



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION IV  
611 RYAN PLAZA DRIVE, SUITE 400  
ARLINGTON, TEXAS 76011-4005**

March 4, 2003

Joseph E. Venable  
Vice President Operations  
Waterford 3  
Entergy Operations, Inc.  
17265 River Road  
Killona, Louisiana 70066-0751

**SUBJECT: ANNUAL ASSESSMENT LETTER - WATERFORD 3 STEAM ELECTRIC  
STATION (REPORT 50-382/03-01)**

Dear Mr. Venable:

On February 5, 2003, the NRC staff completed its end-of-cycle plant performance assessment of Waterford 3 Steam Electric Station. The end-of-cycle review for Waterford 3 involved the participation of all technical divisions in evaluating performance indicators for the most recent quarter and inspection results for the period from January 1 through December 31, 2003. 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, Waterford 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 performance indicators indicating performance at a level requiring no additional NRC oversight (Green). Therefore, we plan to conduct only baseline inspections at your facility through March 31, 2004. In addition to the baseline inspections, Temporary Instruction 2515/150, "Reactor Pressure Vessel Head and Vessel Head Penetration Nozzles (NRC Bulletin 2002-02)," will also be conducted.

Additionally, the staff has identified a substantive crosscutting issue in the area of problem identification and resolution. This substantive crosscutting issue has been identified based on a number of corrective action findings. Specifically, although some long-standing degraded conditions were identified by your staff during this assessment period, the extent of condition was not always fully addressed. Also, in some cases, symptomatic conditions existed for extended periods before the causes were identified and corrected, and some degraded conditions were not effectively evaluated and corrected. Examples were found to affect both the mitigating systems and barrier cornerstones. One example involved failure to correct long-standing voiding conditions in the low pressure safety injection system, which contributed substantially to the inability to establish shutdown cooling and development of voids within the containment spray system and resulted in the low pressure safety injection system not being

operated in accordance with the Final Safety Analysis Report. Other examples involved a failure to identify a plant overpower condition that existed for a prolonged period even though plant parameters had changed to indicate that power had been increased, correct a degraded condition that allowed oil to accumulate inside the diesel generator electrical cabinet that resulted in the degradation of the emergency diesel generator electrical components, and appropriately apply industry experience that contributed to the failure of a fire protection containment isolation valve. In response to this substantive cross-cutting issue, the NRC will monitor the effectiveness of your actions within this area through implementation of the baseline inspection program.

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 midcycle review meeting.

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 and 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 of any inspection plan changes.

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 (817) 860-8147 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

*/RA/*

William B. Jones, Chief  
Project Branch E  
Division of Reactor Projects

Docket: 50-382  
License: NPF-38

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Enclosure:  
Waterford 3 Inspection/Activity Plan

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2/ 27/03	2/27/03	2/28/03	3/4/03	

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**Waterford**  
**Inspection / Activity Plan**  
**03/02/2003 - 03/31/2004**

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	<b>EMB - SSD&amp;PCI</b>		<b>4</b>			
3	IP 7111121	Safety System Design and Performance Capability		03/31/2003	04/04/2003	Baseline Inspections
3	IP 7111121	Safety System Design and Performance Capability		04/14/2003	04/18/2003	Baseline Inspections
	<b>EMB - 50.59</b>		<b>1</b>			
3	IP 7111102	Evaluation of Changes, Tests, or Experiments		03/31/2003	04/04/2003	Baseline Inspections
	<b>RP-TM - RAD SAFETY TEAM</b>		<b>3</b>			
3	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		04/21/2003	04/25/2003	Baseline Inspections
3	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		04/21/2003	04/25/2003	Baseline Inspections
3	IP 7112202	Radioactive Material Processing and Transportation		04/21/2003	04/25/2003	Baseline Inspections
3	IP 7112203	Radiological Environmental Monitoring Program		04/21/2003	04/25/2003	Baseline Inspections
	<b>PSB-S1 - SECURITY BASELINE INSPECTION</b>		<b>1</b>			
3	IP 7113002	Access Control (Search of Personnel, Packages, and Vehicles: Identification and Authorizat		04/28/2003	05/02/2003	Baseline Inspections
3	IP 7113003	Response to Contingency Events (Protective Strategy and Implementation of Protective Stra		04/28/2003	05/02/2003	Baseline Inspections
3	IP 71151	Performance Indicator Verification		04/28/2003	05/02/2003	Baseline Inspections
	<b>PSB-EP1 - EP EXERCISE BASELINE INSPECTION</b>		<b>3</b>			
3	IP 7111401	Exercise Evaluation		05/19/2003	05/23/2003	Baseline Inspections
3	IP 7111404	Emergency Action Level and Emergency Plan Changes		05/19/2003	05/23/2003	Baseline Inspections
3	IP 71151	Performance Indicator Verification		05/19/2003	05/23/2003	Baseline Inspections
	<b>SEC-TI - SECURITY ORDER VERIFICATION (2515/148)</b>		<b>4</b>			
3	IP 2515/148	Inspection of Nuclear Reactor Safeguards - Interim Compensatory Measures		06/16/2003	06/20/2003	Safety Issues
	<b>OB-IN - INITIAL EXAM PREP</b>		<b>1</b>			
3	X02246	WATERFORD - INITIAL EXAM (08/03)		08/04/2003	08/08/2003	Not Applicable
	<b>EMB - TRIENNIAL FIRE PROTECTION</b>		<b>5</b>			
3	IP 7111105T	Fire Protection		08/11/2003	08/15/2003	Baseline Inspections
3	IP 7111105T	Fire Protection		08/25/2003	08/29/2003	Baseline Inspections
	<b>OB-IN - INITIAL EXAMS</b>		<b>4</b>			
3	X02246	WATERFORD - INITIAL EXAM (08/03)		08/25/2003	08/29/2003	Not Applicable
	<b>OB-RQ - REQUAL INSPECTION</b>		<b>2</b>			
3	IP 7111111B	Licensed Operator Requalification		09/15/2003	09/19/2003	Baseline Inspections
	<b>TI 150 - TI 150 RP VESSEL HEAD INSPECTION</b>		<b>1</b>			
3	IP 2515/150	Reactor Pressure Vessel Head and Vessel Head Penetration Nozzles (NRC Bulletin 2002-0		10/15/2003	12/01/2003	Safety Issues
	<b>EMB - ISI &amp; ISI/SG INSPECTIONS</b>		<b>1</b>			
3	IP 7111108P	Inservice Inspection Activities - PWR		10/27/2003	10/31/2003	Baseline Inspections
3	IP 7111108P	Inservice Inspection Activities - PWR		11/03/2003	11/07/2003	Baseline Inspections

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

**Waterford**  
**Inspection / Activity Plan**  
**03/02/2003 - 03/31/2004**

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	<b>ACCESSPI - ACRSA/PI</b>		<b>1</b>			
3	IP 7112101	Access Control to Radiologically Significant Areas		10/27/2003	10/31/2003	Baseline Inspections
3	IP 71151	Performance Indicator Verification		10/27/2003	10/31/2003	Baseline Inspections
	<b>OPS PIR - PIR INSPECTION</b>		<b>3</b>			
3	IP 71152B	Identification and Resolution of Problems		12/01/2003	12/12/2003	Baseline Inspections
	<b>ALARA3 - ALARA PLANNING AND CONTROLS</b>		<b>1</b>			
3	IP 7112102	ALARA Planning and Controls		12/01/2003	12/05/2003	Baseline Inspections
	<b>EMB - PERMANENT PLANT MODIFICATIONS</b>		<b>1</b>			
3	IP 711117B	Permanent Plant Modifications		01/12/2004	01/16/2004	Baseline Inspections