

July 26, 2000

The Honorable Sue W. Kelly
U.S. House of Representatives
Washington, D.C. 20515-3219

Dear Congresswoman Kelly:

I am responding to your letters of May 26, 2000, June 14, 2000, and June 28, 2000, in which you expressed continued concern about operation of the Indian Point Nuclear Generating Unit No. 2 (IP2) following the steam generator tube failure at IP2 on February 15, 2000. You requested that we take into consideration the report from our Office of the Inspector General (OIG) when the Nuclear Regulatory Commission (NRC) makes its decision regarding the restart of IP2. You also noted issues regarding the NRC staff's handling of the review of Consolidated Edison's (Con Ed's) proposal to restart IP2 with the existing steam generators, the designation of IP2 as an "agency focus" plant, and other related matters.

As you are aware from discussions with NRC staff, since the February 15, 2000, event, Con Ed has inspected the tubes in all four steam generators, and has taken a number of tubes out of service. Con Ed submitted its Operational Assessment Report of June 2, 2000, requesting the NRC's approval to allow operation of IP2 with the current steam generators, which Con Ed has stated its intention to replace by the end of the year. As you know, the NRC staff has reviewed Con Ed's report and has determined that there is an insufficient technical basis at this time to permit operation to resume. The results of staff's review were transmitted by letter to Con Ed on July 20, 2000; a copy of that letter was provided to you. The staff has requested additional information from Con Ed with regard to the operational assessment and will continue its review when Con Ed has provided the information requested. Under no circumstances will Con Ed be permitted to restart IP2 with the existing steam generators unless and until the staff determines that a sufficient technical basis for such action exists.

An OIG review of the issues before and after the February 15, 2000, event is ongoing, and the results are scheduled to be reported in mid-August. The OIG will provide safety-significant insights to me and the staff as appropriate during the course of its investigation. If weaknesses in the staff's review process are found, we will take appropriate action to strengthen those processes.

As you note in your June 14, 2000, letter, the NRC has designated IP2 an "agency focus" plant. Such a designation does not indicate that the plant is unsafe to operate. Rather, it indicates that the NRC has increased its oversight activities at the plant to ensure that its safety performance meets the NRC's requirements, and that prompt corrective actions are taken by the licensee to address identified deficiencies. IP2 will remain an "agency focus" plant until such time as the NRC determines through its plant oversight process that the plant's

performance merits removal from that category. Also noted in your letter of June 14, 2000, is your belief that Con Ed did not disclose certain information relative to programs under the auspices of the Institute of Nuclear Power Operations. I hope you found the response to your concern in a letter dated June 29, 2000, from Mr. Hubert Miller, Regional Administrator Region I, to be satisfactory.

The NRC staff has kept the Commission fully informed of the status of IP2 and of the staff's findings. The NRC staff will inform the Commission, internal stakeholders including OIG, as well as the public in the vicinity of the plant, of the results of the review of the IP2 steam generator operational assessment, prior to issuing its decision on the restart of the plant.

I can assure you that the NRC staff's and Commissioners' primary concern is that the health and safety of the public in the vicinity of IP2 is protected. The NRC will approve future operation of the plant with the current steam generators only if we conclude that the generators meet the tube integrity performance criteria discussed in the NRC's July 20, 2000, letter to Con Ed, and can be operated so as to pose no undue risk to public health and safety.

I appreciate the extent of your concern in these matters. If you have additional questions, please contact me.

Sincerely,

/RA/

Richard A. Meserve