

May 1, 2003

EA-03-070

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

SUBJECT: SALEM GENERATING STATION - NRC INSPECTION REPORT 50-272/02-010
AND 50-311/02-010 - FINAL SIGNIFICANCE DETERMINATION FOR A WHITE
FINDING AND NOTICE OF VIOLATION

Dear Mr. Anderson:

The purpose of this letter is to provide you with the final results of our significance determination of the preliminary white finding identified in the subject inspection report dated March 14, 2003, and further discussed in a subsequent letter from Mr. Wayne D. Lanning, NRC to Mr. Harold W. Keiser, PSEG Nuclear LLC, dated March 31, 2003. This inspection finding was assessed using the significance determination process and was preliminarily characterized as white, i.e., a finding with low to moderate importance to safety, which may require additional NRC inspections. This white finding involved ineffective implementation of corrective actions to prevent recurrent EDG turbocharger failures.

In a telephone conversation with Mr. Glenn Meyer of NRC, Region I, on April 14, 2003, Mr. Gabe Salamon of your staff indicated that PSEG Nuclear LLC did not contest the characterization of the risk significance of this finding, declined an opportunity to discuss this finding in a Regulatory Conference and would not be providing a written response.

After considering the information developed during the inspection, the NRC has concluded that the inspection finding is appropriately characterized as white, i.e., a finding with low to moderate importance to safety, which may require additional NRC inspections.

You have 30 calendar days from the date of this letter to appeal the staff's determination of significance for the identified white finding. Such appeals will be considered to have merit only if they meet the criteria given in NRC inspection Manual Chapter 0609, Attachment 2.

The NRC has also determined that the failure to preclude repetition of the EDG turbocharger failures is a violation of 10 CFR 50, Appendix B, Criterion XVI, as cited in the enclosed Notice of Violation (Notice). The circumstances surrounding the violation are also described in detail in the subject inspection report. In accordance with the NRC Enforcement Policy, NUREG-1600, the Notice of Violation is considered escalated enforcement action because it is associated with a white finding. You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response.

Mr. R. A. Anderson

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Because plant performance for this finding has been determined to be in the regulatory response band, we will use the NRC Action Matrix to determine the most appropriate NRC response for this event. We will notify you by separate correspondence of that determination.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosures, and your response (if any) will be 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 Website at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

If you have any questions please contact Mr. James Linville of my staff at 610-337-5129.

Sincerely,

/RA/ James T. Wiggins Acting For

Hubert J. Miller
Regional Administrator

Enclosure: Notice of Violation

Docket Nos.: 50-272; 50-311
License Nos.: DPR-70; DPR-75

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
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NOTICE OF VIOLATION

PSEG Nuclear LLC
Salem Generating Station, Units 1 and 2

Docket Nos.: 50-272; 50-311
License Nos.: DPR-70; DPR-75
EA-03-070

During an NRC inspection conducted between September 16, 2002 - January 30, 2003, the results of which were discussed at an exit meeting on January 30, 2003, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," NUREG-1600, the violation is listed below:

10 CFR 50 Appendix B, Criterion XVI, states, in part, that measures shall be established to assure that conditions adverse to quality, such as failures, malfunctions, deficiencies, deviations, defective material and equipment, and nonconformances are promptly identified and corrected. In the case of significant conditions adverse to quality, the measures shall assure that the cause of the condition is determined and corrective action taken to preclude repetition.

Contrary to the above, in 1990 and 1998, significant conditions adverse to quality were identified involving emergency diesel generator turbocharger compressor failures for two of the six emergency diesel generators, and the licensee did not take appropriate corrective actions to preclude repetition, as evidenced by the following examples:

1. after a failure in 1990 of the 2B EDG turbocharger because of a compressor end blade failure, corrective actions were developed to perform non-destructive examination (NDE) of turbocharger rotating elements every four refueling outages; however, this NDE was never scheduled or conducted; and
2. after a failure in 1998 of the 2A EDG turbocharger, although action was initiated to perform vibration monitoring of the turbochargers, this action was not effective in that no action levels for evaluating and mitigating increased vibration were established. In addition, due to the manner in which vibration data was collected, the licensee was unable to perform trending of the data to identify degrading turbocharger conditions.

Subsequently, the 1C EDG turbocharger failed on September 13, 2002, because of a fatigue induced failure of a compressor blade.

This violation is associated with a White Significance Determination Process finding.

Pursuant to the provisions of 10 CFR 2.201. PSEG Nuclear, LLC is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555 with a copy to the Regional Administrator, Region I, and a copy to the NRC Resident Inspector at the facility that is the subject of this Notice, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation - EA-03-070" and should include for each violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be

achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

If you contest this enforcement action, you should also provide a copy of your response, with the basis for your denial, to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

Because your response 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), to the extent possible, it should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction. ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room). If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.790(b) to support a request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days.

Dated this 1st day of May 2003