



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION 1
475 ALLENDALE ROAD
KING OF PRUSSIA, PA 19408-1415

August 27, 2003

Mr. Roy Anderson
Chief Nuclear Officer and President
PSEG Nuclear LLC - N09
P. O. Box 236
Hancocks Bridge, NJ 08038

SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN -
SALEM UNITS 1 AND 2

Dear Mr. Anderson:

On July 29, 2003, the NRC staff completed its mid-cycle plant performance review of Salem Units 1 and 2. The mid-cycle review for Salem involved the participation of all technical divisions in evaluating performance for the first half of the calendar year 2003 assessment cycle. The process included a review of performance indicators (PIs) for the most recent quarter and inspection results over the previous twelve months. The purpose of this letter is to inform you of our assessment of your safety performance and our plans for future inspections at your facility so that you will have an opportunity to prepare for these inspections and to inform us of any planned inspections that may conflict with your plant activities.

Plant performance for the most recent quarter at Salem Unit 1 was within the Regulatory Response Column of the NRC's Action Matrix, based on an inspection finding in the Mitigating System Cornerstone being classified as having low to moderate significance (White), but with all PIs indicating performance at a level requiring no additional NRC oversight (Green). The White inspection finding involved the failure to identify and take adequate corrective actions to prevent the recurrence of emergency diesel generator turbocharger failures, resulting in a failure of the 1C EDG turbocharger in September 2002.

Plant performance for the most recent quarter at Salem Unit 2 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 performance indicators (PIs) indicating performance at a level requiring no additional NRC oversight (Green).

As discussed in the annual assessment letter dated March 3, 2003, the staff identified a substantive cross-cutting issue in the area of problem identification and resolution (PI&R), particularly regarding instances of ineffective problem evaluations and untimely, ineffective corrective actions. In the recent mid-cycle assessment, we determined that this substantive cross-cutting issue continued to apply, based on the continuation of inspection findings and documented shortcomings within the PI&R area. These shortcomings continued to enable problems to recur and longstanding problems to go uncorrected. In a number of cases, poor implementation of maintenance work, insufficient coordination and work control, equipment reliability weaknesses, and engineering's deficient determinations of root causes were involved. The most noteworthy recent examples included an inadvertent letdown isolation in February caused by a control air transient which involved incomplete corrective actions, a reactor pressure transient in April due to

an inadvertent pressurizer spray actuation with missed opportunities to identify the problem, and an auxiliary feed water (AFW) pump surveillance test failure in May which involved inadequate maintenance work instructions and a missed corrective action opportunity.

We also note that the same overall corrective action program is concurrently implemented at both Salem and Hope Creek, and that both stations have continued to experience similar, continued adverse PI&R trends. This appears to indicate that any program improvement attempts have not yet been effective and that broadly based, site-wide improvements are still needed regarding PI&R performance at Salem Units 1 and 2 as well as Hope Creek. We are aware that a site-wide reorganization is currently underway, in part, to improve organizational performance in this area. We plan to continue closely monitoring your performance in the PI&R area.

The enclosed inspection plan details the inspections scheduled through September 30, 2004. 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. In addition to the baseline inspections at Salem through September 2004, we plan to perform a supplemental inspection in October 2003 regarding the White inspection finding in the Mitigating Systems Cornerstone. The inspection is intended to provide assurance that the root causes and contributing causes of this safety significant performance issue are understood, the extent of condition is identified, and the corrective actions are sufficient to prevent recurrence of the performance deficiency that led to the EDG turbocharger failure. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last six months of the inspection plan are tentative and may be revised at the end-of-cycle review meeting.

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/reading-rm/adams.html> (the Electronic Reading Room).

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

Sincerely,

/RA/

A. Randolph Blough, Director
Division of Reactor Projects

Docket Nos. 05000272/05000311
License Nos. DPR-70/75

Enclosure: Salem Units 1 and 2 Inspection/Activity Plan

Mr. Roy Anderson

3

cc w/encl:

M. Friedlander, Director - Business Support

J. Carlin, Vice President - Engineering

D. Garchow, Vice President - Projects and Licensing

G. Salamon, Manager - Licensing

T. O'Connor, Vice President - Operations

R. Kankus, Joint Owner Affairs

J. J. Keenan, Esquire

Consumer Advocate, Office of Consumer Advocate

F. Pompper, Chief of Police and Emergency Management Coordinator

M. Wetterhahn, Esquire

State of New Jersey

State of Delaware

N. Cohen, Coordinator - Unplug Salem Campaign

E. Gbur, Coordinator - Jersey Shore Nuclear Watch

E. Zobian, Coordinator - Jersey Shore Anti Nuclear Alliance

Institute of Nuclear Power Operations (INPO)

Mr. Roy Anderson

4

Distribution w/encl:

- A. Blough, DRP
- W. Lanning, DRS
- B. Holian, DRP
- K. McConnell, DRP
- R. Crlenjak, DRS
- H. Miller, RA
- J. Wiggins, DRA
- G. Meyer, DRP
- S. Barber, DRP
- D. Orr, Senior Resident Inspector
- R. Nimitz, DRS
- G. Smith, DRS
- N. McNamara, DRS
- J. Jolicoeur, OEDO
- R. Laufer, NRR
- RidsNrrDipmlipb
- Region I Docket Room (with concurrences)

DOCUMENT NAME: G:\BRANCH3\ROP4 Mid-cycle\Salem MidCycleLetter.wpd

After declaring this document "An Official Agency Record" it will be released to the Public.

To receive a copy of this document, indicate in the box: "C" = Copy without attachment/enclosure "E" = Copy with attachment/enclosure "N" = No copy

OFFICE	RI/DRP		RI/DRP		RI/DRP			
NAME	DOrr/ GWM for		GMeyer/ GWM		ABlough/ ARB			
DATE	08/26/03		08/26/03		08/27/03			

OFFICIAL RECORD COPY

Salem
Inspection / Activity Plan
06/29/2003 - 10/02/2004

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	71121	- OCC RAD SAFETY	1			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		07/07/2003	07/11/2003	Baseline Inspections
1, 2	IP 7112102	ALARA Planning and Controls		07/07/2003	07/11/2003	Baseline Inspections
1, 2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		07/07/2003	07/11/2003	Baseline Inspections
	SI-TRIP	- 07/29/03 RX TRIP SPECIAL INSPECTION	4			
1, 2	IP 93812	Special Inspection		08/18/2003	08/22/2003	Event Response Insp
	7113003	- SECURITY	2			
1, 2	IP 7113002	Access Control (Search of Personnel, Packages, and Vehicles: Identification and Authorizatio		09/08/2003	09/12/2003	Baseline Inspections
1, 2	IP 7113003	Response to Contingency Events (Protective Strategy and Implementation of Protective Strate		09/08/2003	09/12/2003	Baseline Inspections
	7111111B	- L.O.REQUALIFICATION PROGRAM	2			
1, 2	IP 7111111B	Licensed Operator Requalification		09/14/2003	09/19/2003	Baseline Inspections
	71122.01	- PUB RAD SAFETY - RETS	1			
1, 2	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		10/06/2003	10/10/2003	Baseline Inspections
	7111108	- INSERVICE INSPECTION - UNIT 2	1			
2	IP 7111108P	Inservice Inspection Activities - PWR		10/06/2003	10/10/2003	Baseline Inspections
2	IP 2515/150	Reactor Pressure Vessel Head and Vessel Head Penetration Nozzles (NRC Bulletin 2002-02)		10/14/2003	10/17/2003	Safety Issues
	95001	- EDG SUPPLEMENTAL	1			
1, 2	IP 95001	Supplemental Inspection For One Or Two White Inputs In A Strategic Performance Area		10/20/2003	10/24/2003	Supplemental Program
	71121	- OCC RAD SAFETY	1			
2	IP 7112101	Access Control to Radiologically Significant Areas		10/27/2003	10/31/2003	Baseline Inspections
2	IP 7112102	ALARA Planning and Controls		10/27/2003	10/31/2003	Baseline Inspections
2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		10/27/2003	10/31/2003	Baseline Inspections
	71114	- EP PRGM REVIEW & EP PI VERIFICATION	1			
1, 2	IP 7111402	Alert and Notification System Testing		12/08/2003	12/12/2003	Baseline Inspections
1, 2	IP 7111403	Emergency Response Organization Augmentation Testing		12/08/2003	12/12/2003	Baseline Inspections
1, 2	IP 7111404	Emergency Action Level and Emergency Plan Changes		12/08/2003	12/12/2003	Baseline Inspections
1, 2	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		12/08/2003	12/12/2003	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		12/08/2003	12/12/2003	Baseline Inspections
	71122.02	- PUB RAD SAFETY - RADWASTE	1			
1, 2	IP 7112202	Radioactive Material Processing and Transportation		12/08/2003	12/12/2003	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		12/08/2003	12/12/2003	Baseline Inspections
	7111112B	- MAINTENANCE RULE	1			
1, 2	IP 7111112B	Maintenance Effectiveness		01/12/2004	01/16/2004	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
06/29/2003 - 10/02/2004

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
71121 - OCC RAD SAFETY			1			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		01/12/2004	01/16/2004	Baseline Inspections
1, 2	IP 7112102	ALARA Planning and Controls		01/12/2004	01/16/2004	Baseline Inspections
1, 2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		01/12/2004	01/16/2004	Baseline Inspections
7111121 - SSDI			7			
1, 2	IP 7111121	Safety System Design and Performance Capability		02/23/2004	02/27/2004	Baseline Inspections
1, 2	IP 7111121	Safety System Design and Performance Capability		03/08/2004	03/12/2004	Baseline Inspections
7111401 - EXERCISE EVALUATION & EP PI VERIFICATION			7			
1, 2	IP 7111401	Exercise Evaluation		03/15/2004	03/19/2004	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		03/15/2004	03/19/2004	Baseline Inspections
7111108P - INSERVICE INSPECTION-UNIT 1			2			
2	IP 2515/145	Circumferential Cracking of Reactor Pressure Vessel Head Penetration Nozzles (NRC Bulletin .		04/05/2004	04/09/2004	Safety Issues
1	IP 7111108P	Inservice Inspection Activities - PWR		04/05/2004	04/09/2004	Baseline Inspections
71121 - OCC RAD SAFETY			1			
1	IP 7112101	Access Control to Radiologically Significant Areas		04/05/2004	04/09/2004	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		04/05/2004	04/09/2004	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		04/05/2004	04/09/2004	Baseline Inspections
INIT EXM - OPERATOR LICENSING INITIAL EXAMS			3			
1	U01519	SALEM UNITS 1&2 INITIAL EXAM (3/8-12/04)		05/03/2004	05/07/2004	Not Applicable
1	U01519	SALEM UNITS 1&2 INITIAL EXAM (3/8-12/04)		05/30/2004	06/11/2004	Not Applicable
7111107B - HEAT SINK			1			
1, 2	IP 7111107B	Heat Sink Performance		08/16/2004	08/20/2004	Baseline Inspections
71121 - OCC RAD SAFETY			1			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		08/23/2004	08/27/2004	Baseline Inspections
1, 2	IP 7112102	ALARA Planning and Controls		08/23/2004	08/27/2004	Baseline Inspections
1, 2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		08/23/2004	08/27/2004	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		08/23/2004	08/27/2004	Baseline Inspections