



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION**

REGION I  
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KING OF PRUSSIA, PA 19406-2713

February 21, 2017

Mr. James R. Garb, MD FACOEM  
Pilgrim Legislative Advisory Coalition  
P.O. Box 823  
Yarmouth Port, MA 02675

Dear Mr. Garb:

I am responding to your December 17, 2016, and January 19, 2017, letters to then-Chairman Stephen Burns regarding degraded safety performance at Pilgrim. In those letters, you requested that the NRC order Pilgrim to be closed based on recent plant events and NRC inspection results, including the Inspection Procedure (IP) 95003 inspection observations communicated in the December 6, 2016, email.

I want to assure you that the NRC has concerns regarding degraded performance at Pilgrim, but we continue to conclude the plant remains safe to operate and that the Reactor Oversight Process (ROP) provides the means for ensuring the continued safety of the public under this circumstance.

As you are aware, on September 1, 2015, the NRC issued a White finding and Notice of Violation because Entergy had not adequately addressed a significant equipment problem that caused a failure of one of the plant's safety/relief valves in February 2013 and then caused a similar failure in January 2015. This issue combined with a failure to adequately address the causes of multiple reactor shutdowns at Pilgrim in 2013 were indications of degrading performance that moved them into Column 4 (the "Repetitive Degraded Cornerstone" Column) of the NRC ROP Action Matrix in Inspection Manual Chapter 0305.

When Pilgrim moved to Column 4, the NRC's oversight program directed the staff to complete a supplemental inspection, referred to as a "95003 inspection." The first objective of this inspection is to provide timely additional information to be used by the NRC in deciding whether the continued operation of the facility is acceptable and whether additional regulatory actions are necessary to arrest declining plant performance. The determination of unacceptable performance would result in moving the plant to Column 5 and ordering the plant to shut down.

In accordance with the procedure, to support timely assessment of the safety of continued operation and the need for additional regulatory action, Region I elected to complete the inspection in three phases, with Phase 'A' completed in mid-January of last year and Phase 'B' in April 2016. Both of these inspections reviewed aspects of Pilgrim's corrective action program to determine whether continued operation was acceptable or additional regulatory action was needed. Following completion of those inspections, the NRC concluded that Pilgrim continued to operate safely and that, at that time, additional regulatory action was not required.

As you know, Phase 'C' of the inspection is currently underway. The team completed three weeks of onsite inspection on January 13, 2017, and is currently finalizing the inspection results.

We expect to issue the report sometime in the early spring of 2017. There will also be two public meetings to discuss the inspection - one was held on January 31, 2017, and the other will take place in late March.

Column 5 of the Action Matrix is the "Unacceptable Performance Column." Entry into this column occurs when it is determined that licensee performance is unacceptable. At that point, adequate protection is no longer assured and continued plant operation is not acceptable. If this occurs, the NRC would issue a shutdown order.

According to Inspection Manual Chapter 0305, unacceptable performance represents situations in which the NRC lacks reasonable assurance that the licensee can or will conduct its activities to ensure protection of public health and safety. Section 10.02e discusses criteria for Column 5 entry and lists three examples of what unacceptable performance may include:

- 1) Multiple escalated violations of the facility's license, technical specifications, regulations, or orders.
- 2) Loss of confidence in the licensee's ability to maintain and operate the facility in accordance with the design basis (e.g., multiple safety-significant examples where the facility was determined to be outside of its design basis, either because of inappropriate modifications, the unavailability of design basis information, inadequate configuration management, or the demonstrated lack of an effective Corrective Action Program).
- 3) A pattern of failure of licensee management controls to effectively address previous significant concerns to prevent recurrence.

These examples have been applied to the results of the IP 95003 inspection results to date to evaluate the need for the NRC to take action to order the shutdown of the Pilgrim plant before the 2019 scheduled permanent shutdown date. The NRC has concluded based on the results of inspections to date that Pilgrim has not entered Column 5. More specifically this conclusion is based on the following:

- 1) Since Pilgrim's entry into Column 4, there have been no additional escalated enforcement violations, and the IP 95003 inspection team has identified only one potential greater than Green finding, to date.
- 2) Since entry into Column 4, there have not been multiple safety significant examples where the licensee was determined to be outside of its design basis. The inspection record has not identified multiple significant performance issues in design and configuration control and has, therefore, concluded there has been adequate performance in design and configuration control at Pilgrim.
- 3) There has not been a pattern of failure of licensee management controls to effectively address previous safety concerns to prevent recurrence.

The results of Phase 'C' of the IP 95003 inspection are currently being finalized, and during this process the NRC will continue to evaluate the need for additional action if the results indicate a degradation in site performance beyond Column 4. At a minimum, the Regional Office will issue a Confirmatory Action Letter to document the licensee's commitments, including those in its performance improvement plan, needed to ensure adequate protection of the public health and safety is maintained. The NRC will then conduct follow-up inspections to ensure actions taken to complete the commitments from the Confirmatory Action Letter are met. Pilgrim will not transition from Column 4 until all commitments are confirmed complete.

In the interim, the three NRC Resident Inspectors assigned to Pilgrim will continue to carry out our rigorous inspection program. NRC senior management will continue to conduct quarterly reviews of Pilgrim performance, with a particular focus on monitoring for additional performance decline. The NRC senior management has also engaged Entergy with more frequent site visits. And, in June 2016, the Commission met with Entergy officials to discuss its performance improvement plan at a public meeting at NRC headquarters. As our assessment of the plant's performance in Column 4 continues, the NRC may take additional regulatory actions as warranted, including additional supplemental inspections, or issuance of an order, up to and including a plant shutdown. We will also keep the public apprised of our assessment of Entergy's performance at Pilgrim and any additional regulatory actions through our public meetings, inspection reports, and letters.

The information that you provided regarding Entergy fleet performance, while information providing insights into the causes for the degraded performance at Pilgrim, does not provide a basis for shutting Pilgrim down. Decisions regarding the safe operation of an individual plant are based on the performance record of that plant. The ROP addresses issues regarding poor fleet performance that manifest themselves in poor individual site performance; and at that time action will be taken in accordance with the ROP to ensure the safety of the public.

Sincerely,

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Leonard M. Cline, Senior Project Engineer  
Reactor Projects Branch 5  
Division of Reactor Projects

Letter to Mr. James R. Garb from Leonard M. Cline dated February 21, 2017

DOCUMENT NAME: G:\DRP\BRANCH5\External Stakeholder Letter Responses\2017 Letters\Response to J Garb.docx

ADAMS Accession Number: **ML17052A299**

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