licensee. By letter dated May 5, 1998, the Licensee provided its consent to issuance of a Confirmatory Order.

III

The Licensee's commitment as set forth in its letter of May 5, 1998, is acceptable and is necessary for the NRC to conclude that public health and safety are reasonably assured. To preclude any schedule slippage and to assure public health and safety, the NRC staff has determined that the Licensee's commitment in its May 5, 1998, letter be confirmed by this Order. The Licensee has agreed to this action. Based on the above, and the Licensee's consent, this Order is immediately effective upon issuance.

IV

Accordingly, pursuant to sections 103, 161b, 161i, 161o, 182, and 186 of the Atomic Energy Act of 1954, as amended, and the Commission's regulations in 10 CFR 2.202 and 10 CFR part 50, *it is hereby ordered*, effective immediately, that:

GPUN shall complete final implementation of Thermo-Lag 330–1 fire barrier corrective actions at Three Mile Island Nuclear Station, Unit No. 1 described in the GPUN submittals to the NRC dated February 10, 1994, December 5, 1994, July 7, 1995, August 16, 1996, November 5, 1996, December 31, 1996, August 19, 1997, and November 23, 1997, by December 31, 1999, excluding those corrective actions which are the subject of the pending exemption request dated December 31, 1996, and supplemented by letters dated July 31, 1997, September 8, 1997, and December 30, 1997. A schedule for completion of any activity associated with the items excluded will be developed separately.

The Director, Office of Nuclear Reactor Regulation, may relax or rescind, in writing, any provisions of this Confirmatory Order upon a showing by the Licensee of good cause.

V

Any person adversely affected by this Confirmatory Order, other than the Licensee, may request a hearing within 20 days of its issuance. Where good cause is shown, consideration will be given to extending the time to request a hearing. A request for extension of time must be made in writing to the Director, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, DC 20555, and include a statement of good cause for the extension. Any request for a hearing shall be submitted to the Secretary, U.S. Nuclear Regulatory Commission, Attention: Chief, Rulemaking and Adjudications Staff, Washington, DC 20555. Copies of the hearing request shall also be sent to the Director, Office of Nuclear Reactor Regulation, U. S. Nuclear Regulatory Commission, Washington, DC 20555, to the Deputy Assistant General Counsel for Enforcement at the same address, to the Regional Administrator, NRC Region I, U.S. Nuclear Regulatory Commission, 475 Allendale Rd., King of Prussia, PA 19406–1415, and to the Licensee. If such a person requests a hearing, that person shall set forth with particularity the manner in which his/her interest is adversely affected by this Order and shall address criteria set forth in 10 CFR 2.714(d).

If a hearing is requested by a person whose interest is adversely affected, the Commission will issue an Order designating the time and place of any such hearing. If a hearing is held, the issue to be considered at such hearing shall be whether this Confirmatory Order should be sustained.

In the absence of any request for hearing, or written approval of an

extension of time in which to request a hearing, the provisions specified in Section IV above shall be final 20 days from the date of this Order without further order or proceedings. If an extension of time for requesting a hearing has been approved, the provisions specified in Section IV shall be final when the extension expires if a hearing request has not been received. An answer or a request for hearing shall not stay the immediate effectiveness of this Order.

Dated at Rockville, MD, this 22nd day of May 1998.

For the Nuclear Regulatory Commission.

Samuel J. Collins,

Director, Office of Nuclear Reactor Regulation.

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NUCLEAR REGULATORY COMMISSION

[Docket No. 50–461]

Illinois Power Co; Consideration of Issuance of Amendment to Facility Operating License, Proposed No Significant Hazards Consideration Determination, and Opportunity for a Hearing

The U.S. Nuclear Regulatory Commission (the Commission) is considering issuance of an amendment to Facility Operating License No. NPF–62 issued to Illinois Power Company (IP, or the licensee) for operation of the Clinton Power Station (CPS) located in DeWitt County, Illinois.

The proposed amendment concerns operation of a new emergency reserve auxiliary transformer (ERAT) to provide power to the plant 4.16-kV busses from the offsite 138-kV transmission network. The new ERAT will have a larger capacity and automatic load tap-changing (LTC) capability.

Before issuance of the proposed license amendment, the Commission will have made findings required by the Atomic Energy Act of 1954, as amended (the Act) and the Commission's regulations.

The Commission has made a proposed determination that the amendment request involves no significant hazards consideration. Under the Commission's regulations in 10 CFR 50.92, this means that operation of the facility in accordance with the proposed amendment would not (1) involve a significant increase in the probability or consequences of an accident previously evaluated; or (2) create the possibility of a new or different kind of accident from any accident previously evaluated; or (3) involve a significant reduction in a margin of safety. As required by 10 CFR 50.91(a), the licensee has provided its analysis of the issue of no significant hazards consideration, which is presented below:

(1) Installation of the new ERAT with automatic LTC capability (and increased capacity) will support operability of the 138-kV source for CPS, thus maintaining at least one operable source of offsite electrical power in accordance with Technical Specification 3.8.2. The voltage support provided by the new ERAT LTC will also minimize the probability of a transfer to the onsite emergency diesel generator(s) in the event of high plant load (including a real or inadvertent actuation of ESF [engineered safety feature] systems). These positive effects from the voltage regulation provided by the ERAT LTC support operation of safety systems required for decay heat removal and maintaining the plant in a safe condition, as well as may be required for mitigation of accidents that could occur during plant shutdown conditions.

At the same time, (and as further addressed below) employment of the ERAT LTC introduces the possibility of a new malfunction that could cause plant equipment important to safety to be subjected to overvoltage. However, since the ERAT LTC incorporates a primary and backup means of preventing voltage extremes (high or low), the potential for damage to plant equipment (or an unnecessary trip of the undervoltage relays) is low. The PRA [probabilistic risk assessment] performed for this potential overvoltage condition, under plant shutdown conditions, showed that an event involving overvoltage caused by LTC/LTC-controller failure and which leads to equipment failure and subsequent fuel damage, is not credible.

On the basis of the PRA evaluation, and in consideration of the safety benefit associated with the voltage support provided by the ERAT LTC, IP believes that employment of the ERAT LTC during plant shutdown conditions has no significant adverse impact to plant safety systems. Therefore, the proposed does not involve a significant increase in the probability or consequences of any accident previously evaluated.

(2) In consideration of the potential adverse impacts that the ERAT LTC may have on plant systems, structures or components, such impacts are primarily confined to potential electrical faults or abnormal conditions. With respect to potential adverse electrical impacts, the potential electrical failure modes or abnormal conditions applicable to the ERAT LTC mainly include the same failure modes or conditions that applied to the ERAT as a fixed-tap transformer, except for the potential malfunction of the LTC controller that could cause voltage to be run up or down to excessively high or low values. As noted previously, however, this potential is greatly reduced by the backup controller provided with the ERAT LTC. (For an undervoltage condition, plant equipment would be additionally protected by the plant safety bus degraded voltage relays.) With respect to a potential LTC malfunction that may cause an overvoltage condition, further evaluation by PRA (for plant shutdown conditions) has shown that the probability of an event involving an LTC malfunction that causes an overvoltage condition leading to damage of safety-related equipment and subsequent fuel damage is 2×10^7 per year. This makes such an event incredible. Further, the potential for overvoltage from an LTC malfunction to lead to a new or unanalyzed accident is reduced by the plant being in a shutdown condition, as previously described.

Thus, although the use of the ERAT LTC introduces the possibility of a new equipment malfunction not previously evaluated, based on the above, it does not introduce the possibility of a new or different accident not previously evaluated.

(3) As noted previously, incorporation of the ERAT LTC into the CPS auxiliary power system will regulate plant bus voltage for the 138-kV offsite source. As such, the ERAT LTC will compensate for reduced margin that has occurred or may occur in the near term (especially during peak summer load demand), with respect to the difference between the voltage required for plant safety loads and the minimum expected offsite voltage. The ERAT LTC also has a significantly higher load capacity, than the current ERAT, thus further enhancing the capability and capacity of the 138-kV offsite source. This increased margin also reduces the probability of a transfer to the diesel generator(s) (that are intended to be an emergency electric power source) in the event of high plant load with low offsite source voltage.

Based on the above, and with respect to voltage requirements for plant loads the proposed ERAT replacement does not involve a significant reduction in the margin of safety.

The NRC staff has reviewed the licensee's analysis and, based on this review, it appears that the three standards of 10 CFR 50.92(c) are satisfied. Therefore, the NRC staff proposes to determine that the amendment request involves no significant hazards consideration.

The Commission is seeking public comments on this proposed determination. Any comments received within 30 days of the date of publication of this notice will be considered in making any final determination.

Normally, the Commission will not issue the amendment until the expiration of the 30-day notice period. However, should circumstances change during the notice period such that failure to act in a timely way would result, for example, in derating or shutdown of the facility, the Commission may issue the license amendment before the expiration of the 30-day notice period, provided that its final determination is that the amendment involves no significant hazards consideration. The final determination will consider all public