



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

May 13, 2004

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

**SUBJECT: ASSESSMENT FOLLOWUP LETTER - WATERFORD 3 STEAM ELECTRIC
STATION**

Dear Mr. Venable:

On May 5, 2004, the NRC staff completed a quarterly review of Waterford 3 Steam Electric Station. The assessment evaluated the performance indicators and inspection results for the first quarter of calendar year 2004. The purpose of this letter is to inform you of your safety performance during this period and our plans for a future inspection at your facility.

Overall, Waterford 3 operated in a manner that preserved the public's health and safety and fully met the cornerstone objectives. Plant performance for the most recent quarter of the assessment cycle was within the Regulatory Response Column of the NRC's Action Matrix based on an inspection finding being classified as having low to moderate safety significance (White). All performance indicators for the assessment period indicated performance at a level requiring no additional NRC oversight (Green).

On April 12, 2004, the NRC staff forwarded a letter concerning the final significance determination of an inspection finding in the Mitigating System cornerstone. The finding involved the failure to establish appropriate instructions and accomplish those instructions for installation of a fuel line for the Train A emergency diesel generator in May 2003. This resulted in uneven and excessive scoring of the fuel line tubing that ultimately led to a complete 360-degree failure of the fuel supply line on September 29, 2003, during a monthly surveillance test, rendering the Train A emergency diesel generator inoperable. The final significance of this finding was determined to be White.

As a result, we have assessed Waterford 3 performance to be in the Regulatory Response column of the NRC's Action Matrix. Therefore we plan to conduct a supplemental inspection using Inspection Procedure 95001, "Inspection for One or Two White Inputs In a Strategic Performance Area," during the week of August 23, 2004. This inspection procedure is conducted to provide assurance that the root causes and contributing causes of risk significant performance issues are understood, the extent of condition and cause are identified, and the corrective actions are sufficient to prevent recurrence.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter 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).

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ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Please contact William B. Jones at 817/860-8147 with any questions you have regarding this letter.

Sincerely,

/RA/

Arthur T. Howell III, Director
Division of Reactor Projects

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