

March 31, 2000

Mr. A. Alan Blind
Vice President - Nuclear Power
Consolidated Edison Company of
New York, Inc.
Indian Point 2 Station
Broadway and Bleakley Avenue
Buchanan, NY 10511

SUBJECT: PLANT PERFORMANCE REVIEW - INDIAN POINT 2

Dear Mr. Blind:

The purpose of this letter is to communicate our assessment of your performance and to inform you of our planned inspections at your facility. On February 23, 2000, we completed a Plant Performance Review (PPR) of Indian Point 2. We conduct these reviews to develop an integrated overview of the safety performance of each operating nuclear power plant. We use the results of the PPR in planning and allocating inspection resources and as inputs to our senior management meeting (SMM) process. This PPR evaluated inspection results and safety performance information for the period from January 16, 1999 through January 31, 2000, but emphasized the last six months to ensure that our assessment reflected your current performance. Our most recent summary of plant performance at Indian Point 2 was provided to you in letters dated April 9, 1999 and September 30, 1999, and was discussed with you in a public meeting on November 23, 1999.

The NRC has been developing a revised reactor oversight process that will replace our existing inspection and assessment processes, including the PPR, the SMM, and the Systematic Assessment of Licensee Performance (SALP). We recently completed a pilot program for the revised reactor oversight process at nine participating sites and are making necessary adjustments based on feedback and lessons learned. We plan to begin initial implementation of the revised reactor oversight process industry-wide on April 2, 2000.

This PPR reflects continued NRC process improvements as we make the transition into the revised reactor oversight process. You will notice that the following summary of plant performance is organized differently from our previous performance summaries. Instead of characterizing our assessment results by SALP functional area, we are organizing the results into the strategic performance areas embodied in the revised reactor oversight process. In addition, we have considered the historical performance indicator data that you submitted in January 2000 in conjunction with the inspection results in assessing your performance. The results of this PPR were used to establish the inspection plan in accordance with the new risk-informed inspection program (consisting of baseline and supplemental inspections). Although this letter incorporates some terms and concepts associated with the new oversight process, it does not reflect the much broader changes in inspection and assessment that will be evident after we have fully implemented our revised reactor oversight process.

During the last several months, Indian Point Unit 2 operated at power for periods of time but was impacted by two significant events, each of which led to an extended outage. The first significant event involved an August 1999 automatic reactor shutdown that was complicated by an electrical transient that adversely affected important safety-related equipment and control room annunciators. This resulted in a six-week-long plant shutdown during which ConEd management developed and implemented an IP2 Recovery Plan to guide not only your assessment of the event, but also the development of short and long term corrective actions. An NRC Augmented Inspection Team (AIT) performed the initial fact-finding review of the event, while a subsequent follow-up team assessed your short-term corrective actions.

After the end of the assessment period, in February 2000, a second significant event occurred. A steam generator tube failed which resulted in declaration of an Alert. An AIT was conducted and expects to issue findings soon. Because this event occurred after the end of the assessment period, it is not part of the plant performance review described herein. As part of the evaluation of the AIT results, the NRC will determine if additional inspection is warranted. We will inform you of these decisions by separate correspondence.

Overall, events and related findings during the assessment period represented issues that were of substantial safety significance. While the August 1999 event challenged safe operation, safety margins were maintained at an acceptable level. In an effort to understand your response to these performance issues, additional inspection resources will be allocated in certain areas as noted in this letter.

The significant performance issues in the reactor safety strategic performance area included weaknesses in communications and coordination, configuration management/control, engineering support, and the corrective action program. These weaknesses were evidenced for example, by equipment problems and delayed mitigative actions associated with the August 1999 event. Some of the equipment problems led to significant complications such as the unnecessary lockout of offsite power supplies and the complete loss of power to some safety equipment. Ongoing problems in station work control processes, large corrective action backlogs, and repeat problems in the area of emergency preparedness (EP) were additional manifestations of these weaknesses. The EP problems caused your performance indicator (PI) for EP drills and exercises to cross a threshold that warrants additional NRC inspection.

In the reactor safety strategic performance area, we currently plan to perform baseline inspections and to perform supplemental or initiative inspections of (1) plant modifications and engineering support, (2) your corrective action program self-assessment activities, (3) your backlog reduction efforts, (4) your long-term improvements in response to the August 1999 event, and (5) emergency preparedness.

In November 1999, you revised your IP2 Recovery Plan to address the longstanding issues that the August 1999 event revealed. This revision described, in some detail, improvement initiatives in twelve focus areas. You recently transitioned from the recovery plan to an integrated business plan. We expect to meet with you to understand how your recovery plan commitments will be monitored and what changes, if any, to program scope and priorities are being made as you make this transition and respond to the recent steam generator tube failure.

No significant performance issues were identified in the radiation safety or safeguards strategic areas. Therefore, we currently plan to perform our normal baseline inspections in these areas.

Enclosure 1 contains a historical listing of plant issues, referred to as the Plant Issues Matrix (PIM), that were used during this PPR process to arrive at our integrated view of your performance trends. The PIM for this assessment is grouped by the prior SALP functional areas of operations, maintenance, engineering and plant support, although the future PIM will be organized along the cornerstones of safety as described in the revised reactor oversight process. The attached PIM includes items summarized from inspection reports or other docketed correspondence between the NRC and Consolidated Edison regarding Indian Point 2. We did not document all aspects of licensee programs and performance that may be functioning appropriately. Rather, we only documented issues that we believe warrant management attention or represent noteworthy aspects of performance. In addition, the PPR may also have considered some predecisional and draft material that does not appear in the attached PIM, including observations from events and inspections that had occurred since our last inspection report was issued, but had not yet received full review and consideration. We will make this material publically available as part of the normal issuance of our inspection reports and other correspondence.

Enclosure 2 lists our planned inspections for the period April 2000 through March 2001 at Indian Point 2 to allow you to resolve scheduling conflicts and personnel availability in advance of our inspector arrival onsite. The inspection schedule for the latter half of the period is more tentative and may be adjusted in the future due to emerging performance issues at Indian Point 2 or other Region I facilities. Routine resident inspections are not listed due to their ongoing and continuous nature.

We will inform you of any changes to the inspection plan. If you have any questions, please contact Peter Eselgroth of my staff at (610) 337-5234.

Sincerely,

/RA/

A. Randolph Blough, Director
Division of Reactor Projects

Docket No. 50-247
License No. DPR-26

Enclosures: 1. Plant Issues Matrix
2. Inspection Plan

Mr. A. Alan Blind

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cc w/encls:

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J. McCann, Manager, Nuclear Safety and Licensing

B. Brandenburg, Assistant General Counsel

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J. Ferrick, Operations Manager

C. Donaldson, Esquire, Assistant Attorney General, New York Department of Law

P. Eddy, Electric Division, Department of Public Service, State of New York

T. Rose, NFSC Secretary

F. William Valentino, President, New York State Energy Research
and Development Authority

J. Spath, Program Director, New York State Energy Research
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Mr. A. Alan Blind

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