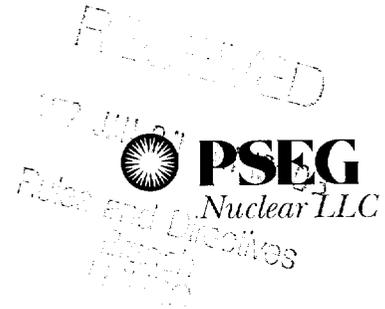


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Mr. Michael T. Lesar
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Mail Stop: T-6 D59
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11/21/01
66 FR 58529
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Dear Mr. Lesar:

**PUBLIC COMMENT ON THE SECOND YEAR OF IMPLEMENTATION
OF THE REACTOR OVERSIGHT PROCESS (ROP)
SALEM UNITS 1 AND 2 AND HOPE CREEK GENERATING STATIONS
DOCKET NUMBERS 50-272, 50-311, 50-354**

PSEG Nuclear is submitting the enclosed comments on the second year of implementation of the ROP, as requested by the Nuclear Regulatory Commission in the *Federal Register* on November 21, 2001 (66 *Fed. Reg.* 58529). We agree with the comments provided by the Nuclear Energy Institute in their letter dated December 21, 2001. In addition, we would like to stress the following points.

The NRC's openness and willingness to consider stakeholders' comments and recommendations are appreciated. The public interaction has allowed the process to address most emerging questions and unforeseen concerns in a timely and fair manner. The NRC should be commended for its willingness to openly share its ideas and to allow public comment on a real-time basis. The result has been a better product than could have been achieved in the past and has resulted in improved communication and understanding between the regulator, licensees, and the non-industry public

Concerted effort is necessary to address the mitigating systems performance indicators. The inconsistencies between various reporting requirements cause unnecessary burden and need to be addressed. The recent series of public meetings in this area have resulted in considerable progress, but much work remains to be done. The following issues need to be addressed: (1) replacing design basis assumptions with risk important functions; (2) replacing fault exposure with an easily collectable measure of unreliability; (3) eliminating the practice of cascading support systems onto front line systems; (4) providing more realistic credit for operator action, (5) reassessing the performance thresholds to be consistent with actions prescribed in the maintenance rule, (6) ensuring the burden of the additional data elements is not excessively burdensome, and (7) evaluating the impact of additional performance indicators on the action matrix.

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The non-reactor safety Significance Determination Processes (SDPs) offer consistency to the process when compared to the prior methods. However, problems have arisen in some areas that need to be resolved in a public and controlled manner. A process similar to that used to manage change in the PIs should be applied to changes in SDPs; including setting clear criteria for change, table-top testing, and training for NRC and industry prior to implementation.

As the industry continues to move into a deregulated environment, power reductions are planned as part of economic and power availability considerations. Proactive down powers to improve reliability will likely become more common. NRC has at times suggested changes to the unplanned power change indicator that could penalize licensees for taking appropriate actions to operate their plants in a safe and economic fashion. All stakeholders should continue to work together to monitor the effectiveness of this indicator to provide meaningful information while not penalizing appropriate action.

A key premise of the ROP is that weaknesses in cross-cutting issues will manifest themselves in the PIs and inspection findings. When these weaknesses are revealed through the PIs or inspection findings, they can be addressed through licensee actions and NRC inspection to ensure performance is improved before safety is compromised. The program is working as intended; therefore, no additional PIs or SDPs are necessary in the cross-cutting area.

Industry efforts in the area of self-assessment could provide an opportunity for more efficient use of NRC resources and unnecessary burden reduction. A pilot effort to take advantage of licensee self-assessment in lieu of current inspector resources for certain inspection procedures should be undertaken.

Further refinements to the ROP will occur in the future. The ROP should be a continuously improving process, which corrects weaknesses, while maintaining stability through well thought out change management processes. The program is now operating in an effective manner, and is an improvement over the previous inspection, assessment, and enforcement process of industry oversight.

We look forward to a continuing dialogue with the NRC and other stakeholders as we enter the next year of program implementation. If you have any questions or comments on this submittal, please contact Robin Ritzman at (856) 339-1445.

Sincerely,



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