May 19, 2003

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

SUBJECT: Assessment Follow-Up Letter - Salem Unit 1

Dear Mr. Anderson:

On May 12, 2003, the NRC staff completed a quarterly review of Salem Unit 1. This assessment reviewed Salem Unit 1 performance indicators (PIs) for the first quarter of 2003 and assessed recent inspection results. The purpose of this letter is to inform you of our assessment of your safety performance during this period and our plans for a future inspection at your facility.

On May 1, 2003, the NRC issued the final significance determination for a failure of the turbocharger for the 1C Emergency Diesel Generator (EDG), which we concluded constituted a White finding, which is a finding of low to moderate safety significance. This finding was evaluated using the Significance Determination Process per Inspection Manual Chapter 0609.

Also, this finding involved ineffective implementation of corrective actions for recurrent EDG turbocharger failures. We noted that this finding involved weakness in the area of problem identification and resolution, which had been previously highlighted as a substantive cross cutting issue in our Annual Assessment Letter, dated March 3, 2003.

As a result we have assessed Salem Unit 1 performance to be in the Regulatory Response Column of NRC's Action Matrix beginning with the first quarter of 2003. Therefore, we plan to perform supplemental inspection 95001. We will decide on a schedule for this inspection during our mid-cycle assessment of Salem Unit 1, after we have received your response to the aforementioned final significance determination letter. The 95001 inspection procedure is conducted to provide assurance that the root causes and contributing causes of risk significant performance issues are understood, the extent of condition is identified, and the corrective actions are sufficient to prevent recurrence.

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Please contact Glenn Meyer at 610-337-5211 with any questions you may have regarding this letter.

Sincerely,

/RA/

A. Randolph Blough, Director
Division of Reactor Projects

Docket Nos: 50-272, 50-311
License Nos: DPR-70, DPR-75

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