

November 14, 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 October 23, 2000, in which you requested a report on the circumstances surrounding a reported spill of radioactive material during steam generator replacement activities at the Indian Point Nuclear Generating Unit No. 2 (IP-2). In particular, you requested the details regarding its occurrence and the corrective actions that have been taken. You also requested a detailed report on the status of efforts undertaken by the U.S. Nuclear Regulatory Commission (NRC) and Consolidated Edison of New York, Inc. (Con Edison) to address the problems identified at IP-2, including the issues raised in the NRC Office of the Inspector General's (OIG) report. Further, you requested an explanation regarding how the NRC plans to review Con Ed's proposal to restart IP-2 following the steam generator replacement. In addition, you reiterated your request that a Commission hearing be held prior to restart and that the NRC's restart decision be rendered by a Commission vote rather than by the NRC staff.

In a letter dated October 19, 2000, the Citizens Awareness Network (CAN) and the Westchester Peoples Action Coalition (WESPAC) alleged that a spill of radioactive waste had occurred at IP-2 on October 4, 2000, causing radioactive water to flood the containment building. On the basis of this allegation, CAN and WESPAC requested that the NRC revoke, pursuant to 10 CFR 2.206, the IP-2 operating license. In response to this letter, the NRC staff and Con Edison reviewed steam generator replacement activities on or about October 4 for indication of such an event. Neither the NRC staff nor Con Edison has been able to find a spill even remotely matching the description provided by CAN and WESPAC. Rather, the NRC noted that two very small spills, on the order of several ounces of liquid, associated with the removal of steam generator no. 21 had occurred during the first week of October. One appeared to be oil left from the cutting operation that collected around the steam generator manway while it was being removed from containment, and the second one involved water that dripped from the steam generator nozzle plate. Both of these minor "spills" occurred while the steam generator was within the radiologically controlled area and Con Edison took appropriate immediate corrective action. No personnel contaminations were reported. No NRC regulatory limits related to radioactive exposures to personnel or releases to the environment were exceeded or even approached. On October 31, 2000, the NRC staff held a telephone conversation with one of the representatives from CAN who had signed the October 19 letter in order to better understand the basis for the allegation. During the call, the NRC discussed the findings stated above and explained that the NRC has been unable to verify the allegation. Although the NRC staff offered the CAN representative the opportunity to address the NRC's Petition Review Board with additional information or to have the issue treated as an allegation,

she declined both. Thus, the NRC informed the CAN representative that a letter rejecting the issue as a 10 CFR 2.206 petition will be issued shortly.

As you are aware, the OIG Report, "NRC's Response to the February 15, 2000, Steam Generator Tube Rupture at Indian Point Unit 2 Power Plant," was provided to the Commission on August 29, 2000. In response to the report, I 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. I also asked the Executive Director for Operations to provide recommendations for improving NRC processes. I enclose copies of the staff's analysis of the OIG report and the Lessons Learned report developed following the IP-2 tube rupture. The NRC staff has an action plan in preparation, and we will provide it to you as soon as it becomes available.

The NRC has been closely monitoring the replacement of the steam generators, other outage activities, and Con Edison's actions to improve overall plant safety performance described in its Business Plan. After designating IP-2 for additional "Agency Focus" in May 2000, and subsequently identifying it as having "multiple degraded cornerstones" under the new Reactor Oversight Process, the NRC staff continues to provide heightened management and inspection oversight of IP-2. On September 11, 2000, the NRC held a management meeting with Con Edison to review progress on improvement actions at the plant. On October 10, 2000, the NRC issued an assessment follow-up letter to Con Edison, summarizing its plans for overseeing performance improvement efforts at IP-2 (enclosed). As noted in that letter, the specific nature and level of our planned oversight activities have been determined through the use of the significance determination process and "Action Matrix" guidelines of the new Reactor Oversight Process. In particular, the NRC staff will conduct a number of activities above NRC baseline oversight for the IP-2 facility. These include monitoring the utility's implementation of its 2000 Business Plan and performing additional NRC inspections. During a meeting on October 25, 2000, with the NRC staff, Con Edison described its plans for conducting walkdowns and reviews of its significant safety systems before restart. The NRC plans to observe aspects of these system reviews as well as an in-depth safety system functional assessment that Con Edison will be conducting of the 125 volts dc electrical system.

In addition to the inspection of the steam generator replacement project, the NRC has recently concluded two on-site team inspections involving the licensee's problem identification and resolution and operator requalification programs. The results of these inspections will be issued in November. The NRC plans to augment its inspection coverage during Con Edison's pre-startup preparations through initial power operation. Furthermore, an NRC team inspection is currently being planned and coordinated for the January 2001 time-frame. The team will consist of approximately 13 inspectors, who will spend approximately three weeks on-site. The team will assess Con Edison's activities to address the causes for the degraded cornerstones at IP-2 and the implementation of corrective actions to sustain improvement. The inspection will, among other things, include a comprehensive review of system design, configuration control, and equipment performance.

The NRC has attempted to keep the public informed of these activities. Several meetings have been held in the vicinity of IP-2 site since the February, 2000 steam generator tube failure. Recently, on October 11, 2000, the NRC met with the public in the local area to review the new

Reactor Oversight Program for reactor plants, in general, and to brief the public on our plans for meetings and inspections at IP-2. The NRC also plans to hold a meeting near the IP-2 site in mid-November to provide the public a status of identified issues, to summarize recent inspection activities, and to address public inquiries on IP-2.

As I noted in my September 5, 2000, letter to you, 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 IP-2 and to the licensee's overall corrective actions to improve plant performance. The Commission continues to believe that the staff is taking appropriate actions, in accordance with the reactor oversight program and other pertinent regulations, to ensure that the health and safety of the public will continue to be maintained. Therefore, the Commission does not believe that a restart hearing or Commission vote is necessary. However, as with any nuclear power facility, should the NRC find in the future that NRC regulations are not being met or that reasonable assurance of public health and safety is not being maintained, the NRC will take appropriate action under its statutory authority.

I trust that this letter addresses your concerns.

Sincerely,

/RA/

Richard A. Meserve

Enclosures: As stated