

December 14, 2000

Mr. David A. Lochbaum  
Nuclear Safety Engineer  
Union of Concerned Scientists  
1707 H Street NW Suite 600  
Washington, DC 20006-3919

SUBJECT: YOUR LETTER, DATED NOVEMBER 29, 2000

Dear Mr. Lochbaum:

This letter is in response to your November 29, 2000, letter to the NRC regarding a Notice of Violation the NRC issued on November 20, 2000, to Consolidated Edison (Con Ed) for a violation that occurred at its Indian Point 2 facility. The violation involved Con Ed's failure in 1997 to fully identify and correct a significant condition adverse to quality involving the steam generators at Indian Point 2, despite opportunities during its 1997 steam generator inspections to do so. The significant condition adverse to quality entailed the presence of primary water stress corrosion cracking (PWSCC) flaws in four Row 2 steam generator tubes, in the small-radius low-row U-bend apex area. The significant condition adverse to quality was not identified and corrected during that 1997 steam generator inservice inspection, because Con Ed did not adequately account for conditions that adversely affected the detectability of, and increased the susceptibility to, tube flaws. This issue was classified as a red finding under the NRC Revised Reactor Oversight Program.

In your letter, you expressed concern that Con Ed has not accepted the violation documented in the NRC November 20, 2000 letter, noting that Con Ed maintained: (1) during a September 26, 2000 Regulatory Conference with the NRC, that its 1997 steam generator inspection met the requirements of then current industry guidelines; and (2) in media accounts which you had seen since the NRC issuance of the Notice of Violation, that the company did nothing wrong. You requested that Con Ed not be allowed to restart Indian Point 2 until it accepts accountability for the violation or until the plant is transferred to a new owner.

The NRC issuance of this violation does not require Con Ed to agree that a violation related to its 1997 activities occurred. However, Con Ed is required to ensure that its subsequent steam generator inspections will identify and correct conditions adverse to quality and otherwise take steps to address corrective action program weaknesses. Con Ed has not yet provided a response to the NRC Notice of Violation issued on November 20, 2000. However, after the steam generator tube failure at Indian Point 2 in February 2000, Con Ed improved its steam generator inspections. For example, during its April 2000 inspection of the steam generators conducted prior to its decision to replace all four of the steam generators, Con Ed performed a reevaluation of the 1997 SG inspection data using noise elimination techniques, and also used a higher frequency probe to conduct the inspections. In addition, after Con Ed subsequently decided to replace all four steam generators, it completed a pre-service eddy current inspection of the new steam generators' tubes. The NRC monitored aspects of both of these inspections.

More fundamentally, as part of the NRC's heightened oversight of the Indian Point 2 facility, the NRC has monitored Con Ed's actions to improve its corrective action program. Assessment of corrective actions has been an element of each of the numerous inspections that have been performed at the facility. One recent inspection, a Problem Identification and Resolution (PI&R) inspection (Inspection Report No. 50-247/00-012 issued December 4, 2000), focused specifically on this issue. While that inspection identified several findings indicating continuing challenges with respect to corrective actions, the findings were of low risk significance (green).

In summary, (1) subsequent to the February 2000 steam generator tube failure, Con Ed improved its steam generator inspections so as to identify and correct problems, (2) Con Ed has replaced all four steam generators, and the NRC has reviewed the inspection results, and (3) the NRC has performed on-going inspections of Con Ed's ability to identify, prioritize, and correct issues, including during the recent PI&R inspection. At present, we see no issues that warrant NRC intervention with plant startup. However, we will continue to closely monitor the licensee's testing and other restart activities. Furthermore, consistent with the action matrix for determining NRC followup for a plant with multiple degraded cornerstones, the NRC will continue to focus on the licensee's actions to improve the corrective action program performance. This will, for example, be a key focus area in the upcoming supplemental inspection (NRC Inspection Procedure 95003) scheduled to begin in January 2001. Finally, the NRC will review Con Ed's response to the Notice of Violation, when it is submitted, and will determine what, if any, additional action is warranted.

A copy of this letter, as well as you incoming November 29, 2000 letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Electronic Reading Room). Should you have any further questions or concerns related to this issue, please contact Brian Holian of my staff at 610/337-5128.

Sincerely,

**IRAI**

Hubert J. Miller  
Regional Administrator

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