

May 11, 2004

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

SUBJECT: STATUS OF NRC EVALUATION OF THE WORK ENVIRONMENT AT THE
SALEM UNITS 1 & 2 AND HOPE CREEK NUCLEAR GENERATING STATIONS

Dear Mr. Anderson:

The NRC has been continuing its review of the work environment at Salem and Hope Creek, as well as providing oversight of PSEG efforts to evaluate and address work environment issues. We provided interim results of our review in a January 28, 2004 letter (ADAMS Accession No. ML040280476). While we noted that no serious safety violations had been identified, the information gathered by NRC to that point had led to concerns about the stations' work environment, particularly as it related to the handling of emergent equipment conditions and associated operational decision making. In that letter, the NRC requested that PSEG respond within 30 days and articulate plans to conduct its own in-depth assessment.

In a February 27, 2004, letter (ML040580600), PSEG described a multifaceted approach for assessing and improving the work environment. The approach included: an evaluation of the results of a contracted survey in December 2003 of the work environment at all three units; a peer review from Utility Services Alliance that included planned evaluations and targeted interviews of various on-site groups; and a review by an Independent Assessment Team (IAT) that used preliminary results from the first two efforts in guiding further activities needed to identify potential causes of the work environment concerns. The IAT, which was staffed as an independent organization led by an outside executive, also planned a large number of interviews of plant staff and management, including senior corporate management.

On March 18, 2004, the NRC held a management meeting with PSEG at the Bridgeport Holiday Inn in Swedesboro, NJ. At the meeting, PSEG summarized its plans to assess the work environment at Salem and Hope Creek. The NRC questioned PSEG on certain aspects of its plan, including how specific events and discrete issues would be reviewed. At the end of the meeting between the NRC and PSEG, public attendees were offered the opportunity to ask questions of NRC officials.

The PSEG letter and meeting, describing its assessment plans, were important first steps in response to our January 28, 2004 letter. Much effort remains for PSEG to evaluate the assessment results and recommendations, and formulate its improvement plan. We will be scheduling a meeting with PSEG to discuss the results of its assessment. We will also continue to maintain our focus on PSEG progress in implementing planned actions. This includes actions taken or planned to address issues that might arise regarding the work environment, as well actions taken or planned to strengthen your corrective action program. As

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needed, we will continue NRC management visits on-site and inspections to oversee selected aspects of PSEG actions to improve the work environment.

Both the PSEG presentation slides (ML040830072) and the NRC presentation slides (ML040790261) from the March 18 meeting, as well as the above referenced NRC and PSEG letters, can be located in the NRC Agency-wide Documents Access and Management Systems (ADAMS) by referring to accession numbers (ML numbers) identified throughout this document. ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

No response to this letter is required. In accordance with 10 CFR 2.390 of the NRC's "Rule of Practice," a copy of this letter will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Sincerely,

/RA/

A. Randolph Blough, Director
Division of Reactor Projects

Docket Nos. 50-272, 50-311, 50-354

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