

April 23, 2001

Mr. James Riccio
Public Citizen's Critical Mass Energy
& Environmental Program
215 Pennsylvania Avenue, S.E.
Washington, D.C. 20003

Dear Mr. Riccio:

I am responding to your letter of March 5, 2001 in which you requested that I meet with you and Mr. David Lochbaum regarding the Indian Point Nuclear Generating Unit No. 2 (IP2). I met with you on March 7, 2001, and hope that you found this meeting to be beneficial.

In your letter and in our subsequent meeting you raised concerns about conclusions in a recent U.S. Nuclear Regulatory Commission (NRC) inspection report pertaining to the Reactor Protection System (RPS), among other issues. In your letter, you state you have information that contradicts these conclusions and you question why the inspector's review of RPS issues was limited to a few Consolidated Edison (Con Edison) condition reports. Finally, you questioned the adequacy of Con Edison's 1997 response to NRC's 10 CFR 50.54(f) letter regarding design basis documentation.

The inspection report to which you referred is a report documenting numerous reviews by NRC resident inspectors and regional specialists between November 19 and December 30, 2000. As this inspection report and a separate letter issued before plant restart indicate, our staff inspected many activities and issues in this period. In addition to performing baseline inspections, we examined activities associated with the modification, testing, and restoration of plant systems after the steam generator replacement. We undertook a variety of special inspection initiatives to assess the readiness of plant systems and equipment. We devoted significant resources to assessing issues which emerged during these reviews and plant restoration activities, including those affecting such functions as residual heat removal system flow, containment pressure control, diesel generator starting sequence, and battery capacity.

Our review of reported problems with the RPS was consistent with our inspection process, and involved the sampling of issues or conditions which, in the judgment of inspectors, potentially affected the ability of equipment to perform its intended safety functions. During the period before plant restart, in the normal screening of condition reports generated by Con Edison's corrective action process, our resident inspectors became aware of wiring and drawing discrepancies in the RPS. The resident inspectors and regional specialists selected for examination condition reports on cable separation problems which potentially affected system operability. We believe our inspection and assessment of these issues provided reasonable assurance that the discrepancies reported were not of a nature that would prevent this system from performing its intended safety function. We believe, contrary to your statements regarding "lack of a questioning attitude" by NRC staff, that our inspectors were appropriately thorough.

Our inspections and review of RPS issues continued past restart and the end of the inspection period covered in the January 30, 2001, inspection report. We are still inspecting RPS issues, examining, among other things, information contained in other condition reports, some of which you described in your meeting with me. While we continue to identify issues similar to those previously raised, we have found none that would render the system incapable of performing its intended safety functions. Confidence in the ability of the RPS to perform these functions is enhanced by the frequent testing conducted by Con Edison pursuant to detailed requirements in the technical specifications. If at any time Con Edison or the NRC were to determine there was a significant problem associated with the RPS, Con Edison would be required to take action in accordance with the condition of its license, up to and including plant shutdown for problems affecting operability.

For the past several years, the NRC has raised concerns with Con Edison about design control and engineering support at the IP2 plant, of which the RPS issues are a subset. Along with other performance issues, the NRC considered design control and engineering support issues in designating IP2 as an "agency focus" facility warranting heightened oversight in May 2000. At the March 2, 2001, public exit meeting associated with the 95003 supplemental inspection, we have continued to identify weaknesses in this area. As we indicated at that exit meeting, we expect Con Edison to reassess its improvement efforts related to design control and inform us of planned changes to address identified issues.

We have taken numerous steps to keep the public accurately informed of our inspections, assessments, and findings at the IP2 plant. As you know, we instituted a special website and have held numerous public meetings over the past year. We believe that our communications on IP2 matters have been extensive and accurate.

Your letter also expressed concern that the RPS issues call into question the adequacy of Con Edison's response to our letter requesting, under 10 CFR 50.54(f), information on design basis documentation. In a December 4, 2000, petition that you, among others, submitted under 10 CFR 2.206, you raised similar concerns. We are reviewing your petition and expect to respond in detail to this item by July 2001.

I understand that you have informed the NRC's Office of the Inspector General and Congressional oversight committees of your concerns. A copy of this response, along with your March 5, 2001, letter, will be forwarded to these parties. If you have any further questions please contact me.

Sincerely,

/RA/

Richard A. Meserve