

March 3, 2003

Mr. Fred Dacimo  
Vice President - Indian Point Nuclear Generating Station  
Entergy Nuclear Operations, Inc.  
295 Broadway, Suite 1  
Post Office Box 249  
Buchanan, NY 10511-0249

SUBJECT: ANNUAL ASSESSMENT LETTER - INDIAN POINT NUCLEAR GENERATING  
UNIT 3 (REPORT 50-286/2003001)

Dear Mr. Dacimo:

On February 19, 2003, the NRC staff completed its end-of-cycle plant performance assessment of Indian Point Nuclear Generating Unit 3 (Indian Point 3). The end-of-cycle review for Indian Point 3 involved the participation of all technical divisions in evaluating performance indicators (PIs) for the most recent quarter and inspection results for the period from January 1 through December 28, 2002. The purpose of this letter is to inform you of our assessment of your safety performance during this period and our plans for future inspections at your facility so that you will have an opportunity to prepare for these inspections and to inform us of any planned inspections that may conflict with your plant activities.

Overall, Indian Point 3 operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for the most recent quarter, as well as for the first three quarters of the assessment cycle, was within the Licensee Response Column of the NRC's Action Matrix, based on all inspection findings being classified as having very low safety significance (Green) and all PIs indicating performance at a level requiring no additional NRC oversight (Green). Therefore, we currently plan to conduct only baseline inspections at your facility through March 31, 2004.

As you are aware, since the terrorist attacks on September 11, 2001, the NRC has issued several Orders and threat advisories to enhance security capabilities and improve guard force readiness. We have conducted inspections to review your implementation of these requirements and have monitored your actions in response to changing threat conditions. For calendar year 2003, we plan to continue these inspections, conduct portions of the security baseline inspection program, as well as perform additional inspections to evaluate your compliance with new requirements that may be ordered. Based on our final determinations in this regard, we will notify you when we have scheduled this exercise and of any other inspection plan changes.

Our inspections have confirmed that the Security Plan and interim compensatory measures (ICMs) required by the NRC's February 2002 Order are being implemented adequately. Physical barriers, security equipment, and response strategies have been strengthened; defensive strategies are appropriate to the current design basis threats; and the total number of security responders at Indian Point is significantly higher than exists at a typical single or dual-unit plant. Although significant security enhancements have been made, a number of concerns have been raised by the security officers. Also, instances have occurred at the Indian Point station involving inattentive security officers, inappropriate handling of weapons by officers, and assignment of inappropriate collateral tasks to security responders. The security officer concerns and performance issues warrant continued Entergy attention, particularly as Entergy works to integrate the Unit 2 and 3 security forces.

The enclosed inspection plan details the inspections scheduled through March 31, 2004. The inspection plan is provided to minimize the resource impact on your staff and to allow for scheduling conflicts and personnel availability to be resolved in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last six months of the inspection plan are tentative and may be revised at the mid-cycle review meeting.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be made available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

If circumstances arise which cause us to change this inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at (610) 337-5234 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Peter W. Eselgroth, Chief  
Projects Branch 2  
Division of Reactor Projects

Docket No. 50-286  
License No. DPR-64

Enclosure: Indian Point Unit 3 Inspection/Activity Plan

cc w/encl: J. Yelverton, Chief Executive Officer, Entergy Nuclear  
M. R. Kansler, Chief Operating Officer - Entergy Nuclear Northeast  
J. Herron, Senior Vice President, Indian Point Energy Center  
C. Schwarz, General Manager - Plant Operations  
D. Pace, Vice President, Engineering  
J. Knubel, Vice President, Operations Support  
J. McCann, Manager, Nuclear Safety and Licensing  
J. Kelly, Director, Nuclear Safety Assurance  
C. Faison, Manager, Licensing  
H. Salmon, Jr., Director of Oversight  
J. Fulton, Assistant General Counsel, Entergy Nuclear Operations, Inc.  
W. Flynn, President, New York State Energy, Research  
and Development Authority  
J. Spath, Program Director, New York State Energy Research  
and Development Authority  
P. Eddy, Electric Division, New York State Department of Public Service  
C. Donaldson, Esquire, Assistant Attorney General, New York Department  
of Law  
T. Walsh, Secretary, NFSC, Entergy Nuclear Operations, Inc.  
Mayor, Village of Buchanan  
J. G. Testa, Mayor, City of Peekskill  
R. Albanese, Executive Chair, Four County Nuclear Safety Committee  
S. Lousteau, Treasury Department, Entergy Services, Inc.  
M. Slobodien, Director, Emergency Planning  
B. Brandenburg, Assistant General Counsel  
P. Rubin, Operations Manager  
Assemblywoman Sandra Galef, NYS Assembly  
C. Terry, Niagara Mohawk Power Corporation  
County Clerk, Westchester County Legislature  
A. Spano, Westchester County Executive  
R. Bondi, Putnam County Executive  
C. Vanderhoef, Rockland County Executive  
E. A. Diana, Orange County Executive  
T. Judson, Central NY Citizens Awareness Network  
M. Elie, Citizens Awareness Network  
D. Lochbaum, Nuclear Safety Engineer, Union of Concerned Scientists  
Public Citizen's Critical Mass Energy Project  
M. Mariotte, Nuclear Information & Resources Service  
F. Zalzman, Pace Law School, Energy Project  
L. Puglisi, Supervisor, Town of Cortlandt  
Congresswoman Sue W. Kelly  
Congresswoman Nita Lowey  
Senator Hilary Rodham Clinton  
Senator Charles Schumer  
J. Riccio, Greenpeace  
A. Matthiessen, Executive Director, Riverkeepers, Inc.  
M. Kapowitz, Chairman of County Environment & Health Committee

A. Reynolds, Environmental Advocates  
M. Jacobs, Director, Longview School  
D. Katz, Executive Director, Citizens Awareness Network  
P. Gunter, Nuclear Information & Resource Service  
P. Leventhal, The Nuclear Control Institute  
K. Copeland, Pace Environmental Litigation Clinic  
R. Witherspoon, The Journal News

Distribution w/encl: H. Miller, RA/J. Wiggins, DRA (1)  
 A. Blough, DRP  
 W. Lanning, DRS  
 J. Rogge, DRP  
 R. Crlenjak, DRS  
 H. Nieh, RI EDO Coordinator  
 RidsNrrDipmlipb  
 Institute of Nuclear Power Operations (INPO)  
 R. Laufer, NRR  
 P. Milano, PM, NRR  
 G. Vissing, Backup PM, NRR  
 D. Screnci, PAO  
 N. Sheehan, PAO  
 P. Eselgroth, DRP  
 W. Cook, DRP  
 R. Martin, DRP  
 P. Drysdale, SRI - Indian Point 3  
 DRS Branch Chiefs (5)  
 L. Scholl, DRS  
 J. McFadden, DRS  
 P. Frechette, DRS  
 D. Silk, DRS  
 B. Platchek, DRP  
 Region I Docket Room (with concurrences)

DOCUMENT NAME: S:\ROP 3 EOC\IP3 EOC Letter Revision 3.wpd

After declaring this document "An Official Agency Record" it **will** be released to the Public. **To receive a copy of this document, indicate in the box: "C" = Copy without attachment/enclosure "E" = Copy with attachment/enclosure "N" = No copy**

OFFICE	RI/DRP	RI/DRP	RI/DRP
NAME	WCook/WAC	PEselgroth/PWE	ABlough/AB
DATE	03/03/03	03/3/03	03/3/03

OFFICIAL RECORD COPY

**Indian Point 3**  
**Inspection / Activity Plan**  
**12/30/2002 - 03/27/2004**

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	<b>SECURITY - SPECIAL INSPECTION - SECURITY/SCWE</b>		<b>1</b>			
3	IP 40001	Resolution Of Employee Concerns		01/13/2003	01/17/2003	Other Routine
3	IP 7113003	Response to Contingency Events (Protective Strategy and Implementation of Protective Strategie		01/13/2003	01/17/2003	Baseline Inspections
3	IP 81018	Security Plan And Implementing Procedures		01/13/2003	01/17/2003	Other Routine
	<b>7112201 - PUB RAD SAFETY - RETS</b>		<b>1</b>			
3	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		01/27/2003	01/31/2003	Baseline Inspections
	<b>T1148BC - SEC ICM</b>		<b>7</b>			
3	IP 2515/148	Inspection of Nuclear Reactor Safeguards - Interim Compensatory Measures		01/27/2003	01/31/2003	Safety Issues
	<b>3/10+EXM - U3 OPERATOR LICENSING INITIAL EXAMS</b>		<b>3</b>			
3	U01504	INDIAN POINT 3 INITIAL EXAM (3/10/03)		02/09/2003	02/13/2003	Not Applicable
3	U01504	INDIAN POINT 3 INITIAL EXAM (3/10/03)		03/10/2003	03/21/2003	Not Applicable
	<b>SECURITY - FOLLOW-UP ON RESPONDER ISSUES</b>		<b>1</b>			
3	IP 7113003	Response to Contingency Events (Protective Strategy and Implementation of Protective Strategie		02/11/2003	02/14/2003	Baseline Inspections
	<b>71121 - OCC RAD SAFETY</b>		<b>1</b>			
3	IP 7112101	Access Control to Radiologically Significant Areas		02/24/2003	02/28/2003	Baseline Inspections
3	IP 7112102	ALARA Planning and Controls		02/24/2003	02/28/2003	Baseline Inspections
3	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		02/24/2003	02/28/2003	Baseline Inspections
3	IP 71151	Performance Indicator Verification		02/24/2003	02/28/2003	Baseline Inspections
	<b>41500 - FOLLOW-UP INSPECTION</b>		<b>1</b>			
3	IP 41500	Training And Qualification Effectiveness		03/24/2003	03/28/2003	Other Routine
	<b>7111108 - INSERVICE INSPECTION</b>		<b>2</b>			
3	IP 2515/150	Reactor Pressure Vessel Head and Vessel Head Penetration Nozzles (NRC Bulletin 2002-02)		04/07/2003	04/11/2003	Safety Issues
3	IP 7111108P	Inservice Inspection Activities - PWR		04/07/2003	04/11/2003	Baseline Inspections
	<b>71121 - OCC RAD SAFETY</b>		<b>1</b>			
3	IP 7112101	Access Control to Radiologically Significant Areas		04/07/2003	04/11/2003	Baseline Inspections
3	IP 7112102	ALARA Planning and Controls		04/07/2003	04/11/2003	Baseline Inspections
3	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		04/07/2003	04/11/2003	Baseline Inspections
3	IP 71151	Performance Indicator Verification		04/07/2003	04/11/2003	Baseline Inspections
	<b>71121 - OCC RAD SAFETY</b>		<b>1</b>			
3	IP 7112101	Access Control to Radiologically Significant Areas		05/19/2003	05/23/2003	Baseline Inspections
3	IP 7112102	ALARA Planning and Controls		05/19/2003	05/23/2003	Baseline Inspections
3	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		05/19/2003	05/23/2003	Baseline Inspections
3	IP 71151	Performance Indicator Verification		05/19/2003	05/23/2003	Baseline Inspections

This report does not include INPO and OUTAGE activities.  
This report shows only on-site and announced inspection procedures.

**Indian Point 3**  
**Inspection / Activity Plan**  
**12/30/2002 - 03/27/2004**

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	<b>711112B</b>	<b>- MAINTENANCE RULE</b>	<b>1</b>			
3	IP 711112B	Maintenance Effectiveness		06/02/2003	06/06/2003	Baseline Inspections
	<b>71121</b>	<b>- OCC RAD SAFETY</b>	<b>1</b>			
3	IP 7112101	Access Control to Radiologically Significant Areas		07/07/2003	07/11/2003	Baseline Inspections
3	IP 7112102	ALARA Planning and Controls		07/07/2003	07/11/2003	Baseline Inspections
3	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		07/07/2003	07/11/2003	Baseline Inspections
3	IP 71151	Performance Indicator Verification		07/07/2003	07/11/2003	Baseline Inspections
	<b>711111B</b>	<b>- L.O. REQUALIFICATION PROGRAM</b>	<b>2</b>			
3	IP 711111B	Licensed Operator Requalification		07/07/2003	07/11/2003	Baseline Inspections
	<b>711107B</b>	<b>- HEAT SINK</b>	<b>1</b>			
3	IP 711107B	Heat Sink Performance		08/18/2003	08/22/2003	Baseline Inspections
	<b>71122.02</b>	<b>- RADWASTE</b>	<b>1</b>			
3	IP 7112202	Radioactive Material Processing and Transportation		08/18/2003	08/22/2003	Baseline Inspections
	<b>71121</b>	<b>- OCC RAD SAFETY</b>	<b>1</b>			
3	IP 7112101	Access Control to Radiologically Significant Areas		09/08/2003	09/12/2003	Baseline Inspections
3	IP 7112102	ALARA Planning and Controls		09/08/2003	09/12/2003	Baseline Inspections
3	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		09/08/2003	09/12/2003	Baseline Inspections
3	IP 71151	Performance Indicator Verification		09/08/2003	09/12/2003	Baseline Inspections
	<b>711121</b>	<b>- SSDI</b>	<b>9</b>			
3	IP 711121	Safety System Design and Performance Capability		10/20/2003	10/24/2003	Baseline Inspections
3	IP 711121	Safety System Design and Performance Capability		11/03/2003	11/07/2003	Baseline Inspections
	<b>71121</b>	<b>- OCC RAD SAFETY</b>	<b>1</b>			
3	IP 7112101	Access Control to Radiologically Significant Areas		11/17/2003	11/21/2003	Baseline Inspections
3	IP 7112102	ALARA Planning and Controls		11/17/2003	11/21/2003	Baseline Inspections
3	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		11/17/2003	11/21/2003	Baseline Inspections
3	IP 71151	Performance Indicator Verification		11/17/2003	11/21/2003	Baseline Inspections
	<b>71121</b>	<b>- OCC RAD SAFETY</b>	<b>1</b>			
3	IP 7112101	Access Control to Radiologically Significant Areas		01/26/2004	01/30/2004	Baseline Inspections
3	IP 7112102	ALARA Planning and Controls		01/26/2004	01/30/2004	Baseline Inspections
3	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		01/26/2004	01/30/2004	Baseline Inspections
3	IP 71151	Performance Indicator Verification		01/26/2004	01/30/2004	Baseline Inspections