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April 1, 2004

Indian Point Unit 2  
Docket No. 50-247  
Indian Point Unit 3  
Docket No. 50-286  
NL-04-034

Mr. Hubert J. Miller  
Regional Administrator - Region I  
Nuclear Regulatory Commission  
475 Allendale Road  
King of Prussia, PA 19406-1498

**Subject:** Response to the Annual Assessment Letter (for the period January 1 to December 31, 2003)

**Reference:** 1) Letter From Hubert J. Miller (NRC) to Fred Dacimo (Entergy), "Annual Assessment Letter - Indian Point Nuclear Generating Units 2 and 3 (Report 05000247/2004001 and 05000286/2004001)", dated March 3, 2004

Dear Mr. Miller:

This is in response to your letter dated March 3, 2004 regarding the end-of-cycle plant performance assessment of Indian Point Nuclear Generating Units 2 and 3. Since the acquisition of the two plants by Entergy, there have been a number of improvements in programs and processes at the Indian Point Energy Center (IPEC). Entergy respects the fact that NRC has recognized and acknowledged these improvements, and we recognize that additional improvements are necessary. Our programs, processes, and initiatives to accomplish these improvements are discussed below.

Entergy believes the Corrective Action Program (CAP) in place at IPEC is a cornerstone for the improvements in programs and processes that have been realized, and will serve to drive further improvements, including corrective action timeliness and quality. The CAP is an Entergy process implemented through the Paperless Condition Reporting System (PCRS), incorporating feedback and improvement through fleet-wide peer group review. All Condition Reports (CRs) are screened for significance level and assignment with senior management oversight. Significant CRs are reviewed by the Corrective Action Review Board (CARB), which is chaired by a senior manager, with department manager

representation to present the CRs. These Significant CRs also undergo an effectiveness review with subsequent presentation to the CARB. The CAP incorporates oversight by the Corrective Action and Assessment (CA&A) department through independent review of the responses to CRs to identify problems/weaknesses in CR responses. CA&A also uses various indicators (e.g., reject rates) to assess the overall health and effectiveness of the program. Independent oversight of the CAP is accomplished through reviews by the Quality Assurance Department and periodic independent reviews of CRs associated with safety related equipment by the site management team, with results reported directly to the Site Vice President.

Through the CAP, improvements realized by the site in 2003 include a significant reduction in the corrective action backlog and improved station performance as evidenced by various indicators. Based on the repeat causal event indicators, a decrease in significant events and repeat significant events and improvements in human performance have been realized as well.

A number of initiatives have been taken to increase the effectiveness of the CAP at IPEC. Training has been provided to station users to drive improvements in the quality of corrective action responses. Special training has been provided for the engineering staff under the ESP program and for the application of Kepner-Tregoe principles for root cause analyses. Individual department initiatives, such as the use of department mini-CARBs, have been taken to improve response quality. Each department now has a CAP Coordinator who interfaces directly with the CA&A department. CA&A has also instituted a process for sample review of CRs, which selects previous Non-CARB reports to be reviewed by the CARB for response quality. Challenging goals have been established to reduce the CR backlog. Work down curves have been generated by each department and are reviewed weekly with department managers to monitor the progress of ongoing backlog reduction initiatives. Lastly, a CAP Index has been implemented which represents a quality and timeliness indicator to identify focus areas for improvement. This CAP index drives continued improvement as it compares departmental performance to the station average. As the average performance improves, continued individual performance is required to maintain the quality of condition report response and issue resolution.

During January and February of 2004, the CA&A department provided seminar sessions to further improve the quality of both condition report responses and self assessments performed at IPEC. These presentations presented the expectations of the governing procedures and provided examples of quality responses to condition reports as well as quality self-assessments. IPEC continues to maintain a low threshold for initiating condition reports as evidenced by the large quantity of condition reports initiated.

Management Focus Areas have been identified for 2004 and include the areas of supervisory effectiveness, work management process, industrial safety/human performance, and material condition. Individual improvement initiatives/plans have been developed for all of these focus areas.

In September 2001, integration began with the selection of a leadership team consistent with efficient dual unit operations. The placement of the site leadership team down to the first line supervisor level was completed for all organizations by mid 2003. With the leadership teams in place, work began to develop common standards, expectations, programs, processes, and procedures. Significant progress has been made in these areas, and the station overall performance level has benefited greatly from the sharing of the best ideas and resources that each individual unit has to offer. Entergy is continuing this work with the goal of completing the remaining integration activities in a timely fashion, consistent with the conservative approach that will allow for event free operations.

Various deficiencies in documentation of the as-built condition of Indian Point 2 and in the availability of accurate design and licensing basis information have contributed to a number of problems that have impacted generation and led to increased regulatory concern. The mission of the Design Basis Initiatives project is to significantly increase the fidelity of the documented design basis for Indian Point 2. This will be characterized by improvements in configuration control, processes and programs, calculations and analyses; engineering drawings, procedures, and the modification process. There are approximately three dozen initiatives, such as Engineering Calculation Reconstitution, Fire Protection Program Improvements, Fuse Control Program, DBD Maintenance, and PM Optimization. Overall, the project is approximately 55% completed, and the schedule has been accelerated to achieve project completion of the current scope of work by the end of 2005.

Another significant initiative at IPEC is the reduction of the elective maintenance backlog. A plan has been implemented to review all open elective maintenance items to identify duplicates and to verify proper classification (CM/EM or other, such as station support), the condition still exists, the condition hasn't worsened, and the prioritization is correct. This phase has been completed; scheduling and work-off of the backlog is in progress.

We are committed to the safe and reliable operation of the Indian Point Energy Center, and we are confident that the improvements that have been realized and those underway will contribute to our goal to make IPEC a top performer.

No regulatory commitments are being made by Entergy in this correspondence.

Should you or your staff have any questions regarding this matter, please contact Mr. Patrick W. Conroy, Manager, Nuclear Licensing at (914) 734-6668.

Sincerely,



Fred R. Dacimo  
Site Vice President  
Indian Point Energy Center

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