

September 5, 2000

The Honorable Sue W. Kelly
United States House of Representatives
Washington, D.C. 20515

Dear Congresswoman Kelly:

I am responding to your letter of July 11, 2000, in which you and Representatives Gilman and Lowey requested (1) that the decision on the proposal by Consolidated Edison of New York, Inc. (ConEd), to restart its Indian Point Nuclear Generating Unit No. 2 (IP2) with the existing steam generators be suspended until the investigation by the U.S. Nuclear Regulatory Commission's (NRC's) Office of the Inspector General (OIG) and the General Accounting Office (GAO) study are concluded and (2) that the final decision on restart be rendered by the full Commission. In your letter of July 12, 2000, you also requested that the Commission hold a briefing on the proposed restart of IP2 before a final decision on restart is made.

The NRC staff remains focused on its mission to protect public health and safety. Although the ultimate responsibility for safe operation rests with the plant operators, the NRC uses its regulatory oversight functions to monitor performance and ensure that licensees comply with regulations. As I have stated in the past, the NRC has concluded that public health and safety have been adequately protected at IP2. However, the NRC recognizes your concern about events at the plant and recognizes the importance of our continued close attention to ConEd's corrective actions for performance problems. On May 25, 2000, NRC senior managers briefed the Commission regarding a number of noted weaknesses at IP2 that had led to their determination that the plant warrants oversight as an "agency focus" plant. Because of this action, the NRC staff is applying additional resources and oversight of the licensee's program and corrective actions to improve overall plant performance. The issues identified in your letter were included in the staff's assessment when it made the decision to commit additional resources to NRC's oversight of IP2, and these areas will be closely monitored in the future.

As you are aware, ConEd announced its decision to replace the existing steam generators before restarting IP2. ConEd's steam generator replacement team, which includes Duke Engineering & Services and Morrison Knudsen, has begun work, and ConEd's current schedule provides for the completion of the steam generator replacement project before the end of the year. The NRC staff will focus its oversight on ConEd's replacement work, monitor the inspections of the new steam generators, and conduct inspection and assessment activities associated with the NRC's designation of IP2 as an "agency focus" plant.

The staff has kept and will continue to keep the Commission fully informed of its review activities, both as they relate to the restart of IP2 and to the licensee's overall corrective actions to improve plant performance. The Commission believes that the staff is taking appropriate actions to ensure that the health and safety of the public will continue to be maintained.

The staff will cooperate with GAO as it proceeds to study the overall performance of the facility and will consider any insights from the GAO study in the NRC's oversight of the licensee's performance. In addition, the Commission recently received the OIG's report on NRC's response to the steam generator tube failure at IP2. In response to the report, I have directed the NRC's Executive Director for Operations to conduct a review and analysis of the issues raised in the report, as well as the issues raised in the independent technical review conducted by NRC's Office of Nuclear Regulatory Research. As part of the review, recommendations will be developed for improving NRC processes.

Please contact me if you have any further questions.

Sincerely,

/RA/

Richard A. Meserve