

March 1, 2002

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

SUBJECT: ANNUAL ASSESSMENT LETTER - SALEM NUCLEAR STATION - UNITS 1 & 2
(REPORT NOS. 50-272/02-001, 50-311/02-001)

Dear Mr. Keiser:

On January 30, 2002, the NRC staff completed its end-of-cycle plant performance assessment of the Salem Nuclear Station. The end-of-cycle review for Salem 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 through December 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 so that you will have an opportunity to prepare for these inspections and to inform us of any planned inspections which may conflict with your plant activities.

As discussed in our previous annual assessment letter dated May 31, 2001, this inspection and assessment cycle consisted of three quarters (i.e., the second, third and fourth calendar quarters of calendar year 2001) instead of the usual four quarters. This change was implemented in order to align the inspection and assessment cycle with the calendar year beginning on January 1, 2002.

Overall, Salem operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance 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, we plan to conduct only baseline inspections at your facility through March 31, 2003.

The enclosed inspection plan details the inspections scheduled through March 31, 2003. 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 schedule for the last six months of the inspection plan is tentative and may be revised at the Mid-Cycle Review meeting.

Immediately following the terrorist attacks on the World Trade Center and the Pentagon, the NRC issued safeguards advisories recommending that nuclear power plant licensees go to the highest

level of security, and all promptly did so. With continued uncertainty about the possibility of additional terrorist activities, the Nation's nuclear power plants, including Salem Station, remain at a high level of security. On February 25, 2002, the NRC issued an Order to all nuclear power plant licensees, requiring them to take certain additional interim compensatory measures to address the generalized high-level threat environment. These additional compensatory requirements will provide the NRC with reasonable assurance that public health and safety and the common defense and security continue to be adequately protected in the current generalized high-level threat environment. These requirements will remain in effect pending notification from the Commission that a significant change in the threat environment occurs, or until the Commission determines that other changes are needed following a more comprehensive re-evaluation of current safeguards and security programs. To date, we have monitored your staff's actions in response to the terrorist attacks through a series of audits. With the issuance of the Order, we will evaluate Salem's compliance with these interim requirements.

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).

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
License No. DPR-70 & DRP-75

Enclosure: Salem Inspection/Inspection/Activity Plan

Mr. Harold Keiser

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cc w/encl: E. Simpson, Senior Vice President and Chief Administrative Officer
M. Bezilla, Vice President -Technical Support
D. Garchow, Vice President - Operations
G. Salamon, Manager - Licensing
R. Kankus, Joint Owner Affairs
J. J. Keenan, Esquire
Consumer Advocate, Office of Consumer Advocate
F. Pompper, Chief of Police and Emergency Management Coordinator
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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

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Salem
Inspection / Activity Plan
12/30/2001 - 03/31/2003

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	711112B - MAINT RULE		1			
1, 2	IP 711112B	Maintenance Rule Implementation		01/07/2002	01/11/2002	Baseline Inspections
	711121 - SSDI		6			
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
	7111102 - 50.59		1			
1, 2	IP 7111102	Evaluation of Changes, Tests, or Experiments		02/25/2002	03/01/2002	Baseline Inspections
1, 2	IP 7111102	Evaluation of Changes, Tests, or Experiments		03/11/2002	03/15/2002	Baseline Inspections
	7111401 - EP EXERCISE & EP PI VERIFICATION-PIR FU		5			
1, 2	IP 7111401	Exercise Evaluation		03/18/2002	03/22/2002	Baseline Inspections
	7111108 - U2 - ISI		2			
2	IP 2515/145	Circumferential Cracking of Reactor Pressure Vessel Head Penetration Nozzles (NRC Bulletin :		04/15/2002	04/19/2002	Safety Issues
	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
	7111107B - HEAT SINK		1			
1, 2	IP 7111107B	Heat Sink Performance		04/16/2002	04/19/2002	Baseline Inspections
	7111108 - U2 - ISI		2			
2	IP 7111108	Inservice Inspection Activities		04/22/2002	04/26/2002	Baseline Inspections
	71130 - SECURITY		2			
1, 2	IP 7113001	Access Authorization Program (Behavior Observation Only)		06/03/2002	06/07/2002	Baseline Inspections
1, 2	IP 7113002	Access Control (Search of Personnel, Packages, and Vehicles: Identification and Authorizatio		06/03/2002	06/07/2002	Baseline Inspections
	71152Q - SELECTED PI&R FOLLOW-UP ISSUES		3			
1, 2	IP 71152	Identification and Resolution of Problems		07/01/2002	09/30/2002	Baseline Inspections
	71121 - OCC RAD SAFETY		1			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		07/22/2002	07/26/2002	Baseline Inspections
1, 2	IP 7112102	ALARA Planning and Controls		07/22/2002	07/26/2002	Baseline Inspections
1, 2	IP 7112103	Radiation Monitoring Instrumentation		07/22/2002	07/26/2002	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		07/22/2002	07/26/2002	Baseline Inspections
	71151 - EP PI VERIFICATION AND ERO PARTICIPATION		2			
1, 2	IP 71151	Performance Indicator Verification		08/19/2002	08/23/2002	Baseline Inspections
1, 2	IP 71152	Identification and Resolution of Problems		08/19/2002	08/23/2002	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
12/30/2001 - 03/31/2003

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	711117B	- MODS & 50.59	3			
1, 2	IP 7111102	Evaluation of Changes, Tests, or Experiments		09/09/2002	09/13/2002	Baseline Inspections
1, 2	IP 711117B	Permanent Plant Modifications		09/09/2002	09/13/2002	Baseline Inspections
	11/4+EXM	- LICENSED OPERATOR INITIAL EXAMS	3			
1	U01441	SALEM 1&2 O/L INITIAL EXAM 5/27-6/7/2002		10/14/2002	10/18/2002	Not Applicable
1	U01441	SALEM 1&2 O/L INITIAL EXAM 5/27-6/7/2002		11/04/2002	11/15/2002	Not Applicable
	71152Q	- SELECTED PI&R FOLLOW-UP INSPECTION	1			
1, 2	IP 71152	Identification and Resolution of Problems		10/01/2002	12/28/2002	Baseline Inspections
	7111108	- INSERVICE INSPECTION	2			
1	IP 2515/145	Circumferential Cracking of Reactor Pressure Vessel Head Penetration Nozzles (NRC Bulletin .		10/21/2002	10/25/2002	Safety Issues
1	IP 7111108	Inservice Inspection Activities		10/21/2002	10/25/2002	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		10/28/2002	11/01/2002	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		10/28/2002	11/01/2002	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation		10/28/2002	11/01/2002	Baseline Inspections
	71130	- SECURITY-RESPONSE ATT3	2			
1, 2	IP 7113003	Response to Contingency Events (Protective Strategy and Implementation of Protective Strategie		11/04/2002	11/08/2002	Baseline Inspections
	7111105T	- FIRE PROTECTION	3			
1, 2	IP 7111105T	Fire Protection		02/10/2003	02/14/2003	Baseline Inspections
1, 2	IP 7111105T	Fire Protection		02/24/2003	02/28/2003	Baseline Inspections
	7112203	- PUB RAD SAFETY - REMP	1			
1, 2	IP 7112203	Radiological Environmental Monitoring Program		02/17/2003	02/21/2003	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		02/24/2003	02/28/2003	Baseline Inspections
1, 2	IP 7112102	ALARA Planning and Controls		02/24/2003	02/28/2003	Baseline Inspections
1, 2	IP 7112103	Radiation Monitoring Instrumentation		02/24/2003	02/28/2003	Baseline Inspections
	71152B	- PROBLEM IDENTIFICATION AND RESOLUTION	3			
1, 2	IP 71152B	Identification and Resolution of Problems		03/10/2003	03/14/2003	Baseline Inspections
1, 2	IP 71152B	Identification and Resolution of Problems		03/24/2003	03/28/2003	Baseline Inspections