



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

August 31, 2006

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

**SUBJECT: MIDCYCLE PERFORMANCE REVIEW AND INSPECTION PLAN -
WATERFORD 3 STEAM ELECTRIC STATION**

Dear Mr. Venable:

On August 9, 2006, the NRC staff completed its performance review of Waterford 3 Steam Electric Station for the first half of the calendar year 2006 assessment cycle. Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results over the previous 12 months. 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.

This performance review and enclosed inspection plan do not include physical protection information. A separate letter designated and marked as "Official Use Only - Security-Related Information" will include the physical protection review and resultant inspection plan.

Plant performance for the most recent quarter at Waterford 3 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.

Our annual assessment letter, dated March 2, 2006, indicated our plans to conduct Inspection Procedure 71150, "Discrepant or Unreported Performance Indicator Data," in order to resolve a potential discrepancy related to reporting safety system unavailability PI data for Train B of the emergency core cooling system. NRC conducted this inspection and the results are documented in NRC Inspection Report 05000382/2006009 dated August 30, 2006. This inspection concluded that the data regarding fault exposure hours for the High Pressure Safety Injection System, Train B, and the Containment Spray System, Train B, had been reported incorrectly. If the data had been reported accurately (i.e., with the correct use of fault exposure hours) in late 2004, when initially identified, then the safety system unavailability PIs regarding the two addressed systems would have changed color from Green to Red and Green to Yellow, respectively. Even though the actual risk of the underlying performance deficiency was determined to be Green, as documented in NRC Inspection Report 05000382/2004005, plant performance would have been assessed in the Multiple/Repetitive Degraded Cornerstone column of NRC's Action Matrix.

The safety system unavailability PIs were replaced with the Mitigating System Performance Index beginning April 1, 2006, as addressed in Regulatory Issue Summary 2006-07, "Changes to the Safety System Unavailability Performance Indicators," dated June 12, 2006. Because the inaccurately reported data would have had no significant impact on the Mitigating Systems Performance Index indicators (which were Green for the most recent quarter), and most important, the very low risk significance associated with the performance deficiency that resulted in the initial fault exposure time, the NRC determined that the demonstrated level of performance is more indicative of the Licensee Response column rather than the Multiple/Repetitive Degraded Cornerstone column. Consequently, the NRC approved a deviation from the NRC Action Matrix that authorized taking action in accordance with the Licensee Response column of NRC's Action Matrix. As documented in NRC Inspection Report 05000382/2006009, dated August 30, 2006, enforcement action was also taken for reporting inaccurate performance indicator data.

The enclosed inspection plan details the inspections, including Temporary Instructions, except those related to physical protection, scheduled through March 31, 2008. The inspection plan is provided to minimize the resource impact on your staff and to allow for the early resolution of any scheduling conflicts and personnel availability issues well in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last 9 months of the inspection plan are tentative and may be revised at the annual performance assessment review meeting.

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 (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 the 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,



David N. Graves, Chief
Project Branch E
Division of Reactor Projects

Docket: 50-382
License: NPF-38

Enclosure:
Waterford 3 Steam Electric Station
Inspection/Activity Plan

Entergy Operations, Inc.

-3-

cc w/enclosure:

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SUNSI Review Completed: DNG ADAMS: Yes No Initials: DNG
 Publicly Available Non-Publicly Available Sensitive Non-Sensitive

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RIV: C/DRP/E	D: DRS	D: DRP	C: DRP/E signature	
DNGGraves	DDChamberlain	ATHowell	DNGGraves	
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8/23/06	8/24/06	8/27/06	8/23/06	

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Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start End	Inspection Type
	DISC-PI - DISCREPANT OR UNREPORTED PI		1		
3	IP 71150	Discrepant or Unreported Performance Indicator Data		02/01/2006 08/15/2006	Baseline Inspections
	OB-EP EX - EMERG PREPAREDNESS EXERCISE		3		
3	IP 7111401	Exercise Evaluation		06/26/2006 07/07/2006	Baseline Inspections
3	IP 7111404	Emergency Action Level and Emergency Plan Changes		06/26/2006 07/07/2006	Baseline Inspections
	EB1-2/17 - 50.59 & PERMANENT PLANT MODS		5		
3	IP 7111102	Evaluation of Changes, Tests, or Experiments		07/10/2006 07/14/2006	Baseline Inspections
3	IP 711117B	Permanent Plant Modifications		07/10/2006 07/14/2006	Baseline Inspections
	EB2-05T - TRIENNIAL FIRE PROTECTION		7		
3	IP 7111105T	Fire Protection [Triennial]		08/07/2006 08/11/2006	Baseline Inspections
3	IP 7111105T	Fire Protection [Triennial]		08/21/2006 08/25/2006	Baseline Inspections
	EB2-07B - HX PERFORMANCE		1		
3	IP 7111107B	Heat Sink Performance		08/14/2006 08/18/2006	Baseline Inspections
	OB-INIT - INITIAL EXAM		3		
3	X02295	WAT INITIAL EXAM (08/06)		10/16/2006 10/20/2006	Not Applicable
3	X02295	WAT INITIAL EXAM (09/06)		11/13/2006 11/17/2006	Not Applicable
	TI-169 - MSPI TEMPORARY INSTRUCTION		2		
3	IP 2515/169	Mitigating Systems Performance Index Verification		10/30/2006 11/10/2006	Safety Issues
	EB1-08P - ISI & TI 166		1		
3	IP 7111108P	Inservice Inspection Activities - PWR		11/19/2006 12/22/2006	Baseline Inspections
3	IP 2515/166	Pressurized Water Reactor Containment Sump Blockage [NRC GENERIC LETTER 2004-02]		12/11/2006 12/15/2006	Safety Issues
	RP-ORS - OCCUPATIONAL RADIATION SAFETY		1		
3	IP 7112101	Access Control to Radiologically Significant Areas		11/27/2006 12/01/2006	Baseline Inspections
3	IP 7112102	ALARA Planning and Controls		11/27/2006 12/01/2006	Baseline Inspections
3	IP 71151	Performance Indicator Verification		11/27/2006 12/01/2006	Baseline Inspections
	EP2 - EMERG PREPAREDNESS PROGRAM INSPECTION		1		
3	IP 7111402	Alert and Notification System Testing		12/18/2006 12/22/2006	Baseline Inspections
3	IP 7111403	Emergency Response Organization Augmentation Testing		12/18/2006 12/22/2006	Baseline Inspections
3	IP 7111404	Emergency Action Level and Emergency Plan Changes		12/18/2006 12/22/2006	Baseline Inspections
3	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		12/18/2006 12/22/2006	Baseline Inspections
3	IP 71151	Performance Indicator Verification		12/18/2006 12/22/2006	Baseline Inspections
	RP TEAM - RADIATION SAFETY TEAM		5		
3	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		02/12/2007 02/16/2007	Baseline Inspections
3	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		02/12/2007 02/16/2007	Baseline Inspections

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

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start End	Inspection Type
	RP TEAM - RADIATION SAFETY TEAM		5		
3	IP 7112202	Radioactive Material Processing and Transportation		02/12/2007 02/16/2007	Baseline Inspections
3	IP 7112203	Radiological Environmental Monitoring Program (REMP) And Radioactive Material Control P		02/12/2007 02/16/2007	Baseline Inspections
	EB2-12T - MAINTENANCE RULE TRIENNIAL		1		
3	IP 711112B	Maintenance Effectiveness		03/05/2007 03/09/2007	Baseline Inspections
	EB1-21 - CDB		7		
3	IP 7111121	Component Design Bases Inspection		04/16/2007 04/20/2007	Baseline Inspections
3	IP 7111121	Component Design Bases Inspection		04/30/2007 05/11/2007	Baseline Inspections
	RP-ORS - OCCUPATIONAL RADIATION SAFETY		1		
3	IP 7112101	Access Control to Radiologically Significant Areas		04/30/2007 05/04/2007	Baseline Inspections
3	IP 7112102	ALARA Planning and Controls		04/30/2007 05/04/2007	Baseline Inspections
3	IP 71151	Performance Indicator Verification		04/30/2007 05/04/2007	Baseline Inspections
	RP-ORS - OCCUPATIONAL RADIATION SAFETY		1		
3	IP 7112101	Access Control to Radiologically Significant Areas		08/13/2007 08/17/2007	Baseline Inspections
3	IP 7112102	ALARA Planning and Controls		08/13/2007 08/17/2007	Baseline Inspections
3	IP 71151	Performance Indicator Verification		08/13/2007 08/17/2007	Baseline Inspections
	REQUAL - BIENNIAL REQUALIFICATION		3		
3	IP 711111B	Licensed Operator Requalification Program		09/03/2007 09/07/2007	Baseline Inspections
	EP1 - EMERG PREP EXERCISE		3		
3	IP 7111401	Exercise Evaluation		12/03/2007 12/17/2007	Baseline Inspections
3	IP 7111404	Emergency Action Level and Emergency Plan Changes		12/03/2007 12/17/2007	Baseline Inspections
3	IP 71151	Performance Indicator Verification		12/03/2007 12/17/2007	Baseline Inspections
	RP-ORS - OCCUPATIONAL RADIATION SAFETY		1		
3	IP 7112101	Access Control to Radiologically Significant Areas		12/10/2007 12/14/2007	Baseline Inspections
3	IP 7112102	ALARA Planning and Controls		12/10/2007 12/14/2007	Baseline Inspections
3	IP 71151	Performance Indicator Verification		12/10/2007 12/14/2007	Baseline Inspections

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