

October 8, 2004

The Honorable Hillary Rodham Clinton
United States Senate
Washington, D.C. 20510

Dear Senator Clinton:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am writing in response to your letter dated September 29, 2004, concerning the Indian Point Energy Center. In your letter, you requested a detailed update on the contingency plan in case of a strike by the plant's security force and a list of existing maintenance problems at the plant as well as the NRC's time line for requiring corrective actions. The issue regarding the potential strike of the Indian Point security force was addressed in my letter dated October 1, 2004. The purpose of this letter is to address your concern about the NRC's oversight of Entergy's maintenance efforts at Indian Point.

The recent valve problems at Indian Point Unit 2 resulted in two unplanned shutdowns and several power reductions. During these events, safety systems performed as designed, and the operators responded appropriately to the plant conditions. NRC inspectors have been following up on these recent events. A list of the associated equipment issues is enclosed. It should be noted that none of these issues are safety related. After the inspection is complete and the results are reviewed, NRC's assessment of these issues will be documented in an inspection report. In addition, the NRC's reactor oversight process uses performance indicators to evaluate unplanned shutdowns and power reductions. Based on a preliminary review of the Indian Point Unit 2 performance indicators by the inspectors, the recent events did not result in any performance indicator deviating from the region of very low safety significance.

One focus of the NRC inspection program is on how well licensees identify and address equipment issues that arise at their facilities. If an issue impacts the operability of a system required by a plant's technical specifications, the priority and time frame for corrective action are explicit. The NRC has established technical specifications for every nuclear power plant that prescribe the complement of equipment necessary to operate safely, and the licensee's compliance in this regard is routinely assessed by the NRC's resident inspectors. Outstanding maintenance items and ongoing maintenance activities are reviewed by the inspectors to ensure that safety-related equipment is capable of performing its intended function. As of October 4, 2004, there were no outstanding maintenance items at Indian Point that would require corrective actions within the time frames specified in the technical specifications.

Although Indian Point Unit 2 had two unplanned shutdowns and several power reductions in September due to valve problems, it is not unusual for a large industrial facility operating at high pressures and temperatures to experience equipment problems similar to these. In most cases these problems do not result in a shutdown. The NRC's main concern is the operability and reliability of risk-significant, safety-related equipment, which is necessary for the protection of the public health and safety. Since the equipment affected by the recent

failures was not in this category, the NRC will continue its normal oversight while evaluating if this adverse trend may be due to deficiencies in the licensee's maintenance program. If that is indicated, our existing Reactor Oversight Process has provisions for additional NRC inspection efforts to address the condition.

NRC regulations require that licensees evaluate and prioritize issues so they are addressed in a timely manner, commensurate with their safety significance. Most licensees, including Entergy at Indian Point, enter items into their corrective action programs at a very low threshold resulting in thousands of corrective action items each year. NRC inspectors screen these entries to verify that issues are being entered properly, to ensure that the licensee evaluates safety/risk significance of corrective action items and establishes priorities for resolving them, and to gain insights to help focus NRC inspection activities. When potentially significant issues are identified, the NRC staff follows up to ensure that the issues are addressed commensurate with their safety significance. The staff also looks for negative trends, and, if any are identified, the staff escalates oversight accordingly.

Licensees often determine that elective maintenance should be done in order to improve the reliability of the equipment, reduce the work necessary to maintain the equipment, or to resolve obsolescence issues. NRC inspectors review selected samples of maintenance backlogs during routine inspections and as part of their broader reviews of problem identification and resolution activities. A four-person team of inspectors just completed one of these broader reviews at Indian Point, and a copy of the inspection report will be provided to you when the report is issued. The NRC will continue to monitor Entergy's progress and sample for more in-depth review items from these backlogs.

I want to assure you that the NRC is exercising its oversight responsibility to require timely correction of equipment problems at these facilities, and we appreciate your interest in these matters. If I can be of further assistance to you, please do not hesitate to contact me.

Sincerely,

/RA/

Nils J. Diaz

Enclosure: As stated