

September 14, 2001

Mr. Michael Kansler
Senior Vice President
Entergy Nuclear Northeast
Indian Point Unit 2 Station
Broadway and Bleakley Avenue
Buchanan, New York 10511

Dear Mr. Kansler:

SUBJECT: Indian Point 2 Operating License Transfer; follow-up

The purpose of this letter is to advise you of actions we expect to take in accordance with NRC's Reactor Oversight Program Action Matrix, and to confirm a meeting to discuss performance improvement at the Indian Point 2 (IP2) facility. On September 6, 2001, all of the license transfer activities were completed including the transfer of the operating license from Consolidated Edison (ConEd) of New York to the Entergy IP2 organization. As you are aware, plant performance has been in the Multiple/Repetitive Degraded Cornerstone column of NRC's Action Matrix based on several past performance indicators (PI) and inspection findings in the initiating events, and mitigating systems cornerstones. These degraded cornerstones were associated principally with performance problems identified as a result of an August 1999 reactor trip with electrical distribution system complications, and a February 2000 Steam Generator Tube Failure. ConEd's actions to address the previously degraded emergency preparedness cornerstone were recently reviewed by the NRC (Supplemental Inspection Report 05000247/2001-007, issued August 9, 2001). The NRC determined that these actions were acceptable in addressing the three White findings associated with this cornerstone, and noted that continued monitoring of this area is planned through baseline inspections and oversight of your performance improvement plan.

The NRC's annual assessment letter, dated May 31, 2001, listed additional inspections and reviews that are planned through the end of the year to assess performance. As stated in Inspection Report 05000247/2001-002, which transmitted the results of our 95003 inspection, the NRC will continue its heightened oversight of IP2 until the staff gains confidence that the performance improvement program has substantially addressed those performance weaknesses identified. In response, ConEd described performance improvement program initiatives, tied to its business planning process, that included both short-term and multi-year projects to effect improvement.

We understand from your May 24, 2001 letter, that you plan to approach improvement at IP2 in a manner similar to what was done previously at Entergy plants requiring significant improvement. Further, we understand that you plan a mid-cycle maintenance outage this Fall, and a significant self-assessment effort during the latter part of October. We understand the preliminary results of this self-assessment should be available by the end of November, and that you intend to use the results to update the performance improvement plan. In that regard, to obtain insights about your improvement plan, we have tentatively scheduled a regulatory performance meeting with IP2 senior management for December 20, 2001, at the plant. The purpose of this meeting is to gain a better understanding of the specific performance improvement plan you expect to execute at IP2. Of particular interest are areas where your plan may differ from that submitted by ConEd in their most recent Business plan, along with progress made toward internal milestones, specifically in the areas of engineering, corrective actions, and human performance.

Should you have any questions regarding expectations for this meeting, or upcoming inspections, contact Mr. Peter Eselgroth, Branch Chief for Indian Point Units 2 and 3, at (610) 337-5234.

Sincerely,

/RA/

Hubert J. Miller
Regional Administrator

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

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