



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064**

March 31, 2000

Charles M. Dugger, Vice President
Operations - Waterford 3
Entergy Operations, Inc.
17265 River Road
Killona, Louisiana 70066-0751

**SUBJECT: PLANT PERFORMANCE REVIEW - WATERFORD STEAM ELECTRIC
STATION, UNIT 3**

Dear Mr. Dugger:

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 March 2, 2000, we completed a Plant Performance Review (PPR) of Waterford Steam Electric Station, Unit 3 (Waterford 3). 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 25, 1999, through February 11, 2000, but emphasized the last 6 months to ensure that our assessment reflected your current performance. Our most recent summary of plant performance at Waterford 3 was provided to you in a letter dated September 16, 1999.

The NRC has been developing a revised reactor oversight process that will replace our existing inspection and assessment processes, including the PPR, SMM, and 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 are beginning initial implementation of the revised reactor oversight process industry-wide, including your facility, on April 2, 2000.

This PPR reflects continued 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 arenas embodied in the revised reactor oversight process. Additionally, in assessing your performance, we have considered the historical performance indicator data that you submitted in January 2000 in conjunction with the inspection results. 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.

Waterford 3 experienced three reactor trips since June 1999. One trip was automatic and was caused by the loss of a nonsafety-related electrical bus; the associated loss of electrical power to the bus resulted in the loss of two reactor coolant pumps. In addition, there were two manual reactor trips related to a defective reactor coolant pump seal baffle. From an overall perspective, the NRC noted several performance issues during this assessment period; however, we note that Waterford 3 continues to operate in a safe manner.

Waterford's implementation of programs in the reactor safety strategic performance arena demonstrated overall safe plant operations. However, exceptions in the effective implementation of numerous programs were observed. Specifically, weaknesses were noted in the conduct of plant operations, the quality of maintenance activities, and the condition of plant material and equipment. A special inspection was conducted to review errors which led to an inadvertent draindown of the reactor coolant system while the plant was shutdown. The inspection revealed weaknesses in operator performance and in your preventive maintenance program. In addition, two plant shutdowns were required to repair a failed seal baffle plate on Reactor Coolant Pump 2B. Based on our assessment of your performance in the reactor safety strategic performance area, we have determined that the baseline inspection program can adequately monitor Waterford's performance. We will, however, review the corrective actions which you implemented for your unplanned shutdowns as part of our baseline inspections.

We did not identify any significant performance issues in the radiation safety strategic performance arena; therefore, only baseline inspections are planned.

In the safeguards strategic performance area, problems continued to be identified with your implementation of the security program. Broad-based concerns with security force performance have been an ongoing concern for the past 2 years. Numerous violations were identified in the areas of access control, lock and key control, inadequate training and qualification of security personnel, security lighting, and failure to maintain control of safeguards information. Review of your corrective actions for these violations will be conducted as part of the baseline inspection. In addition, a followup inspection to evaluate corrective actions for previously identified security performance issues is currently ongoing. NRC action stemming from this inspection will be determined and communicated following the completion of the inspection.

The concerns identified in the reactor safety and safeguards strategic performance arenas indicate continued problems with personnel performance and weaknesses in your processes for problem identification and resolution. Problems caused, at least in part, by a lack of attention to details and excessive personnel errors continued to be identified during this assessment period. This concern has also been identified during past assessments. Your corrective actions to address weaknesses in these areas will, therefore, be reviewed as part of the baseline inspection program.

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 regarding Waterford 3. 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 Waterford 3 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 Waterford 3 or other Region IV facilities. We also included some NRC noninspection activities in Enclosure 2 for your information. 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 me at (817) 860-8250.

Sincerely,
Original Signed By:
Kriss M. Kennedy for PHH

P. Harrell, Chief
Project Branch D
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Docket No.: 50-382
License No.: NPF-38

Enclosures:

1. Plant Issues Matrix
2. Inspection Plan

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