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**NRC STAFF PROPOSES TO FINE PUBLIC SERVICE ELECTRIC & GAS \$600,000
FOR SIX ALLEGED VIOLATIONS OF NRC REQUIREMENTS AT SALEM NUCLEAR
POWER PLANT**

The staff of the Nuclear Regulatory Commission has cited Public Service Electric & Gas Company (PSE&G) for six alleged violations of NRC requirements at its Salem nuclear power plant in Lower Alloways Creek, N.J. The staff has proposed a fine of \$600,000.

The alleged violations were identified during four inspections by NRC staff conducted between December 5, 1994 and June 23, 1995. The alleged violations involved conditions adverse to quality that existed, but were not identified and promptly corrected, in a number of plant systems. The licensee also failed to document, report the problems to the proper levels of management and take corrective actions to preclude recurrence of the problems.

PSE&G was cited for failure to identify and correct the following conditions:

1) Failure to maintain an operable Residual Heat Removal (RHR) System at Salem Unit 2 between February 9, 1995, and June 7, 1995. The system provides cooling to the reactor following shutdown.

2) Failure to maintain an operable switchgear ventilation supply fan at Unit 1 from December 12, 1994, until May 16, 1995. The system provides filtered air conditioning and ventilation to the plant control room in the event of an emergency.

3) Failure to take prompt corrective action after being informed by the Westinghouse Corporation on March 15, 1993, of a significant condition adverse to quality affecting the Pressurizer Overpressure Protection System, (POPS) which protects the reactor coolant system under low temperature conditions.

4) Unauthorized changes in the design basis of the POPS by incorrectly taking credit for an RHR relief valve to provide overpressure protection.

5) Numerous other instances between May 8, 1990 and January 14, 1995, of failure to identify and promptly correct conditions adverse to quality.

6) Failure to properly position a valve in a common drain line for three pressurizer safety valves prior to startup of Unit 2 in May 1993. As a result, the drain line remained closed until October 1994.

"The number and nature of the violations, demonstrate inadequate performance by a licensee of the Commission," James L. Milhoan, the NRC's Deputy Executive Director for Nuclear Reactor Regulation, Regional Operations and Research, said in a letter to PSE&G. "The past overall response by your staff and management relative to decision-making on operability issues and the approach to resolution of these issues has not been acceptable."

Mr. Milhoan noted that he has sent four Augmented Inspection Teams to the Salem plants in the past four years, although these are "relatively rare and reserved for significant occurrences."

After the NRC staff proposed a \$500,000 fine in connection with the April 7, 1994 alert at Salem Unit 1, Mr. Milhoan said the NRC "raised questions regarding the manner in which management's expectations are established and communicated to the Salem staff regarding their performance at the station. We noted that while NRC found your immediate corrective actions acceptable for that event, the NRC was unwilling to predict or assume success for your long-term actions because historically, the implementation of such actions for past problems has proven to be ineffective. I further noted that it appeared that staff tolerated an atmosphere that accepts degraded conditions rather than establishing an atmosphere of a high quality operating environment."

A little more than one year after issuing a \$500,000 civil penalty to PSE&G for numerous violations, Mr. Milhoan said he remains concerned about operations at the site. For example, Mr. Milhoan said, although the Westinghouse Corp. informed PSE&G in March 1993 of a concern that could affect Salem's Pressurizer Overpressure Protection System, the problem remained unresolved for more than a year and a half. Two other examples involved degraded equipment affecting switchgear ventilation equipment in Unit 1, and residual heat removal minimum flow recirculation valves in Unit 2. In both cases, Mr. Milhoan said, PSE&G officials failed to respond promptly when component failures affecting those systems were first identified in late 1994 and early 1995, respectively. "These examples indicate a management and staff attitude that is not conducive to the safe operation of a nuclear power plant," Mr. Milhoan said.

Mr. Milhoan credited PSE&G for its decision to shut down both of the Salem units and not restart them without first obtaining NRC agreement and the commitments by management to sweeping performance improvements.

But he said the proposed civil penalties totaling \$600,000 underscore the "seriousness with which we regard your deficient conduct of operations." The base civil penalties of \$50,000 for each of the six violations were doubled because Salem's enforcement record has

not been good, the majority of the violations were identified by the NRC and prior actions to

ensure problems would be corrected in a timely manner have not been effective.

The licensee has 30 days either to pay the proposed fine or to request in writing that part or all of it be withdrawn. The company also has 30 days to admit or deny the alleged violations and to describe the actions it has taken or plans to take to prevent recurrence.

The States of New Jersey and Delaware have been informed of this enforcement action.

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