



**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

Entergy Operations, Inc.

-3-

Enclosure:
Waterford 3 Inspection/Activity Plan

cc w/enclosure:
Executive Vice President and
Chief Operating Officer
Entergy Operations, Inc.
P.O. Box 31995
Jackson, Mississippi 39286-1995

Vice President, Operations Support
Entergy Operations, Inc.
P.O. Box 31995
Jackson, Mississippi 39286-1995

Wise, Carter, Child & Caraway
P.O. Box 651
Jackson, Mississippi 39205

General Manager, Plant Operations
Waterford 3 SES
Entergy Operations, Inc.
17265 River Road
Killona, Louisiana 70066-0751

Manager - Licensing Manager
Waterford 3 SES
Entergy Operations, Inc.
17265 River Road
Killona, Louisiana 70066-0751

Chairman
Louisiana Public Service Commission
P.O. Box 91154
Baton Rouge, Louisiana 70821-9154

Director, Nuclear Safety &
Regulatory Affairs
Waterford 3 SES
Entergy Operations, Inc.
17265 River Road
Killona, Louisiana 70066-0751

Michael E. Henry, Administrator
and State Liaison Officer
Department of Environmental Quality
P.O. Box 82135
Baton Rouge, Louisiana 70884-2135

Entergy Operations, Inc.

-4-

Parish President
St. Charles Parish
P.O. Box 302
Hahnville, Louisiana 70057

Winston & Strawn
1400 L Street, N.W.
Washington, D.C. 20005-3502

Federal Emergency Management Agency
Ron Castleman, Regional Director
Region VI, Federal Center
800 North Loop 288
Denton, Texas 76201-3698

Col. Michael L. Brown, Assistant Director
State Emergency Management
Military Department
Office of Emergency Preparedness
P.O. Box 44217
Baton Rouge, Louisiana 70804

Albert D. Laque, Parish President
St. Charles Parish
P.O. Box 302
Hahnville, Louisiana 70057

Sheriff Greg Champagne
St. Charles Parish
P.O. Box 426
Hahnville, Louisiana 70057

Rep. Gary L. Smith, Jr.
State of Louisiana, District 56
P.O. Box 189
Norco, Louisiana 70079

Senator Joel T. Chaisson, II
State of Louisiana, District 19
P.O. Box 1255
Destrehan, Louisiana 70047

Mr. Tab Troxler, Director
Dept. of Emergency Preparedness
St. Charles Parish
P.O. Box 302
Hahnville, Louisiana 70057

Mr. G. "Ram" Ramchandran
Councilman-at-Large, Div. A
St. Charles Parish
13 Hermitage Court
Destrehan, Louisiana 70047

Mr. Clayton "Snookie" Faucheux
Councilman-at-Large, Div. B
St. Charles Parish
140 North Oak Court
P.O. Box 1342
Luling, Louisiana 70070

Mr. Desmond J. Hilaire
Councilman, District 1
St. Charles Parish
P.O. Box 111
Hahnville, Louisiana 70057

Mr. Brian A. Fabre
Councilman, District 2
St. Charles Parish
322 Beaupre Drive
Luling, Louisiana 70070

Ms. Darnell "Dee" Abadie
Councilwoman, District 3
St. Charles Parish
237 Ormond Village Drive
Destrehan, Louisiana 70047

Mr. Terry Authement
Councilman, District 4
St. Charles Parish
P.O. Box 516
Boutte, Louisiana 70039

Ms. April Black
Councilwoman, District 5
St. Charles Parish
14 Bridle Path Lane
St. Rose, Louisiana 70087

Mr. Lance Marino
Councilman, District 6
St. Charles Parish
660 Pine Street
Norco, Louisiana 70079

Entergy Operations, Inc.

-6-

Mr. Barry Minnich
Councilman, District 7
St. Charles Parish
337 Wanda Street
Luling, Louisiana 70070

Nickie Monica, President
St. John the Baptist Parish
1801 West Airline Highway
LaPlace, Louisiana 70068

Mr. Paul Oncale
Public Safety Director
St. John the Baptist Parish
1801 W. Airline Highway
LaPlace, Louisiana 70068

Mr. Cleveland Farlough
Council at Large Div. A
St. John the Baptist Parish
P.O. Box 528
Reserve, Louisiana 70084

Mr. Duaine Duffy
Council at Large Div. B
St. John the Baptist Parish
145 River Oaks Drive
LaPlace, Louisiana 70068

Mr. Lester Rainey, Jr.
Councilman District I
St. John the Baptist Parish
P.O. Box 278
Edgard, Louisiana 70049

Mr. Allen St. Pierre
Councilman District II
St. John the Baptist Parish
3106 Hwy. 44
Reserve, Louisiana 70084

Mr. Richard Dale Wolfe
Councilman District III
St. John the Baptist Parish
P.O. Box 2289
Reserve, Louisiana 80084

Entergy Operations, Inc.

-7-

Mr. Ranney Wilson
Councilman District IV
St. John the Baptist Parish
1506 Delta Road
LaPlace, Louisiana 70068

Mr. Jobe' Boucvalt
Councilman District V
St. John the Baptist Parish
3013 Main Street
LaPlace, Louisiana 70068

Ms. Melissa Faucheux
Councilwoman District VI
St. John the Baptist Parish
P.O. Box 911
LaPlace, Louisiana 70068

Mr. Steve Lee
Councilman District VII
St. John the Baptist Parish
1506 Delta Road
LaPlace, Louisiana 70068

Institute of Nuclear Power Operations (INPO)
700 Galleria Parkway SE
Atlanta, Georgia 30339-5943

Electronic distribution by RIV:
 Regional Administrator (**EWM**)
 DRP Director (**ATH**)
 DRS Director (**DDC**)
 Senior Resident Inspector (**TRF**)
 Branch Chief, DRP/E (**WBJ**)
 Senior Project Engineer, DRP/E (**VGG**)
 Staff Chief, DRP/TSS (**PHH**)
 RITS Coordinator (**NBH**)
 V. L. Dricks, PAO (**VLD**)
 W. A. Maier, RSLO (**WAM**)
 C. J. Gordon (**CJG**)
 DRS Branch Chiefs (**TWP, ATG, CSM**)
 W. D. Travers, EDO (**WDT**)
 C. A. Carpenter, Chief, NRR/DIPM/IIPB (**CAC**)
 R. K. Frahm, PPR Program Manager, NRR/DIPM/IIPB (**RKF**)
 R. W. Borchardt, Associate Dir. for Inspection and Programs (**RWB1**)
 B. W. Sheron, Associate Dir. for Project Licensing and Technical Analysis (**BWS**)
 S. Morris, Acting Chief, Regional Operations Staff, OEDO (**SAM1**)
 H. Berkow, NRR Project Director (**HNB**)
 R. Gramm, Chief, Section 1, NRR/DLPM (**RAG**)
 N. Kalyanam, NRR Project Manager (**NXK**)
RidsNrrDipmlipb

S:\DRP\DRPDIR\EOC 2003\Assessment Letters\WAT.wpd

RIV:C:DRP/E	D:DRS	D:DRP	Signature	
WBJones;df;vlh	DDChamberlain	ATHowell	WBJones	
/RA/	/RA/	/RA/	/RA/	
2/ 27/03	2/27/03	2/28/03	3/4/03	

OFFICIAL RECORD COPY

T=Telephone

E=E-mail

F=Fax

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
	EMB - SSD&PCI		4			
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
	EMB - 50.59		1			
3	IP 7111102	Evaluation of Changes, Tests, or Experiments		03/31/2003	04/04/2003	Baseline Inspections
	RP-TM - RAD SAFETY TEAM		3			
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
	PSB-S1 - SECURITY BASELINE INSPECTION		1			
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
	PSB-EP1 - EP EXERCISE BASELINE INSPECTION		3			
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
	SEC-TI - SECURITY ORDER VERIFICATION (2515/148)		4			
3	IP 2515/148	Inspection of Nuclear Reactor Safeguards - Interim Compensatory Measures		06/16/2003	06/20/2003	Safety Issues
	OB-IN - INITIAL EXAM PREP		1			
3	X02246	WATERFORD - INITIAL EXAM (08/03)		08/04/2003	08/08/2003	Not Applicable
	EMB - TRIENNIAL FIRE PROTECTION		5			
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
	OB-IN - INITIAL EXAMS		4			
3	X02246	WATERFORD - INITIAL EXAM (08/03)		08/25/2003	08/29/2003	Not Applicable
	OB-RQ - REQUAL INSPECTION		2			
3	IP 7111111B	Licensed Operator Requalification		09/15/2003	09/19/2003	Baseline Inspections
	TI 150 - TI 150 RP VESSEL HEAD INSPECTION		1			
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
	EMB - ISI & ISI/SG INSPECTIONS		1			
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	
	ACCESSPI - ACRSA/PI		1			
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
	OPS PIR - PIR INSPECTION		3			
3	IP 71152B	Identification and Resolution of Problems		12/01/2003	12/12/2003	Baseline Inspections
	ALARA3 - ALARA PLANNING AND CONTROLS		1			
3	IP 7112102	ALARA Planning and Controls		12/01/2003	12/05/2003	Baseline Inspections
	EMB - PERMANENT PLANT MODIFICATIONS		1			
3	IP 711117B	Permanent Plant Modifications		01/12/2004	01/16/2004	Baseline Inspections