

November 6, 2002

Mr. Jay K. Thayer  
Site Vice President - Vermont Yankee  
Entergy Nuclear Vermont Yankee, LLC  
P.O. Box 0500  
185 Old Ferry Road  
Brattleboro, VT 05302-0500

SUBJECT: VERMONT YANKEE GENERATING STATION - NRC SUPPLEMENTAL  
INSPECTION REPORT NO. 50-271/02-007

Dear Mr. Thayer:

On September 27, 2002, the NRC completed a supplemental inspection at the Vermont Yankee Generating Station. During this inspection, the NRC reviewed evaluations and corrective actions completed by your staff in response to a Yellow finding (i.e., a matter having substantial significance) involving a response strategy weakness identified during an Operational Safeguards Response Evaluation (OSRE) conducted August 20-23, 2001. The purpose of this inspection was to provide additional assurance that the long-term corrective actions are appropriately responsive to the root and contributing causes for the performance issues associated with this finding. Additionally, the extent of condition of the performance issues was assessed. The enclosed report documents the inspection findings which were discussed with you and other members of your staff at a Regulatory Performance Meeting on September 27, 2002.

Based on the inspection results, we concluded that your evaluations were of adequate detail and commensurate with the significance of this performance issue. The inspectors confirmed that your staff identified and addressed the underlying causes of this matter.

Major upgrades to your security program have been implemented that include corrective actions established to address the weakness identified during the OSRE. Other programmatic upgrades were implemented in response to various NRC security and information advisories; and an Order Modifying License, which described various interim compensatory measures that the NRC considered necessary for the current elevated threat environment. Our independent review of security features and enhancements determined that the measures that were implemented effectively addressed the extent of condition in the area of physical protection and plant security.

Based on these program upgrades, NRC has concluded that the response strategy weakness identified during the OSRE has been substantially addressed; therefore, we are closing the Yellow finding. In accordance with the guidance contained in NRC Inspection Manual Chapter (IMC) 0305, "Operating Reactor Assessment Program," this moved Vermont Yankee from the Degraded Cornerstone column to the Licensee Response column of the NRC's Action Matrix on October 1, 2002.

The enclosed report contains Safeguards Information (SGI) that must be protected against unauthorized disclosure in accordance with 10 CFR 73.21. In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and the enclosed inspection report, without the SGI enclosure, will be 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 website at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Sincerely,

**/RA/**

Wayne D. Lanning, Director  
Division of Reactor Safety

Docket No. 50-271  
License No. DPR-28

Enclosure: Inspection Report No. 50-271/02-007 (**Contains Safeguards Information**)

cc w/o encl: M. R. Kansler, Senior Vice President and Chief Operating Officer  
M. Hamer, Operating Experience Coordinator - Entergy Nuclear  
Vermont Yankee, LLC  
J. Kelly, Director, Licensing, Entergy Nuclear Operations, Inc.  
G. Sen, Manager, Licensing, Entergy Nuclear Vermont Yankee, LLC  
D. Tefft, Administrator, Bureau of Radiological Health, State  
of New Hampshire  
Chief, Safety Unit, Office of the Attorney General, Commonwealth  
of Massachusetts  
D. Lewis, Esquire  
G. Bisbee, Esquire  
J. Block, Esquire  
D. Katz, Citizens Awareness Network (CAN)  
M. Daley, New England Coalition on Nuclear Pollution, Inc. (NECNP)  
R. Shadis, New England Coalition Staff  
State of New Hampshire, SLO Designee  
State of Vermont, SLO Designee  
S. McGrail, Commonwealth of Massachusetts, SLO Designee

Mr. Jay K. Thayer

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