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Charles M. Dugger
Vice President, Operations
Waterford 3

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May 8, 1997

Mr. E. W. Merschoff
Administrator, Region IV
U. S. Nuclear Regulatory Commission
Parkway Central Plaza Building
611 Ryan Plaza Drive
Arlington, TX 76011-8064

Subject: Waterford 3 Steam Electric Station
Docket No. 50-382
License No. NPF-38
Waterford 3 Performance Improvement Plan

Dear Mr. Merschoff:

On March 24, 1997, in the NRC Region IV office, we presented an overview of the efforts we have undertaken to improve the performance of Waterford 3. Following the meeting, you requested that we formally submit measurable elements of our Performance Improvement Plan as well as specific action items.

The management team at Waterford 3 and senior Entergy Operations management are committed to improving our regulatory performance and restoring Waterford 3 to a position of leadership in the industry. We fully understand that, in order to remain a viable entity in a competitive environment, we must instill and cultivate a culture which holds nuclear safety and conservative decision making paramount. Furthermore, we recognize the need to improve our administrative processes and procedures to ensure that they are simple, clear, correct and followed. Finally, as discussed with the NRC staff, we are aware of the need to resolve a number of outstanding design issues.

Attached is our current Performance Improvement Plan. The goals and performance indicators presented are a subset of the larger Waterford 3 Business Plan currently under development. We believe these goals, strategies, actions, and performance indicators will serve as an effective road map to excellence.

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Also, the performance indicators will provide a measure of progress with respect to meaningful issues. A number of the actions presented have been previously committed to by Waterford 3 (e.g., in response to the 10 CFR 50.54(f) request of October 9, 1996). Others are items which we believe are important to sustained outstanding performance. Any necessary alterations in scope or schedule will be discussed in our scheduled bi-monthly update meetings.

The fundamental intent of this performance improvement plan is to be able to achieve measurable results. While some of the actions will be completed quickly with immediate results, others will require time to realize lasting effects. Nonetheless, our expectation is to show significant overall improvement.

Entergy Operations, Inc. believes performance has been improving and is committed to achieving sustained superior performance at Waterford 3. We look forward to the opportunity to communicate our performance during each of our upcoming bi-monthly update meetings.

Please contact me if you have any questions or require additional information.

Very truly yours,



C.M. Dugger
Vice President, Operations
Waterford 3

CMD/acm
Attachment

cc: J.W. Roe, NRC-NRR
W. D. Beckner, NRC-NRR
C.J. Patel, NRC-NRR
J. Smith
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NRC, Document Control Desk
NRC Resident Inspectors Office