

August 28, 2002

Mr. Michael R. Kansler
Senior Vice President and
Chief Operating Officer
Entergy Nuclear Operations, Inc.
440 Hamilton Avenue
White Plains, NY 10601

SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN -
INDIAN POINT NUCLEAR GENERATING UNIT 2

Dear Mr. Kansler:

On August 7, 2002, the NRC staff completed its mid-cycle plant performance assessment of Indian Point 2. In accordance with NRC Inspection Manual Chapter 0305 "Operating Reactor Assessment Program", the mid-cycle review involved the participation of all technical divisions in evaluating the performance of your Indian Point 2 facility for the first half of the current assessment cycle, January 1 - December 31, 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.

Plant performance for the most recent quarter was within the Multiple/Repetitive Degraded Cornerstone Column of the NRC's Action Matrix based on a Red finding in the Initiating Events Cornerstone. NRC has maintained heightened oversight of the Indian Point 2 facility for the past several years. In May 2000, under guidelines of the NRC oversight process in effect at the time, the facility was designated an Agency Focus plant in light of persistent performance problems which were illustrated by several significant plant events, including a plant trip with complications in August 1999 and a steam generator tube failure in February 2000. Subsequently, in October 2000, with a Red finding associated with the steam generator tube failure, we informed the previous plant owner, Consolidated Edison, that the plant was in the Multiple/Repetitive Degraded Cornerstone Column of the Action Matrix of the newly initiated NRC Reactor Oversight Process (ROP). NRC oversight has included expanded inspection efforts, key among them being an extensive team inspection in February 2001 which examined root causes of plant performance problems. Through these inspections and regulatory performance meetings, many held at or near the site, we have closely monitored station improvement efforts. These efforts were begun by Consolidated Edison. Upon assuming ownership, Entergy put in place the Fundamentals Improvement Plan (FIP), a more comprehensive improvement program building on self-assessments it conducted, as well as on NRC inspection findings. NRC has held open the Red finding past the normal four quarters stipulated in the ROP given the extent of the performance problems and to provide NRC an extended period to monitor results.

Since the beginning of this assessment cycle, regulatory performance meetings have been conducted in February, March, and May 2002, focusing on progress being made under the FIP. Progress has also been monitored through continued expanded inspection efforts. In addition to the baseline inspections, for example, in April 2002 we conducted a supplemental inspection to review the licensed operator high failure rates during the 2001 annual requalification examinations. We also conducted a supplemental Problem Identification and Resolution (PI&R) inspection in June-July 2002, to examine Entergy's progress in addressing the underlying performance weaknesses which contributed to the Multiple/Repetitive degraded cornerstones.

Through these and other inspection efforts over the past year, we determined that Indian Point 2 has operated in a manner that preserved public health and safety and that substantial progress has been made at the station. Significant additional resources have been committed by Entergy to improvement initiatives. New plant management has brought higher performance standards and levels of accountability to the station. Performance indicators, established by the FIP, have shown overall positive results. For example, corrective maintenance backlogs, operator work-arounds and control room deficiencies have been reduced substantially. Human error rates have decreased. The multi-year efforts to improve engineering and configuration control documentation have resulted in needed improvements, and these efforts continue. Accordingly, we have concluded that the weaknesses underlying the August 1999 plant trip and February 2000 steam generator tube failure, which led to a significant reduction in safety margin, have been substantially addressed. We are, thus, closing the Red finding, which will move Indian Point 2 from the Multiple/Repetitive Degraded Cornerstone Column of the Action Matrix after the end of the third quarter, 2002.

Notwithstanding this action, our oversight of Indian Point 2 will remain above the NRC baseline program, in accordance with the Degraded Cornerstone Column of the Action Matrix. The mitigating systems cornerstone remains degraded due to the open Yellow finding related to operator requalification exam failures and associated training issues. Further, while less frequent and of less risk significance than before, events at the station and some inspection findings indicate continued efforts are needed to further strengthen plant performance. The preliminary White finding associated with the control room west wall fire barrier in the recent supplemental PI&R inspection illustrates this. Other findings and events indicate a need for continued efforts to improve the thoroughness of engineering reviews, to reduce instances of unplanned Technical Specification limiting conditions, to strengthen operator knowledge, and to improve control of contractors. As a result, within the parameters of the ROP, the cross-cutting issues in the area of human performance and corrective action, opened in the previous end-of-cycle assessment, will remain open. We plan to follow-up on Entergy's progress in these areas through focused inspections by our resident inspection staff and region-based specialists. In addition to a supplemental inspection in December 2002, which will examine your response to the White finding, we plan inspections of your September 2002 licensed operator requalification examinations and Emergency Plan Exercise, and the Indian Point 2 fourth quarter 2002 refueling outage.

The enclosed inspection plan details the schedule for inspections through September 30, 2003. 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 last six months of the inspection plan is tentative and may be revised at the end-of-cycle review.

In addition, the NRC is in the process of finalizing a Temporary Instruction (TI) that will be used to review implementation of the Interim Compensatory Measures required by the Agency's Security Order to all commercial nuclear power plants dated February 25, 2002. Schedules have not yet been finalized, but it is anticipated that these inspections will begin within the next calendar quarter. Once finalized, the details will be communicated by separate correspondence.

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 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. We plan to further discuss this assessment of your performance at a regulatory performance meeting at the Cortlandt Town Hall, on September 4, 2002, at 7 p.m. Please contact Peter Eselgroth, Projects Branch Chief, at 610-337-5234 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Hubert J. Miller
Regional Administrator

Docket No.50-247
License No. DPR-26

Enclosure: Indian Point 2 Inspection/Activity Plan

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DATE	08/28/02	08/28/02		08/28/02		08/28/02		08/28/02	

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Indian Point
Inspection / Activity Plan
06/30/2002 - 09/30/2003

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
ASSESS - AUGMENTED PI&R, ENGR, HUMAN PERFORMANCE			6			
2	IP 71152B	Identification and Resolution of Problems		07/08/2002	07/12/2002	Baseline Inspections
2	IP 95002	Inspection For One Degraded Cornerstone Or Any Three White Inputs In A Strategic Performar		07/08/2002	07/12/2002	Supplemental Program
7112203 - PUB RAD SAFETY - REMP			1			
2	IP 7112203	Radiological Environmental Monitoring Program		07/08/2002	07/12/2002	Baseline Inspections
71121 - OCC RAD SAFETY			1			
2	IP 7112101	Access Control to Radiologically Significant Areas		08/05/2002	08/09/2002	Baseline Inspections
2	IP 7112102	ALARA Planning and Controls		08/05/2002	08/09/2002	Baseline Inspections
2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		08/05/2002	08/09/2002	Baseline Inspections
2	IP 71151	Performance Indicator Verification		08/05/2002	08/09/2002	Baseline Inspections
71130 - SECURITY-RESPONSE ATT3			2			
2	IP 7113003	Response to Contingency Events (Protective Strategy and Implementation of Protective Strategie		08/26/2002	08/30/2002	Baseline Inspections
7111111B - U2 L.O.REQUALIFICATION PROGRAM			2			
2	IP 7111111B	Licensed Operator Requalification		09/16/2002	09/20/2002	Baseline Inspections
7111401 - EP EXERCISE & EP PI VERIFICATION			4			
2	IP 7111401	Exercise Evaluation		09/23/2002	09/27/2002	Baseline Inspections
2	IP 71151	Performance Indicator Verification		09/23/2002	09/27/2002	Baseline Inspections
7111108 - INSERVICE INSPECTION			2			
2	IP 2515/145	Circumferential Cracking of Reactor Pressure Vessel Head Penetration Nozzles (NRC Bulletin .		11/04/2002	11/08/2002	Safety Issues
2	IP 7111108	Inservice Inspection Activities		11/04/2002	11/08/2002	Baseline Inspections
71151 - PUB RAD SAFETY PI VERIFICATION			2			
2	IP 71151	Performance Indicator Verification		11/04/2002	11/08/2002	Baseline Inspections
71121 - OCC RAD SAFETY			1			
2	IP 7112101	Access Control to Radiologically Significant Areas		11/11/2002	11/15/2002	Baseline Inspections
2	IP 7112102	ALARA Planning and Controls		11/11/2002	11/15/2002	Baseline Inspections
2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		11/11/2002	11/15/2002	Baseline Inspections
2	IP 71151	Performance Indicator Verification		11/11/2002	11/15/2002	Baseline Inspections
71152B - PROBLEM IDENTIFICATION AND RESOLUTION			4			
2	IP 71152B	Identification and Resolution of Problems		12/09/2002	12/20/2002	Baseline Inspections
SUPPLEME - SUPPLEMENTAL INSPECTION			1			
2	IP 95001	Supplemental Inspection For One Or Two White Inputs In A Strategic Performance Area		12/09/2002	12/20/2002	Supplemental Program
7112201 - PUB RAD SAFETY - RETS			1			
2	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		01/13/2003	01/17/2003	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
06/30/2002 - 09/30/2003

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		01/20/2003	01/24/2003	Baseline Inspections
2	IP 7111121	Safety System Design and Performance Capability		02/03/2003	02/07/2003	Baseline Inspections
	3/10+EXM - U2 OPERATOR LICENSING INITIAL EXAMS		3			
2	U01495	INDIAN POINT 2 INITIAL EXAM (3/10/03)		02/09/2003	02/13/2003	Not Applicable
2	U01495	INDIAN POINT 2 INITIAL EXAM (3/10/03)		03/10/2003	03/21/2003	Not Applicable
	71121 - OCC RAD SAFETY		1			
2	IP 7112101	Access Control to Radiologically Significant Areas		02/24/2003	02/28/2003	Baseline Inspections
2	IP 7112102	ALARA Planning and Controls		02/24/2003	02/28/2003	Baseline Inspections
2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		02/24/2003	02/28/2003	Baseline Inspections
2	IP 71151	Performance Indicator Verification		02/24/2003	02/28/2003	Baseline Inspections
	71121 - OCC RAD SAFETY		1			
2	IP 7112101	Access Control to Radiologically Significant Areas		05/19/2003	05/23/2003	Baseline Inspections
2	IP 7112102	ALARA Planning and Controls		05/19/2003	05/23/2003	Baseline Inspections
2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		05/19/2003	05/23/2003	Baseline Inspections
2	IP 71151	Performance Indicator Verification		05/19/2003	05/23/2003	Baseline Inspections
	71114 - EP PRGM REVIEW AND EP PI VEF		1			
2	IP 7111402	Alert and Notification System Testing		06/23/2003	06/27/2003	Baseline Inspections
2	IP 7111403	Emergency Response Organization Augmentation Testing		06/23/2003	06/27/2003	Baseline Inspections
2	IP 7111404	Emergency Action Level and Emergency Plan Changes		06/23/2003	06/27/2003	Baseline Inspections
2	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		06/23/2003	06/27/2003	Baseline Inspections
2	IP 71151	Performance Indicator Verification		06/23/2003	06/27/2003	Baseline Inspections
	71130 - SECURITY		1			
2	IP 7113001	Access Authorization Program (Behavior Observation Only)		07/14/2003	07/18/2003	Baseline Inspections
2	IP 7113002	Access Control (Search of Personnel, Packages, and Vehicles: Identification and Authorizator		07/14/2003	07/18/2003	Baseline Inspections
	71122.02 - RADWASTE		1			
2	IP 7112202	Radioactive Material Processing and Transportation		08/18/2003	08/22/2003	Baseline Inspections
	7111117B - PERMANENT PLANT MODS		5			
2	IP 7111102	Evaluation of Changes, Tests, or Experiments		09/22/2003	09/26/2003	Baseline Inspections
2	IP 7111117B	Permanent Plant Modifications		09/22/2003	09/26/2003	Baseline Inspections