

March 2, 2005

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

SUBJECT: ANNUAL ASSESSMENT LETTER - INDIAN POINT NUCLEAR GENERATING
UNITS 2 AND 3 (REPORT 05000247/2005001 AND 05000286/2005001)

Dear Mr. Dacimo:

On February 10, 2005, the NRC staff completed its end-of-cycle plant performance assessment of Indian Point Nuclear Generating Units 2 and 3. The end-of-cycle review for Indian Point Unit 2 (IP2) and Unit 3 (IP3) 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 31, 2004. 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.

This performance review and enclosed inspection plan do not include physical protection information. A separate letter designated and marked as "Exempt from Public Disclosure in accordance with 10 CFR 2.390" will include the physical protection review and resultant inspection schedule.

Overall, Indian Point operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance at both units for the most recent quarter 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 plan to conduct Reactor Oversight Process (ROP) baseline inspections at your facility through September 30, 2006.

While plant performance for IP2 and IP3 during the most recent quarter was within the Licensee Response Column of the NRC's Action Matrix, a finding of low to moderate safety significance was open at IP2 at the start of the assessment cycle. IP2 was in the Regulatory Response Column of the Action Matrix due to a 'White' finding for a degraded control room fire barrier originally identified in August 2002. After completing supplemental inspections in June 2003 and December 2003, we concluded that Entergy had made sufficient progress to close the 'White' finding in the first quarter of 2004.

In our mid-cycle assessment letter, dated August 30, 2004, we discussed the continuation of a substantive cross-cutting issue in the area of Problem Identification and Resolution (PI&R). The cross-cutting issue was reviewed as part of the 2004 end-of-cycle plant performance assessment. The NRC's PI&R Team Inspection in September 2004 found that Entergy is taking actions to improve PI&R performance, as described in Entergy's letter to the NRC dated April 1, 2004. While the NRC recognizes that Entergy has implemented initiatives to increase the effectiveness of the corrective action program, our inspection findings show inconsistency in implementation of the program. Ten NRC inspection findings from the 2004 assessment period relate to PI&R program implementation at IP2. While all ten findings were of very low safety significance, five of these findings involved the common theme of untimely or ineffective corrective actions for previously identified problems. Based on our assessment of the inspection results, the substantive cross-cutting issue in PI&R for IP2 will remain open. We will further evaluate your corrective action program implementation during followup inspections of selected corrective action samples, including aspects of the ongoing Design Basis Initiative (DBI). Additional insights will be gained from the PI&R Team Inspection scheduled for IP2 in June 2005. In the interim, we request that you provide an update on your corrective action program improvements, including an evaluation of effectiveness in addressing previously noted problems in the area of untimely and ineffective corrective actions, during the public Annual Assessment Meeting in May 2005.

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through September 30, 2006. The inspection plans are provided to minimize the resource impact on your staff and to allow for scheduling conflicts and personnel availability to be resolved in advance of inspectors arriving onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The last six months of the inspection plans are tentative and may be revised at the mid-cycle review meeting. If circumstances arise which cause us to change this inspection plan, we will contact you to discuss the change as soon as possible.

Overall performance at Indian Point has improved over the last few years, as indicated by the ROP results. Based on Entergy's progress, we have determined that a deviation from the ROP is no longer necessary to supplement our oversight of continuing efforts to improve performance. We will continue to monitor your progress on the cross-cutting issue related to PI&R as part of our baseline inspection program.

In accordance with 10 CFR 2.390 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 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 Electronic Reading Room).

Mr. Fred Dacimo

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Please contact Brian McDermott, Chief, Projects Branch 2, at (610)337-5233 with any questions you may have regarding this letter or the enclosed inspection plan.

Sincerely,

/RA/

A. Randolph Blough, Director
Division of Reactor Projects

Docket Nos. 50-247 and 50-286
License No. DPR-26 and DPR-64

Enclosures: Indian Point Nuclear Generating Unit 2 and Unit 3 Inspection/Activity Plans

cc w/encl:

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Chairman, Standing Committee on Environmental Conservation, NYS Assembly
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Congresswoman Nita Lowey
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Mr. Fred Dacimo

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Distribution w/encl: **(via E-mail)**

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SISP Review Complete: BJM (Reviewer's Initials)

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Indian Point
Inspection / Activity Plan
03/01/2005 - 09/30/2006

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	7111121 - SSDI		7			
2	IP 7111121	Safety System Design and Performance Capability		02/28/2005	03/04/2005	Baseline Inspections
	71121 - OCC RAD SAFETY		1			
2	IP 7112101	Access Control to Radiologically Significant Areas		03/21/2005	03/25/2005	Baseline Inspections
2	IP 7112102	ALARA Planning and Controls		03/21/2005	03/25/2005	Baseline Inspections
	71152B - PROBLEM IDENTIFICATION AND RESOLUTION		4			
2	IP 71152B	Identification and Resolution of Problems		06/13/2005	06/17/2005	Baseline Inspections
2	IP 71152B	Identification and Resolution of Problems		06/27/2005	07/01/2005	Baseline Inspections
	71121 - OCC RAD SAFETY		1			
2	IP 7112101	Access Control to Radiologically Significant Areas		07/11/2005	07/15/2005	Baseline Inspections
2	IP 7112102	ALARA Planning and Controls		07/11/2005	07/15/2005	Baseline Inspections
	7112202 - PUB RAD SAFETY - RADWASTE		1			
2	IP 7112202	Radioactive Material Processing and Transportation		09/19/2005	09/23/2005	Baseline Inspections
	71114 - EP PROGRAM AND EP PI INSPECTION		1			
2	IP 7111402	Alert and Notification System Testing		10/31/2005	11/04/2005	Baseline Inspections
2	IP 7111403	Emergency Response Organization Augmentation Testing		10/31/2005	11/04/2005	Baseline Inspections
2	IP 7111404	Emergency Action Level and Emergency Plan Changes		10/31/2005	11/04/2005	Baseline Inspections
2	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		10/31/2005	11/04/2005	Baseline Inspections
2	IP 711151	Performance Indicator Verification		10/31/2005	11/04/2005	Baseline Inspections
	7111112B - MAINTENANCE RULE		2			
2	IP 7111112B	Maintenance Effectiveness		11/28/2005	12/02/2005	Baseline Inspections
	71121 - OCC RADIATION SAFETY		1			
2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		03/06/2006	03/10/2006	Baseline Inspections
	7111107B - HEAT SINK		2			
2	IP 7111107B	Heat Sink Performance		04/17/2006	04/21/2006	Baseline Inspections
	71121 - OCC RAD SAFETY		1			
2	IP 7112101	Access Control to Radiologically Significant Areas		05/15/2006	05/19/2006	Baseline Inspections
2	IP 7112102	ALARA Planning and Controls		05/15/2006	05/19/2006	Baseline Inspections
	7112203 - PUB RAD SAFETY - REMP		1			
2	IP 7112203	Radiological Environmental Monitoring Program		06/05/2006	06/09/2006	Baseline Inspections
	7112201 - PUB RAD SAFETY - RETS		1			
2	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		06/19/2006	06/23/2006	Baseline Inspections
	7111111B - UNIT 2 L.O. REQUAL PROGRAM & P/F RESULTS		2			
2	IP 7111111B	Licensed Operator Requalification Program		06/19/2006	06/23/2006	Baseline Inspections
2	IP 7111111B	Licensed Operator Requalification Program		06/26/2006	06/30/2006	Baseline Inspections

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

Indian Point
Inspection / Activity Plan
03/01/2005 - 09/30/2006

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	MODS - MODS & 50.59		3			
2	IP 7111102	Evaluation of Changes, Tests, or Experiments		09/18/2006	09/22/2006	Baseline Inspections
2	IP 7111117B	Permanent Plant Modifications		09/18/2006	09/22/2006	Baseline Inspections
	10/23EXM - U2 OPERATOR LICENSING INITIAL EXAM		3			
2	U01583	INDIAN POINT, UNIT 2 INITIAL EXAM (3/06)		09/25/2006	09/29/2006	Not Applicable

Indian Point 3
Inspection / Activity Plan
03/01/2005 - 09/30/2006

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	7111108P - INSERVICE INSPECTION		1			
3	IP 2515/150	Reactor Pressure Vessel Head and Vessel Head Penetration Nozzles (NRC Bulletin 2002-02)		03/14/2005	03/18/2005	Safety Issues
3	IP 2515/152	Reactor Pressure Vessel Lower Head Penetration Nozzles (NRC Bulletin 2003-02)		03/14/2005	03/18/2005	Safety Issues
3	IP 2515/160	Pzr Pene Nozzles & Stm Space Piping Connections in U.S. PWRs [NRC Bulletin 2004-01]		03/14/2005	03/18/2005	Safety Issues
3	IP 7111108P	Inservice Inspection Activities - PWR		03/14/2005	03/18/2005	Baseline Inspections
3	IP 7111108P	Inservice Inspection Activities - PWR		03/14/2005	03/18/2005	Baseline Inspections
	71121 - OCC RAD SAFETY		1			
3	IP 7112101	Access Control to Radiologically Significant Areas		03/21/2005	03/25/2005	Baseline Inspections
3	IP 7112102	ALARA Planning and Controls		03/21/2005	03/25/2005	Baseline Inspections
	7111111B - LO REQUAL PROGRAM & PASS/FAIL RSLTS		3			
3	IP 7111111B	Licensed Operator Requalification Program		06/20/2005	06/24/2005	Baseline Inspections
3	IP 7111111B	Licensed Operator Requalification Program		06/27/2005	07/01/2005	Baseline Inspections
	71121 - OCC RAD SAFETY		1			
3	IP 7112101	Access Control to Radiologically Significant Areas		07/11/2005	07/15/2005	Baseline Inspections
3	IP 7112102	ALARA Planning and Controls		07/11/2005	07/15/2005	Baseline Inspections
	7111107B - HEAT SINK		2			
3	IP 7111107B	Heat Sink Performance		08/08/2005	08/12/2005	Baseline Inspections
	7112202 - PUB RAD SAFETY - RADWASTE		1			
3	IP 7112202	Radioactive Material Processing and Transportation		09/19/2005	09/23/2005	Baseline Inspections
	7111121 - SSDI		6			
3	IP 7111121	Safety System Design and Performance Capability		10/31/2005	11/04/2005	Baseline Inspections
3	IP 7111121	Safety System Design and Performance Capability		11/14/2005	11/18/2005	Baseline Inspections
	71114 - EP PROGRAM & EP PI VERIFICATION		1			
3	IP 7111404	Emergency Action Level and Emergency Plan Changes		10/24/2005	10/28/2005	Baseline Inspections
	7111112B - MAINTENANCE RULE		2			
3	IP 7111112B	Maintenance Effectiveness		11/28/2005	12/02/2005	Baseline Inspections
	71121 - OCC RADIATION SAFETY		1			
3	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		03/06/2006	03/10/2006	Baseline Inspections
	71121 - OCC RAD SAFETY		1			
3	IP 7112101	Access Control to Radiologically Significant Areas		05/15/2006	05/19/2006	Baseline Inspections
3	IP 7112102	ALARA Planning and Controls		05/15/2006	05/19/2006	Baseline Inspections
	7112203 - PUB RAD SAFETY - REMP		1			
3	IP 7112203	Radiological Environmental Monitoring Program		06/05/2006	06/09/2006	Baseline Inspections
	7112201 - PUB RAD SAFETY - RETS		1			
3	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		06/19/2006	06/23/2006	Baseline Inspections

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Indian Point 3
Inspection / Activity Plan
03/01/2005 - 09/30/2006

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	10/23EXM - OPERATOR LICENSING INITIAL EXAMS		1			
3	U01636	INDIAN POINT 3 INITIAL EXAM (FY 07)		09/25/2006	09/29/2006	Not Applicable
	MODS - MODS AND 50.59		3			
3	IP 7111102	Evaluation of Changes, Tests, or Experiments		09/18/2006	09/22/2006	Baseline Inspections
3	IP 7111117B	Permanent Plant Modifications		09/18/2006	09/22/2006	Baseline Inspections