

December 11, 2006

MEMORANDUM TO: Luis A. Reyes
Executive Director for Operations

THRU: James E. Dyer, Director /RA/
Office of Nuclear Reactor Regulation

FROM: Samuel J. Collins /RA/
Regional Administrator
Region I

SUBJECT: REQUEST FOR RENEWAL OF DEVIATION TO THE ACTION
MATRIX TO PROVIDE HEIGHTENED NRC OVERSIGHT OF
SPECIFIC ISSUES AT THE INDIAN POINT ENERGY CENTER

This memorandum requests your approval to continue to deviate from the Reactor Oversight Process (ROP) Action Matrix for the Indian Point Energy Center to provide heightened NRC oversight throughout calendar year 2007 (ROP 8). This action is requested to continue the deviation that was approved on October 28, 2005, because the exit criteria for the existing deviation have not been met. We intend to continue to closely monitor the licensee's actions to address issues associated with on-site groundwater contamination characterization and mitigation, and the performance of the Alert and Notification System (ANS), including implementation and initial testing of the replacement ANS that Entergy is installing in response to the Energy Policy Act of 2005. The actions we propose for Indian Point Energy Center represent a customized approach that considers factors beyond each unit's Action Matrix categorization. This approach is consistent with underlying concepts of Inspection Manual Chapter 0305, "Operating Reactor Assessment Program."

Background

Groundwater Contamination Issue: On September 1, 2005, the NRC was informed by Entergy that cracks in a Unit 2 spent fuel pool wall were discovered during excavation work inside the spent fuel pool building. Low levels of radioactive contamination were found in the vicinity of the crack. On September 20, 2005, Region 1 initiated a special inspection since the nature and extent of the condition were not yet completely known. Entergy developed a plan to drill a series of wells in strategic locations to determine the extent of condition, understand site hydrology, and develop a mitigation strategy. The NRC special inspection report, issued in March 2006, indicated that while the contamination did not present a risk to public health and safety, additional effort by Entergy was warranted to resolve the situation. Furthermore, the final NRC conclusion would be reached after Entergy's ongoing work has yielded more information. To date, Entergy has completed well drilling and testing, is in the process of evaluating groundwater contamination and migration hydrology, and is testing a mitigation strategy.

Alert and Notification System Issue: The Indian Point Energy Center ANS has experienced performance problems in the past. These performance problems included primary and back-up actuation system problems, siren monitoring system failures, and numerous actual siren malfunctions during testing. These long standing issues continue to generate a considerable level of concern within the local communities that rely upon the system for receiving alert notifications. Entergy is required to comply with the stipulations of the Energy Policy Act of 2005, and the associated NRC Confirmatory Order dated January 31, 2006. Entergy is required to supply backup power to the ANS; and, as a result, they have begun replacement of the entire ANS, including the actuation system for the sirens in an effort to make the entire system more reliable. To date, Entergy has developed the Indian Point Energy Center Prompt Alert and Notification System Design Report which contains the specifics of the new system design. This report has been submitted to the Department of Homeland Security for approval. The system installation is progressing, with system testing scheduled to begin in late December 2006. Final system acceptance from the project vendor, by Entergy, is projected for January 2007.

Deviation Basis

The ROP Action Matrix includes a range of licensee and NRC actions for each column of the Action Matrix. However, as discussed in Inspection Manual Chapter 0305, there may be instances in which the actions prescribed by the Action Matrix may not be appropriate. In the case of Indian Point Energy Center, the actions associated with the Licensee Response Column do not provide the level of oversight needed to appropriately monitor licensee efforts to address the groundwater contamination issue, nor the improvements to the ANS. Therefore, Region I believes that continued heightened oversight as discussed in the following sections should be performed at a level of effort above that of the Licensee Response Column for Indian Point Energy Center throughout 2007 (ROP-8).

Overall, Entergy's operation of both units at Indian Point Energy Center is acceptable, with both units currently in the Licensee Response column of the Action Matrix. However, ongoing issues associated with groundwater contamination and ANS performance present unique challenges to NRC's regulatory oversight of Indian Point Energy Center. This inspection program deviation is needed to ensure that the NRC can continue to inspect Entergy's groundwater remediation efforts, and installation and testing of the new ANS.

Planned Actions

A. Deviation Request

The region requests your approval to continue to deviate from the ROP Action Matrix to provide the following oversight for Indian Point Energy Center throughout calendar year 2007 (ROP-8). As discussed above, the NRC intends to perform the following actions to closely monitor Entergy's efforts.

1. Groundwater Contamination Inspection Effort

- Continue to inspect the characterization efforts that will determine the extent of groundwater contamination at Indian Point Energy Center.
- Continue to split well water samples with Entergy and the State of New York to provide an independent assessment of contamination levels in groundwater.
- Continue to assess onsite hydrological conditions to assure that the licensee is appropriately monitoring and controlling contaminated groundwater migration to the environment.
- Continue the review of licensee efforts to determine and address the source(s) of the leakage affecting onsite groundwater.
- Continue to review the efficacy of the licensee's plans and efforts to remediate, mitigate, or otherwise control the release of contaminated groundwater to the environment to assure that they conform to NRC regulatory requirements.

The proposed effort associated with enhanced monitoring of the Indian Point Energy Center groundwater contamination issue is estimated to involve approximately 0.3 full-time equivalent staff (FTE) for calendar year 2007. Periodic government stakeholder communication associated with this issue has become significant as the inspection effort has progressed. The region estimates that an additional 0.2 FTE will be utilized in 2007 for stakeholder communication and outreach activities. This effort represents a small fraction of the Region's budget for plant specific/supplemental inspection activities; and with current projections, can be accommodated within the existing budget projections for calendar year 2007. We will continue to identify efficiencies in order to be able to support emergent regional and agency-wide supplemental inspection needs.

2. Reliability, Availability, and Testing of the New Indian Point Energy Center ANS

- Continue to provide enhanced oversight of the current ANS system until the replacement ANS has been tested, accepted, and placed in-service.
- Inspect installation and pre-operational testing of the Indian Point Energy Center ANS replacement.
- Inspect post-installation system testing of the ANS in accordance with the NRC Confirmatory Order dated January 31, 2006.

The proposed effort associated with enhanced monitoring of the Indian Point Energy Center ANS issue is estimated to involve approximately 0.2 FTE for calendar year 2007. This effort represents a small fraction of the Region's budget for plant specific/supplemental inspection activities; and with current projections, can be accommodated within the existing budget projections for calendar year 2007. We will continue to identify efficiencies in order to be able to support emergent regional and agency-wide supplemental inspection needs.

The staff plans to return to normal NRC monitoring consistent with the Action Matrix when: _____

