

May 31, 2001

Mr. Harold W. Keiser
President and Chief Nuclear Officer
Nuclear Business Unit
PSEG Nuclear LLC
Post Office Box 236
Hancocks Bridge, NJ 08038

**SUBJECT: ANNUAL PERFORMANCE REVIEW AND INSPECTION PLAN - SALEM
NUCLEAR STATION**

Dear Mr. Keiser:

On May 9, 2001, the NRC staff completed its end-of-cycle plant performance assessment of the Salem Nuclear Station. The end-of-cycle review for Salem Units 1 & 2 involved the participation of the responsible technical divisions in Region I in evaluating the performance indicators (PIs) and inspection results for the period of April 1, 2000, through March 31, 2001. The purpose of this letter is to inform you of our assessment of your safety performance during this period and our plans for future inspections at your facility. On July 9, 2001, we plan to present this assessment to you and your staff in a meeting at your Processing Center auditorium. The meeting will be open for public observation.

Overall, Salem Station operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance at both Salem Units 1 & 2 for the most recent quarter was within the Licensee Response Column of the NRC's Action Matrix based on all inspection findings being classified as having very low safety significance (Green) and all PIs indicating performance at a level requiring no additional NRC oversight (Green). Therefore, no inspections beyond the baseline program are planned at your facility between now and May 31, 2002.

While plant performance for the most recent quarter is within the Licensee Response Column of the Action Matrix, there were safety significant findings and PIs at Salem during the first three quarters of the assessment cycle. Specifically, at Salem Unit 1, a White PI in the Initiating Events cornerstone for unplanned reactor scrams per 7,000 hours critical existed in the fourth quarter of 2000; this PI turned Green during the first quarter of 2001. The NRC performed a supplemental inspection of your evaluation of this White PI and found your review and proposed long-term corrective actions acceptable. In addition, a White fire protection inspection finding in the Mitigating Systems Cornerstone existed at Salem Units 1 & 2 in the first three quarters of 2000. The NRC also performed a supplemental inspection of your evaluation of this White inspection finding and found your review and proposed long-term corrective actions acceptable.

Mr. Harold Keiser
Salem Unit 1 & 2

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Enclosure 1 details the scheduled inspections that will occur through May 31, 2002. The inspection plan is provided to minimize the resource impact on your staff and to allow for scheduling conflicts and personnel availability to be resolved in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The last few months of the inspection plan are tentative and may be revised.

For your information, the NRC is in the process of aligning the inspection and assessment cycle with the calendar year. In order to transition to a calendar year cycle (January 1 - December 31), the next inspection and assessment cycle will consist of only three quarters (i.e., the second, third and fourth calendar quarters of CY 2001). As a result, a quarterly review will be conducted for the third calendar quarter (July 1 - September 30) in lieu of a mid-cycle review. The impact on the inspection plan is minimal.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be made 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). Our assessment process and terminology are further described in the NRC Reactor Oversight Process Web site at <http://www.nrc.gov/NRR/OVERSIGHT/index.html>

If circumstances arise which cause us to change this inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at (610) 337-5211 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Glenn W. Meyer, Chief
Division of Reactor Projects Branch 3

Docket Nos. 50-272, 50-311

Licensee Nos. DPR-70 & DRP-75

Enclosure: Salem Unit 1 & 2 Inspection/Activity Plan

Mr. Harold Keiser
Salem Unit 1 & 2

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cc: w/enclosure

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M. Bezilla, Vice President -Technical Support
D. Garchow, Vice President - Operations
G. Salamon, Manager - Licensing
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F. Pompper, Chief of Police and Emergency Management Coordinator
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State of New Jersey
State of Delaware
D. Sparks, Jr., Director, Salem County Board of Chosen Freeholders
L. Sutton, Mayor, Alloway Township
L. Magazzu, Director, Cumberland County Board of Chosen Freeholders
W. Bradway, Mayor, Lower Alloways Creek Township
S. Mulhern, Director, DEMA
F. Eichmann, Director of Emergency Services, Salem County
N. Cohen, Coalition for Peace and Justice

Mr. Harold Keiser
Salem Unit 1 & 2

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Salem
Inspection / Activity Plan
06/01/2001 - 05/31/2002

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	6/18 EXM - INIT OPER LIC EXAM		4			
1	U01441	SALEM 1&2 O/L INITIAL EXAM 5/27-6/7/2002		06/18/2001	06/29/2001	Not Applicable
	71130 - SECURITY		1			
1, 2	IP 7113001	Access Authorization Program (Behavior Observation Only)		06/11/2001	06/15/2001	Baseline Inspections
1, 2	IP 7113002	Access Control (Search of Personnel, Packages, and Vehicles: Identification and Authorizator		06/11/2001	06/15/2001	Baseline Inspections
	7111111B - LIC OPER RQ INSP		2			
1, 2	IP 7111111B	Licensed Operator Requalification		08/27/2001	08/31/2001	Baseline Inspections
	71121 - OCC RAD SAFETY		1			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		09/10/2001	09/14/2001	Baseline Inspections
2	IP 7112102	ALARA Planning and Controls		09/10/2001	09/14/2001	Baseline Inspections
1, 2	IP 7112103	Radiation Monitoring Instrumentation		09/10/2001	09/14/2001	Baseline Inspections
	7112201 - RETS		1			
1, 2	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		11/26/2001	11/30/2001	Baseline Inspections
	71114 - EP PRGM REVIEW & PI		1			
1, 2	IP 7111402	Alert and Notification System Testing		12/03/2001	12/07/2001	Baseline Inspections
1, 2	IP 7111403	Emergency Response Organization Augmentation Testing		12/03/2001	12/07/2001	Baseline Inspections
1, 2	IP 7111404	Emergency Action Level and Emergency Plan Changes		12/03/2001	12/07/2001	Baseline Inspections
1, 2	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		12/03/2001	12/07/2001	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		12/03/2001	12/07/2001	Baseline Inspections
	7112202 - PUB RAD SAFETY - RADWASTE		1			
1, 2	IP 7112202	Radioactive Material Processing and Transportation		12/10/2001	12/14/2001	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		12/10/2001	12/14/2001	Baseline Inspections
	7111112B - MAINT RULE		1			
1, 2	IP 7111112B	Maintenance Rule Implementation		01/07/2002	01/11/2002	Baseline Inspections
	71121 - OCC RAD SAFETY		1			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		01/28/2002	02/01/2002	Baseline Inspections
1, 2	IP 7112102	ALARA Planning and Controls		01/28/2002	02/01/2002	Baseline Inspections
1, 2	IP 7112103	Radiation Monitoring Instrumentation		01/28/2002	02/01/2002	Baseline Inspections
	7111121 - SSDI		5			
1, 2	IP 7111121	Safety System Design and Performance Capability		02/25/2002	03/01/2002	Baseline Inspections
1, 2	IP 7111121	Safety System Design and Performance Capability		03/11/2002	03/15/2002	Baseline Inspections
	7111401 - EP EXERCISE & EP PI VERIFICATION		2			
1, 2	IP 7111401	Exercise Evaluation		03/18/2002	03/22/2002	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		03/18/2002	03/22/2002	Baseline Inspections

This report does not include INPO and OUTAGE activities.
This report shows only on-site and announced inspection procedures.

Salem
Inspection / Activity Plan
06/01/2001 - 05/31/2002

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	71121	- OCC RAD SAFETY	1			
2	IP 7112101	Access Control to Radiologically Significant Areas		04/15/2002	04/19/2002	Baseline Inspections
2	IP 7112102	ALARA Planning and Controls		04/15/2002	04/19/2002	Baseline Inspections
2	IP 7112103	Radiation Monitoring Instrumentation		04/15/2002	04/19/2002	Baseline Inspections

This report does not include INPO and OUTAGE activities.
This report shows only on-site and announced inspection procedures.