



PSEG Nuclear

Assessment Results and Plans for Improving the Work Environment at Salem/Hope Creek

NRC Public Meeting
June 16, 2004





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Frank Cassidy

President & COO – PSEG Power





Agenda

Frank Cassidy	Corporate Commitment
Chris Bakken	Response to the Annual Assessment Letters
Jim O'Hanlon	Independent Assessment Team (IAT) Results
Frank Cassidy	Corporate Position
Chris Bakken	Overall Assessment Results Strategic Action Plans and Progress Tactical Actions and Progress
Mike Brothers	Safety Conscious Work Environment (SCWE) Action Plan Performance Measures
Chris Bakken	Conclusions

Corporate Commitment

Salem/Hope Creek Remains Critical to PSEG and the Public

- Continue to Safely Operate Salem/Hope Creek
- Improve Corporate/Site Interface & Corporate Messages
- Ensure Salem/Hope Creek Receive Required Resources
- Achieve Nuclear Excellence to Meet Corporate Business Goals



Chris Bakken

Senior Vice President – Nuclear Operations





NRC Annual Assessment Letters

No Serious Safety Violations Identified

We Recognize Substantive Cross-cutting Issue - Problem Identification & Resolution

- Several Examples of Corrective Action Program (CAP) Performance Issues

Concern About Station Work Environment

- January 28, 2004 Letter
- Emergent Equipment Issues and Associated Operational Decision Making
- We Recognize Work Management Program's Contribution



NRC Annual Assessment Letters

Corrective Actions for the White Findings

- Salem EDG
- Hope Creek Traveling Screen

Completed CAP Assessment

- Short-Term Actions
- Long-Term Actions Part of Revised Business Plan

Response to January 28, 2004 Letter

- Key Element of the Revised Business Plan
- Recognize CAP and Work Management Issues Impact Safety Conscious Work Environment (SCWE)



James O'Hanlon

Independent Assessment Team Lead



Independent Assessment Team (IAT)

Formally Chartered by CEO

Experienced Assessment Team

- Former Utility Managers
- Former NRC Managers

Experienced Independent Reviewers

Broad Sources of Data

- 190 Structured Interviews
- PSEG Quarterly Culture Surveys
- Other Assessments/Survey (USA, Synergy)
- Internal Documentation
(Assessment Reports, CAP Assessment, CAP Data Base, Quality Assurance Reports, etc.)
- External Documentation (NRC Inspection Reports)

SCWE Review Standards

Four SCWE Pillars

- Do personnel feel free to raise nuclear safety concerns without fear of retaliation for doing so?
- Is the site problem identification and resolution process (primarily the corrective action program) effective when addressing employee concerns?
- Are alternate mechanisms, such as an Employee Concerns Program (ECP), available for personnel to raise nuclear safety concerns and are they effective?
- Is management effective at detecting and preventing retaliation and potential chilling effect?



Key Findings

Safety Conscious Work Environment

- Personnel Will Raise Nuclear Safety Concerns
 - Some Hesitancy Resulting from Unresolved Issues and Fear of Retaliation

- The CAP and Work Management
 - Processes Are Sound

 - Implementation Issues Exist



Key Findings (Continued)

The Employee Concerns Program (ECP)

- Has the Requisite Elements
- Not Viewed as a Viable Resource by a Significant Fraction of Site Personnel

No Systemic Issue Involving Retaliation Identified

- Management Ineffective in Understanding or Addressing Potential Chilling Effect

Key Findings (Continued)

Prior Assessments

- PSEG Quarterly SCWE Self Evaluations Not Effective at Assessing the Work Environment or Enhancing the Work Environment
- 2003 Synergy Survey and 2004 Utility Service Alliance (USA) Assessment Are Consistent With Independent Assessment Team (IAT) Findings

Key Findings (Continued)

Operational Decision-Making and Unresolved Conflicts

- The Way Decisions Were Made and Communicated Has Sent Mixed Messages
- Perceptions Include:
 - Conservative Decision-Making Influenced by Production and Schedule Considerations
 - Degraded Equipment Conditions Are Acceptable
 - Procedural Non-Adherence Is Tolerated

Key Findings (Continued)

Operational Decision-Making and Unresolved Conflicts (Continued)

- Some in Management:
 - Did Not Clearly Communicate
 - Have Taken Actions, or Failed to Take Actions, that Had a Chilling Effect
 - Have Been Inappropriately Involved in Operational Decisions

Key Findings (Continued)

Corporate - Site Interface

- Some Employees Perceive Issues Such As Longstanding Equipment Problems Are Due to a Lack of Resources
- Business Planning and Goal Setting May Have Sent Mixed Messages Regarding the Relative Importance of Production and Safety
- Corporate Interfaces Need Improvement
 - Human Resources
 - Financial Planning



Key Recommendations

Train All Personnel on the SCWE Policy

Upgrade Existing Supervisory Skills Training to Include SCWE Principles

Promote and Reinforce SCWE on an Ongoing Basis

Address CAP & Work Management Deficiencies Identified by IAT and USA Assessments

Upgrade ECP

Key Recommendations (Continued)

Align HR, Labor Relations & Financial Practices With SCWE Expectations

Continue to Take Aggressive Action to Overcome Perceptions Caused by Unresolved Conflicts

Improve Corporate - Site Interface

- Improve Communications
- Increase Direct Interfaces
- Revise Power Behaviors to Include Safety Values



Frank Cassidy

President & COO – PSEG Power





Corporate Position

Corporate – Site Interface Issues

- Perception of Lack of Resources
 - Short- and Long-term Funding
 - Playbook Processes
 - Communications
- Business Planning and Goal Setting
 - Revised Power Behaviors
 - Playbook Processes
 - Communications
- Human Resources and Finance Interfaces
 - Playbook Processes



Corporate Support

Short and Long-Term Funding

- Historical
- 2004
 - Salem 1 Refueling Outage
 - Salem 2 and Hope Creek Maintenance Outage
 - Hope Creek Refueling Outage
- Long Term

Progress in the Plan for Change

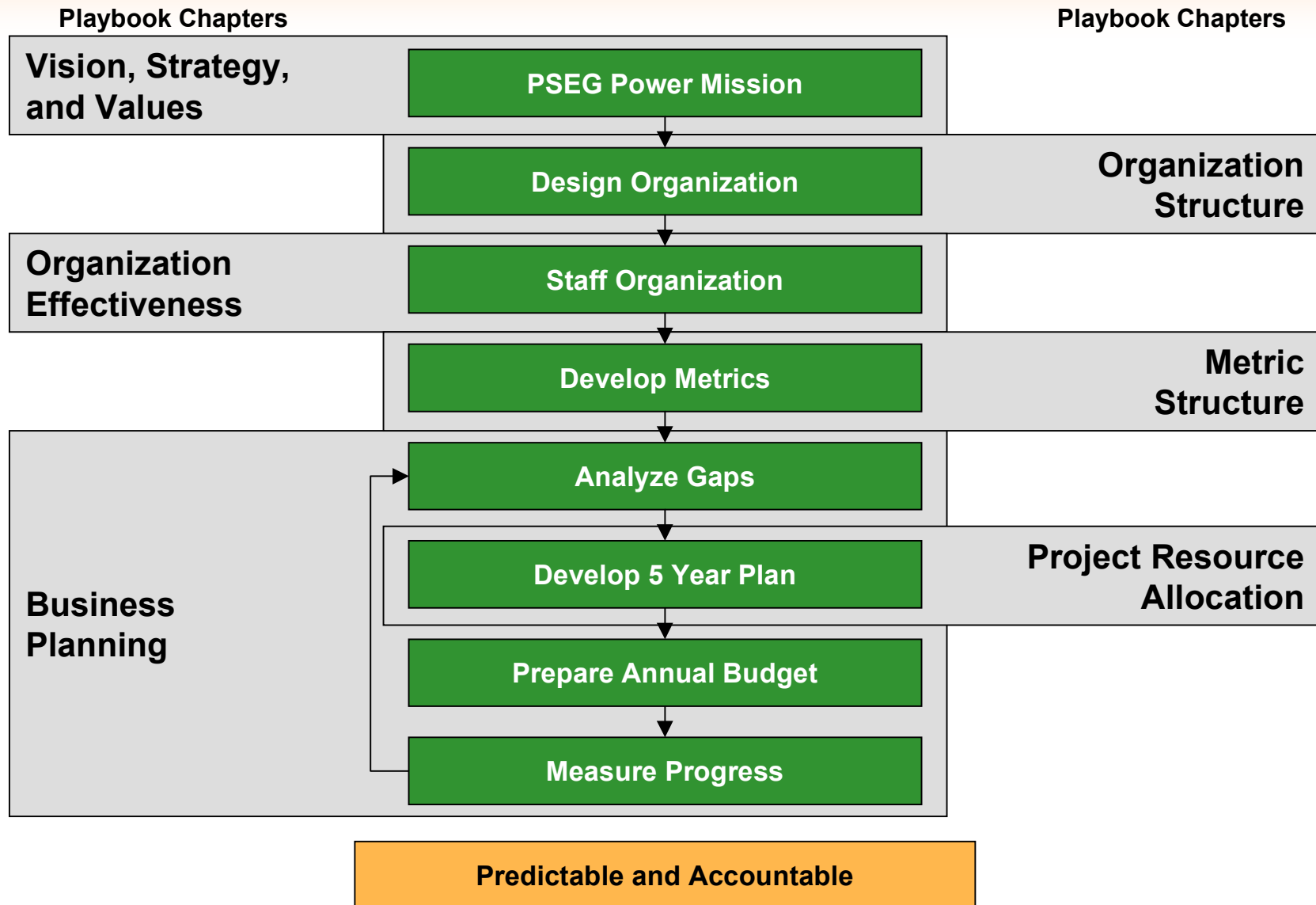
2003–2004: Fundamental Change Designed to Assure Safe Reliable Operation

Accomplishments

- Mission Statement
- Reorganized
- Staffed the Organization
- Unitization for Focus
- System Engineers
- Capital Increase
- Capital Shift
- Succession Plan
- Metrics with Line of Sight
- Performance Management
- Gap Analysis
- Implementing Business Plan
- Foundation Set for Further Improvement



Documentation of Business Fundamentals



Key Point	Playbook is the means to define, document, and communicate our key management philosophies
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Communications

Initiated Multiple Communications Improvements

- Corporate Management Presence on Site
- “Straight Talk” Newsletter to Respond to Issues
- Vice President Meeting With Shifts
- Bi-weekly Managers Communication Meeting
- CCTV Postings of Avenues to Raise Concerns
- Weekly Site Communications/Corporate Communications/External Affairs Coordination Meeting
- Weekly Project News Communication
- Improved Business Plan Communications
- All-Hands and Rollout Meetings

Corporate Position

Revised PSEG Power Behavior

- Place Operational Safety First
 - Integrate with SCWE in Nuclear
- Principal Attributes
 - Promptly Identifies and Corrects Any Conditions Adverse to Safety
 - Does not Tolerate Conditions or Acts that Undermine Safety
 - Encourages Questioning Attitude and Conservative Decision Making
- Assess Performance
 - Safety Metrics
 - Performance Appraisals



Chris Bakken

Senior Vice President – Nuclear Operations





Current Status

Completed the Gap Analysis

Docketed Assessment/Survey Results

Revising Business Plan

- Five Business Objectives
- Employee Teams Participating in Plan Development Where Appropriate
- SCWE Related Plan Developed
- Developing Remainder of the Business Plan

Implementing Short-Term Actions

Overall Summary of Reports

Salem & Hope Creek Plants Are Safe to Operate

Considerable Improvements Must Be Made

- People (Willingness of Employees to Raise Issues; SCWE)
- Plant (Upgrades and Workarounds)
- Processes (CAP and WMP)

All these Degraded Areas Are Linked, and Must Be Improved to Raise Performance and Improve Work Environment

Approach

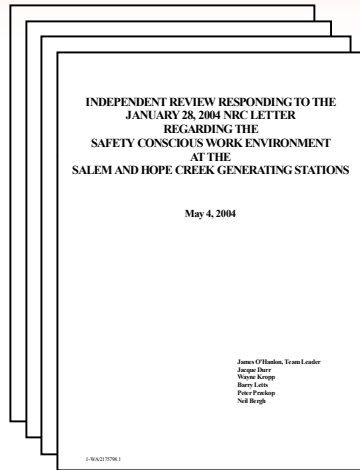
Model

Assessments

04 – 05 Business Plan Objectives



Development of Improvement Plans



Assessment & Survey Reports

Project Schedule			
Action	Owner	Due Date	Schedule
Action 1			
Action 2			
Action 3			
Action 4			
Action 5			
Action 6			
Action 7			

Project Schedule

Action Plan			
Issue	Action	Owner	Due Date

Action Plans – Business Plan

Integrate

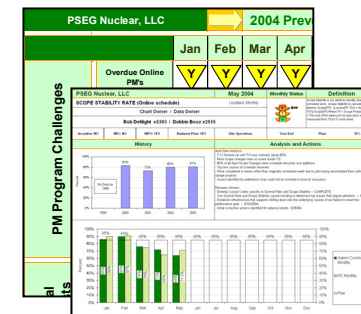
Issues Matrix			
Issues	Synergy	USA	IAT

Issues Matrix

Develop Action Plans

Track Issue Resolution

Track Progress



Metrics

Improvements Supporting SCWE

Corrective Action Program Action Plan

- Identification
- Ownership and Responsibility
- Resolution
- Training

Work Management

- Management Alignment /Awareness
- Discipline in the Work Management Process
- Process Improvement
- Communication/Training

Tactical Actions

Senior Management Reinforcement for Conservative Operational Decisions

- Completed Salem 1 Increased Outage Scope
- Conservative Decisions During Operating Cycle
 - Consistent Since Fall Forced Outages
- Increased Scope of Fall Hope Creek Outage
- Improving Communications of These Decisions
- Increased Scope of Hope Creek May Maintenance Outage

Oversight & Monitoring of Progress

Manage Improvements Through the Business Plan

- Includes Metrics
- Monthly Progress Updates
- Monthly Operational Excellence Review Meetings

External Activities

- Next Survey After the Hope Creek Outage
- Subsequent Surveys During Next Five Years
- Meet with NRC to Discuss Progress During First Quarter 2005
- Periodically Publish Key SCWE Metrics

Keep Resident Inspectors Informed

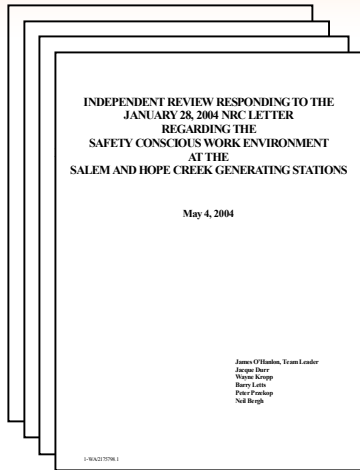


Michael Brothers

Vice President, Site Operations – PSEG Nuclear



Development of Improvement Plans - Overview



Assessment & Survey Reports

Integrate

Issues Matrix			
Issues	Synergy	USA	IAT

Issues Matrix

Develop Schedule

Project Schedule			
Action	Owner	Due Date	Schedule
Action 1			
Action 2			
Action 3			
Action 4			
Action 5			
Action 6			
Action 7			

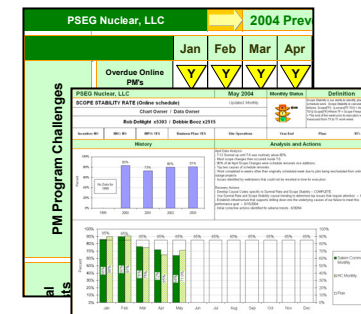
Project Schedule

Action Plan			
Issue	Action	Owner	Due Date

Action Plans – Business Plan

Track Progress

Develop Action Plans



Metrics

Track Issue Resolution

Major Gaps - SCWE

Long Standing Material Deficiencies Are Allowed to Exist

Communications on All Levels of the Organization

Training Needed on Working and Managing a SCWE

All Proposed Personnel Actions Do Not Receive a Systematic Review

Closure Portion of the Corrective Action and Work Management Program

SCWE Action Plans – Major Milestones

Raising Concerns

- Implement SCWE Organization 07/15/04
- Develop SCWE Training Plan 08/01/04
- Implement Communication Strategy 08/01/04
- Perform SCWE Training 12/31/04

Processes are Effective

- Develop an Issues Management Process 08/01/04
- Increase Safety Emphasis in 2005
Incentive Program 08/01/04
- Review/Revise Current HR Practices 12/31/04

SCWE Action Plans – Major Milestones (Cont.)

Effective Alternative Mechanisms

- Enhance Employee Concerns Program Effectiveness 08/01/04

Detecting and Preventing Retaliation

- Establish an Executive Review Board 06/07/04
- Establish a Process for Responding to Potential Retaliation 08/01/04
- Establish a People Team 08/01/04

Improvements Supporting SCWE

Corrective Action Program Action Plan

- Identification
- Ownership and Responsibility
- Resolution
- Training

Work Management

- Management Alignment /Awareness
- Discipline in the Work Management Process
- Process Improvement
- Communication/Training Strategies

Performance Will Be Measured and Published

Key SCWE Metrics

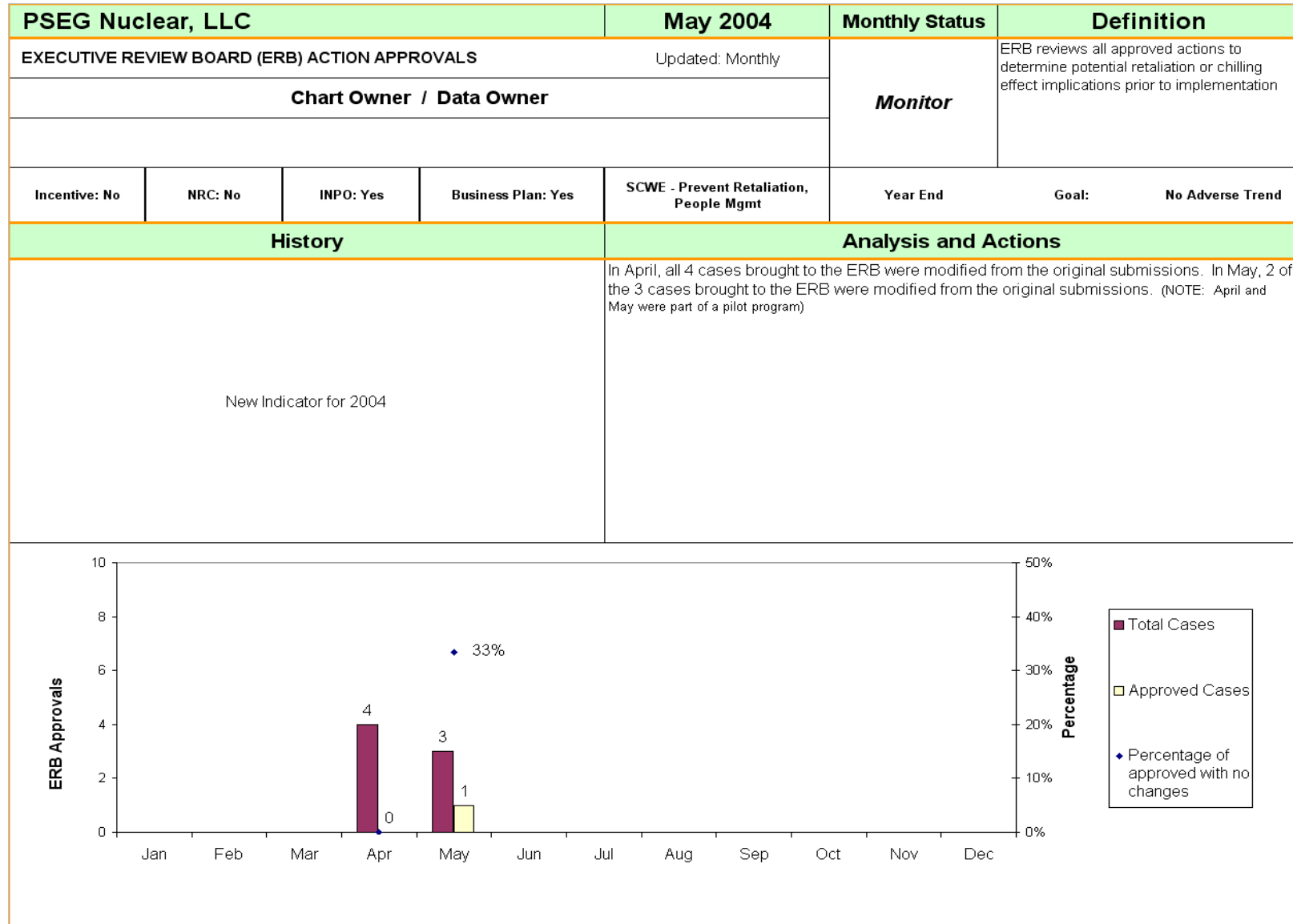
- Survey Results of Employees' Perception of Management Commitment
- Executive Review Board Action Approvals / No Comments
- Survey Results of Employees' Perception of Supervisor Communication Effectiveness
- ECP Concerns Confidentiality/Anonymity Request
- Survey Results of Trust Between Management and Employees
- Total Notifications Generated
- Nuclear Condition Reports (NUCRs) Operations Overdue

Performance Will Be Measured and Published

Key SCWE Metrics (Continued)

- Open NUCR Evaluations with Due Date Extensions
- Repeat Nuclear Safety Related Notifications
- Safety System Unavailability
- Unplanned Limiting Condition of Operation (LCO) Entries
- Unplanned Operational Challenges
- Survey Results of SCWE Management Training Completion
- Survey Results of Knowledge of Alternate Avenues
- Corrective Maintenance Backlog
- Elective Maintenance Backlog
- Corrective Action Problem Resolution

Key SCWE Performance Measures




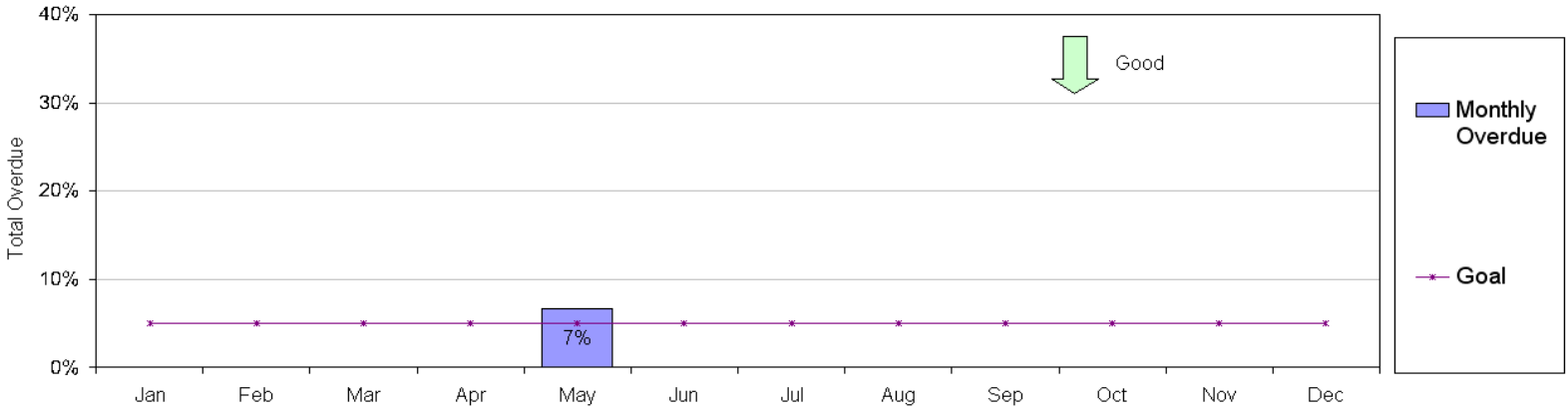
Key SCWE Performance Measures

PSEG Nuclear, LLC				May 2004	Monthly Status	Definition																																							
ECP CONCERNS CONFIDENTIALITY/ANONYMITY REQUEST				Updated: Monthly	Monitor	The percentage of ECP concerns filed anonymously/confidentially versus total number of concerns per month..																																							
Chart Owner / Data Owner																																													
John Carlin x5500 / Tom Lake x3654																																													
Incentive: No	NRC: Yes	INPO: Yes	Business Plan: Yes	SCWE - Trust and Acct, Free Flow	Year End	Goal: No Adverse Trend																																							
History				Analysis and Actions																																									
<table border="1"> <caption>2003 Concerns Data</caption> <thead> <tr> <th>Category</th> <th>Number of Concerns</th> </tr> </thead> <tbody> <tr> <td>Confidentiality Requested</td> <td>12</td> </tr> <tr> <td>Anonymous</td> <td>4</td> </tr> <tr> <td>Total Number of Concerns</td> <td>33</td> </tr> </tbody> </table>				Category	Number of Concerns	Confidentiality Requested	12	Anonymous	4	Total Number of Concerns	33	<p>Six of the seven concerns submitted either anonymously or with a request for confidentiality have been thirty day requests for response from the NRC.</p>																																	
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<table border="1"> <caption>Monthly Concerns and Percentages</caption> <thead> <tr> <th>Month</th> <th>Year to Date Confidentiality / Anonymously</th> <th>Monthly Percentage</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>0</td> <td>0%</td> </tr> <tr> <td>Feb</td> <td>1</td> <td>25.0%</td> </tr> <tr> <td>Mar</td> <td>2</td> <td>33.3%</td> </tr> <tr> <td>Apr</td> <td>6</td> <td>50.0%</td> </tr> <tr> <td>May</td> <td>7</td> <td>33.3%</td> </tr> <tr> <td>Jun</td> <td></td> <td></td> </tr> <tr> <td>Jul</td> <td></td> <td></td> </tr> <tr> <td>Aug</td> <td></td> <td></td> </tr> <tr> <td>Sep</td> <td></td> <td></td> </tr> <tr> <td>Oct</td> <td></td> <td></td> </tr> <tr> <td>Nov</td> <td></td> <td></td> </tr> <tr> <td>Dec</td> <td></td> <td></td> </tr> </tbody> </table>				Month	Year to Date Confidentiality / Anonymously	Monthly Percentage	Jan	0	0%	Feb	1	25.0%	Mar	2	33.3%	Apr	6	50.0%	May	7	33.3%	Jun			Jul			Aug			Sep			Oct			Nov			Dec					
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Key SCWE Performance Measures

PSEG Nuclear, LLC				May 2004	Monthly Status	Definition																										
TOTAL NOTIFICATIONS GENERATED				Updated: Monthly	Monitor	Total N1 notifications generated on a monthly basis and by significance level (SL-1, SL-2, and SL-3). The historical data is a monthly average for the years of 2002 and 2003.																										
Chart Owner / Data Owner																																
Incentive: No	NRC: Yes	INPO: Yes	Business Plan: Yes																													
SCWE Problem Identificaton / Reporting				Year End	Goal:	No adverse trend																										
History				Analysis and Actions																												
<table border="1"> <caption>Monthly Average Total Notifications</caption> <thead> <tr> <th>Year</th> <th>Monthly Average Total Notifications</th> </tr> </thead> <tbody> <tr> <td>1999</td> <td>Historical Data not Available</td> </tr> <tr> <td>2000</td> <td>Historical Data not Available</td> </tr> <tr> <td>2001</td> <td>Historical Data not Available</td> </tr> <tr> <td>2002</td> <td>1411</td> </tr> <tr> <td>2003</td> <td>1679</td> </tr> </tbody> </table>				Year	Monthly Average Total Notifications	1999	Historical Data not Available	2000	Historical Data not Available	2001	Historical Data not Available	2002	1411	2003	1679	<p>The normal increase was seen during outage period in March and April. May data shows a return to typical non-outage monthly level as expected. No action is required.</p>																
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<table border="1"> <caption>Total Notifications by Month</caption> <thead> <tr> <th>Month</th> <th>Total Notifications</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>1837</td> </tr> <tr> <td>Feb</td> <td>1590</td> </tr> <tr> <td>Mar</td> <td>2190</td> </tr> <tr> <td>Apr</td> <td>2339</td> </tr> <tr> <td>May</td> <td>1916</td> </tr> <tr> <td>Jun</td> <td></td> </tr> <tr> <td>Jul</td> <td></td> </tr> <tr> <td>Aug</td> <td></td> </tr> <tr> <td>Sep</td> <td></td> </tr> <tr> <td>Oct</td> <td></td> </tr> <tr> <td>Nov</td> <td></td> </tr> <tr> <td>Dec</td> <td></td> </tr> </tbody> </table>							Month	Total Notifications	Jan	1837	Feb	1590	Mar	2190	Apr	2339	May	1916	Jun		Jul		Aug		Sep		Oct		Nov		Dec	
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Key SCWE Performance Measures

PSEG Nuclear, LLC				May 2004	Monthly Status	Definition																																							
NUCLEAR CONDITION REPORT OPERATIONS OVERDUE				Updated: Monthly		Percentage of NUCR operations overdue on a monthly basis, measured by operations with actual finish date after due date.																																							
Chart Owner / Data Owner																																													
Incentive: No	NRC: Yes	INPO: Yes	Business Plan: Yes	SCWE-Problem Identificaton / Reporting	Year End	Goal: <5%																																							
History				Analysis and Actions																																									
New indicator for 2004				The current data for May indicates 7% overdue. The goal is less than or equal to 5%. This is the first month for this indicator.																																									
 <table border="1"> <caption>Chart Data: Total Overdue vs Goal</caption> <thead> <tr> <th>Month</th> <th>Monthly Overdue (%)</th> <th>Goal (%)</th> </tr> </thead> <tbody> <tr><td>Jan</td><td>0</td><td>5</td></tr> <tr><td>Feb</td><td>0</td><td>5</td></tr> <tr><td>Mar</td><td>0</td><td>5</td></tr> <tr><td>Apr</td><td>0</td><td>5</td></tr> <tr><td>May</td><td>7</td><td>5</td></tr> <tr><td>Jun</td><td>0</td><td>5</td></tr> <tr><td>Jul</td><td>0</td><td>5</td></tr> <tr><td>Aug</td><td>0</td><td>5</td></tr> <tr><td>Sep</td><td>0</td><td>5</td></tr> <tr><td>Oct</td><td>0</td><td>5</td></tr> <tr><td>Nov</td><td>0</td><td>5</td></tr> <tr><td>Dec</td><td>0</td><td>5</td></tr> </tbody> </table>							Month	Monthly Overdue (%)	Goal (%)	Jan	0	5	Feb	0	5	Mar	0	5	Apr	0	5	May	7	5	Jun	0	5	Jul	0	5	Aug	0	5	Sep	0	5	Oct	0	5	Nov	0	5	Dec	0	5
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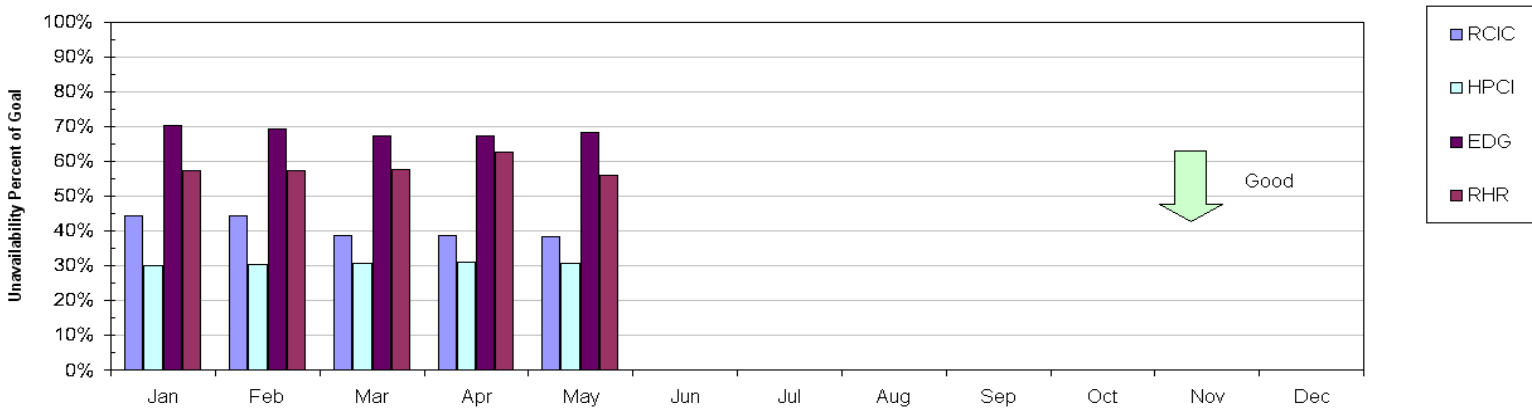
Key SCWE Performance Measures

PSEG Nuclear, LLC				May 2004	Monthly Status	Definition																										
OPEN NUCLEAR CONDITION REPORT EVALUATIONS WITH DUE DATE EXTENSIONS				Updated: Monthly	Monitor	This performance metric measures the number of due date extensions approved for open NUCR evaluations.																										
Chart Owner / Data Owner																																
Incentive: No	NRC: Yes	INPO: Yes	Business Plan: Yes	SCWE-Problem Identificaton / Reporting	Year End	Goal: No adverse trend																										
History				Analysis and Actions																												
New indicator for 2004				The current data for May indicates 85 extensions are recorded on open NUCR evaluations. No trend has yet been established. This is the first month for this indicator.																												
<table border="1"> <caption>Total Extensions by Month (2004)</caption> <thead> <tr> <th>Month</th> <th>Total Extensions</th> </tr> </thead> <tbody> <tr><td>Jan</td><td>0</td></tr> <tr><td>Feb</td><td>0</td></tr> <tr><td>Mar</td><td>0</td></tr> <tr><td>Apr</td><td>0</td></tr> <tr><td>May</td><td>85</td></tr> <tr><td>Jun</td><td>0</td></tr> <tr><td>Jul</td><td>0</td></tr> <tr><td>Aug</td><td>0</td></tr> <tr><td>Sep</td><td>0</td></tr> <tr><td>Oct</td><td>0</td></tr> <tr><td>Nov</td><td>0</td></tr> <tr><td>Dec</td><td>0</td></tr> </tbody> </table>							Month	Total Extensions	Jan	0	Feb	0	Mar	0	Apr	0	May	85	Jun	0	Jul	0	Aug	0	Sep	0	Oct	0	Nov	0	Dec	0
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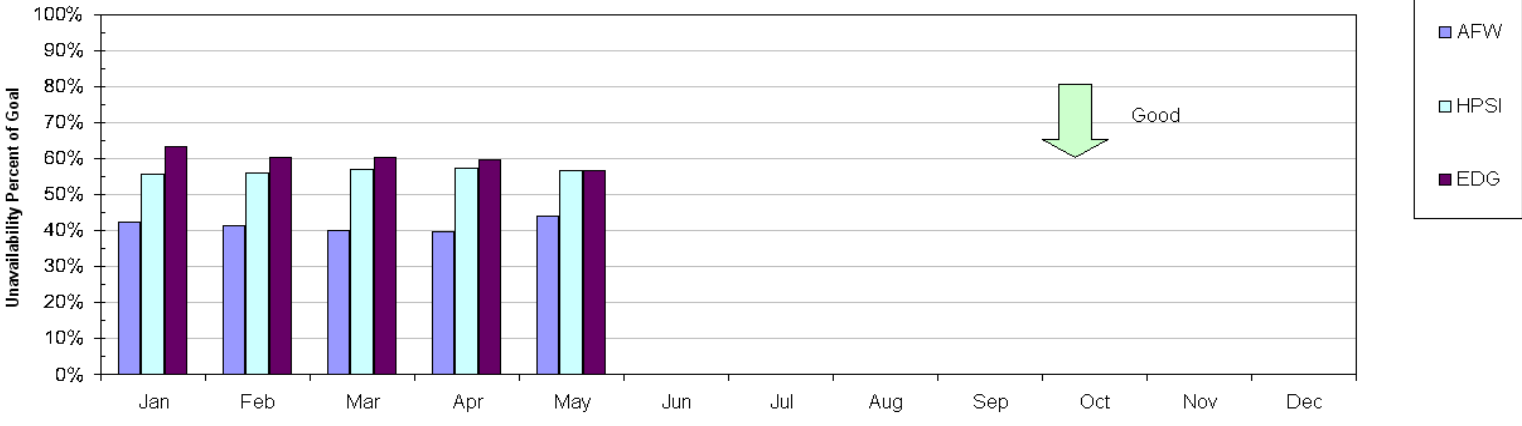
Key SCWE Performance Measures

PSEG Nuclear, LLC				May 2004	Monthly Status	Definition																										
REPEAT NUCLEAR SAFETY NOTIFICATIONS				Updated: Monthly	Monitor	Number of Nuclear Safety concerns that were reissued as a result of ineffective corrective actions, determined by the "REPT" status identified during SWIM review for notifications on safety-related FLOCs.																										
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New indicator for 2004				Although data exists for the year to date, this is the first month we are monitoring our results. Therefore, no conclusion on trend can be established.																												
<table border="1"> <caption>Total Repeat Safety Notifications by Month</caption> <thead> <tr> <th>Month</th> <th>Monthly Actual</th> </tr> </thead> <tbody> <tr><td>Jan</td><td>20</td></tr> <tr><td>Feb</td><td>10</td></tr> <tr><td>Mar</td><td>7</td></tr> <tr><td>Apr</td><td>10</td></tr> <tr><td>May</td><td>3</td></tr> <tr><td>Jun</td><td>0</td></tr> <tr><td>Jul</td><td>0</td></tr> <tr><td>Aug</td><td>0</td></tr> <tr><td>Sep</td><td>0</td></tr> <tr><td>Oct</td><td>0</td></tr> <tr><td>Nov</td><td>0</td></tr> <tr><td>Dec</td><td>0</td></tr> </tbody> </table>							Month	Monthly Actual	Jan	20	Feb	10	Mar	7	Apr	10	May	3	Jun	0	Jul	0	Aug	0	Sep	0	Oct	0	Nov	0	Dec	0
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Nov	0																															
Dec	0																															


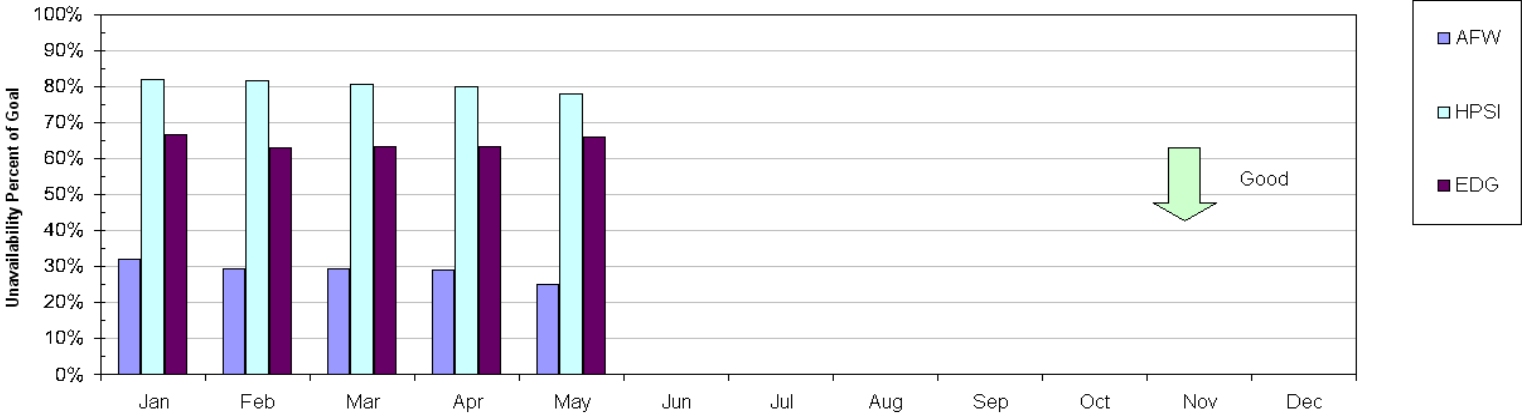
Key SCWE Performance Measures

PSEG Nuclear, LLC				May 2004	Monthly Status	Definition																														
SAFETY SYSTEM UNAVAILABILITY - HC				Updated: Monthly		This indicator is the percent of the unavailability hours as compared to goal for the Reactor Core Isolation Cooling(RCIC), Reactor Heat Removal(RHR), High Pressure Coolant Injection(HPCI) and Emergency Diesel Generators(EDG).																														
Chart Owner / Data Owner																																				
Incentive: No	NRC: Yes	INPO: Yes	Business Plan: Yes	SCWE - Conservatism	Year End	Goal: *																														
History				Analysis and Actions																																
New indicator for 2004				Summary Hope Creek safety systems have been benchmarked against industry best-practice availability, and corrective actions have been implemented which have improved availability and reliability of the Hope Creek Safety Systems. Yearly goals are HPCI 4.0%, RHR 1.5%, RCIC 4.0% and EDG 2.5%.																																
 <table border="1"> <caption>Unavailability Percent of Goal Data (Estimated)</caption> <thead> <tr> <th>Month</th> <th>RCIC (%)</th> <th>HPCI (%)</th> <th>EDG (%)</th> <th>RHR (%)</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>45</td> <td>30</td> <td>70</td> <td>58</td> </tr> <tr> <td>Feb</td> <td>45</td> <td>30</td> <td>70</td> <td>58</td> </tr> <tr> <td>Mar</td> <td>38</td> <td>30</td> <td>68</td> <td>58</td> </tr> <tr> <td>Apr</td> <td>38</td> <td>30</td> <td>68</td> <td>63</td> </tr> <tr> <td>May</td> <td>38</td> <td>30</td> <td>68</td> <td>56</td> </tr> </tbody> </table>							Month	RCIC (%)	HPCI (%)	EDG (%)	RHR (%)	Jan	45	30	70	58	Feb	45	30	70	58	Mar	38	30	68	58	Apr	38	30	68	63	May	38	30	68	56
Month	RCIC (%)	HPCI (%)	EDG (%)	RHR (%)																																
Jan	45	30	70	58																																
Feb	45	30	70	58																																
Mar	38	30	68	58																																
Apr	38	30	68	63																																
May	38	30	68	56																																

Key SCWE Performance Measures

PSEG Nuclear, LLC				May 2004	Monthly Status	Definition																																																				
SAFETY SYSTEM UNAVAILABILITY - S1				Updated: Monthly		This indicator is the percent of the unavailability hours as compared to goal for Auxiliary Feedwater(AFW), High Pressure Safety Injection(HPSI) and Emergency Diesel Generators(EDG).																																																				
Chart Owner / Data Owner																																																										
Incentive: No	NRC: Yes	INPO: Yes	Business Plan: Yes	SCWE - Conservatism	Year End	Goal: *																																																				
History				Analysis and Actions																																																						
<p style="text-align: center;">New indicator for 2004</p>				<p>Summary Salem Unit 1 safety systems have been benchmarked against industry best-practice availability, and aggressive corrective actions have been implemented which have improved availability and reliability the Safety Systems. Yearly goals are HPI 1.5%, AFW 2.0% and EDG 2.5%.</p>																																																						
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Month	AFW (%)	HPSI (%)	EDG (%)																																																							
Jan	42	55	63																																																							
Feb	41	55	60																																																							
Mar	40	57	60																																																							
Apr	40	57	60																																																							
May	44	57	57																																																							
Jun																																																										
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Key SCWE Performance Measures

PSEG Nuclear, LLC				May 2004	Monthly Status	Definition																																																				
SAFETY SYSTEM UNAVAILABILITY - S2				Updated: Monthly		This indicator is the percent of the unavailability hours as compared to goal for Auxiliary Feedwater(AFW), High Pressure Safety Injection(HPSI) and Emergency Diesel Generators(EDG).																																																				
Chart Owner / Data Owner																																																										
Incentive: No	NRC: Yes	INPO: Yes	Business Plan: Yes																																																							
SCWE - Conservatism				Year End	Goal: *																																																					
History				Analysis and Actions																																																						
New indicator for 2004				Summary Salem Unit 2 safety systems have been benchmarked against industry best-practice availability, and aggressive corrective actions have been implemented which have improved availability and reliability the Safety Systems. Yearly goals are HPI 1.5%, AFW 2.0% and EDG 2.5%.																																																						
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Month	AFW (%)	HPSI (%)	EDG (%)																																																							
Jan	32	82	68																																																							
Feb	30	82	64																																																							
Mar	30	82	64																																																							
Apr	30	80	64																																																							
May	26	78	68																																																							
Jun																																																										
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Oct																																																										
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Key SCWE Performance Measures

PSEG Nuclear, LLC				May 2004	Monthly Status	Definition
UNPLANNED LCO ENTRIES - Hope Creek				Updated: Monthly		The number of Unplanned Technical Specification LCO's entered during the month.
Chart Owner / Data Owner						
Incentive: NO	NRC: NO	INPO: NO	Business Plan: YES	Engineering & Technical Support		
				Year End	Limit:	6 NON S/D U/Mo. 2 S/D U/Mo.
History				Analysis and Actions		
				<p>There were a total of 6 unplanned LCO's for Hope Creek Station for the month of May 2004, 4 of which were identified as Shutdown LCO's.</p> <ul style="list-style-type: none"> -Two Shutdown LCO's were attributed to failed packing on the 'A' SSW Pump. This issue is addressed under order 70039154. Investigation revealed that the packing used to pack the pump was of different dimensions. BOM had identified a different size packing material. -'B' Control Room Chiller [1BK400] became inoperable due to the failure of the Guide Vane linkage. The setscrew holding this linkage loosened as a result the compressor was unable to load. Corrective maintenance included dimpling Setscrew interface and tightening setscrew in place. Notification 20190574 and NUJR 70039481. System mgr's evaluation will be complete 06/22/04. -An LPRM failure induced the during a TIPS run rendered a second APRM channel inoperable and requiring placing the 'B' APRM in the tripped condition IAW Tech Specs. Notification 2019028 written. 		

Key SCWE Performance Measures

PSEG Nuclear, LLC				May 2004	Monthly Status	Definition
UNPLANNED LCO ENTRIES - Salem 1				Updated: Monthly		The number of Unplanned Technical Specification LCO's entered during the month.
Chart Owner / Data Owner						
Incentive: NO	NRC: NO	INPO: NO	Business Plan: YES			
				Engineering & Technical Support	Year End	Limit: 6 NON S/D U/Mo. 2 S/D U/Mo.
History				Analysis and Actions		
				<p>Summary 2 unplanned shutdown and 15 unplanned non-shutdown LCO's occurred at Salem Unit 1 during the month of May.</p> <p>Analysis The two shutdown LCO's were: (1) the 13 Aux Feed pump became inoperable due to problems with the set-up of the 1MS132, and (2) the 11SW20 was declared inoperable due to a degraded support. Of the 15 non-shutdown LCO's, 8 were radiation monitor failures, 2 were ASME leaks, 3 were nuclear instrumentation failures, 1 was a frozen thermostatic expansion valve that inop'd the 11 chiller, and 1 was due to pressurizer surge line temperature fluctuations.</p> <p>Action Actions will be developed based on CR evaluations associated with each of the conditions described above.</p> <p>Industry Best Practice Average industry best practice is less than 3 LCO's per month.</p>		


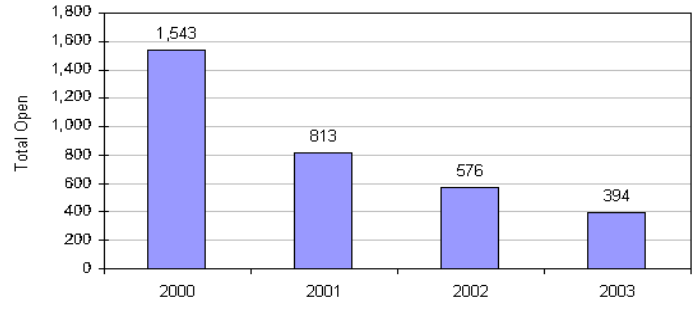
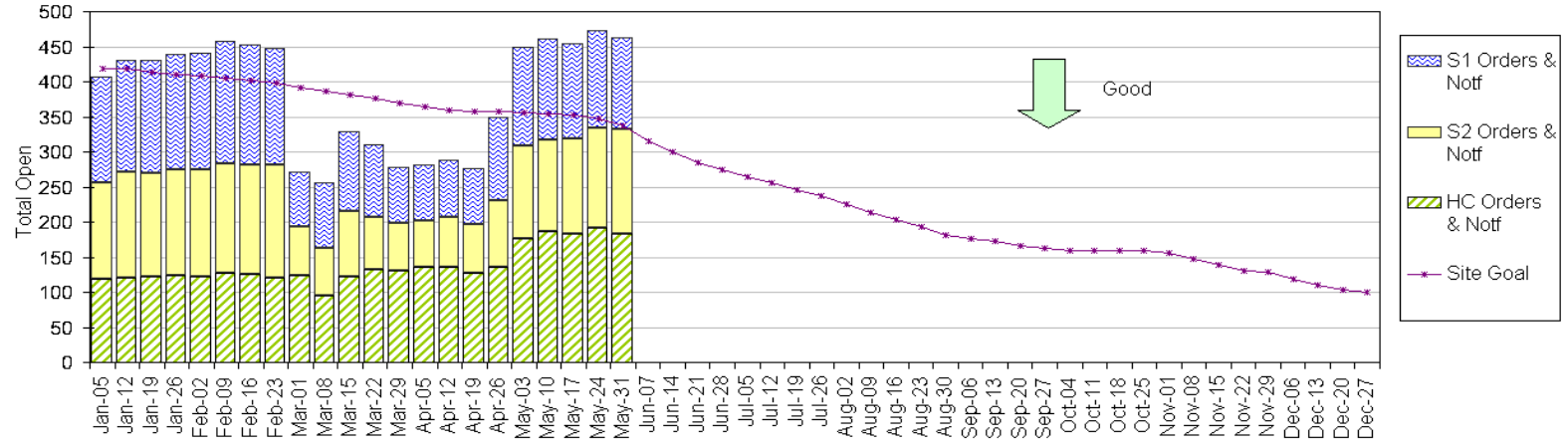
Key SCWE Performance Measures

PSEG Nuclear, LLC				May 2004	Monthly Status	Definition
UNPLANNED LCO ENTRIES - Salem 2				Updated: Monthly		The number of Unplanned Technical Specification LCO's entered during the month.
Chart Owner / Data Owner						
Incentive: NO	NRC: NO	INPO: NO	Business Plan: YES			
				Engineering & Technical Support	Year End	Limit: 6 NON S/D U/Mo. 2 S/D U/Mo.
History				Analysis and Actions - (Shutdown LCOs only)		
				<p>Summary 3 shutdown and 6 non-shutdown LCO's occurred at Salem Unit 2 during May.</p> <p>Analysis Loss of the 230V B vital transformer resulted in shut-down of Salem Unit 2. A root cause evaluation has been performed and corrective actions developed. Additionally, unplanned shutdown LCOs resulted from failure of the 21 chiller and cleaning of chromates from the 2B diesel.</p> <p>Action Actions will be developed based on CR evaluations associated with each of the conditions described above.</p> <p>Industry Best Practice Average industry best practice is less than 3 LCO's per month.</p>		


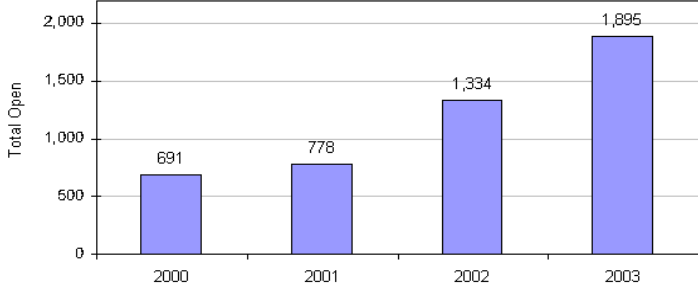
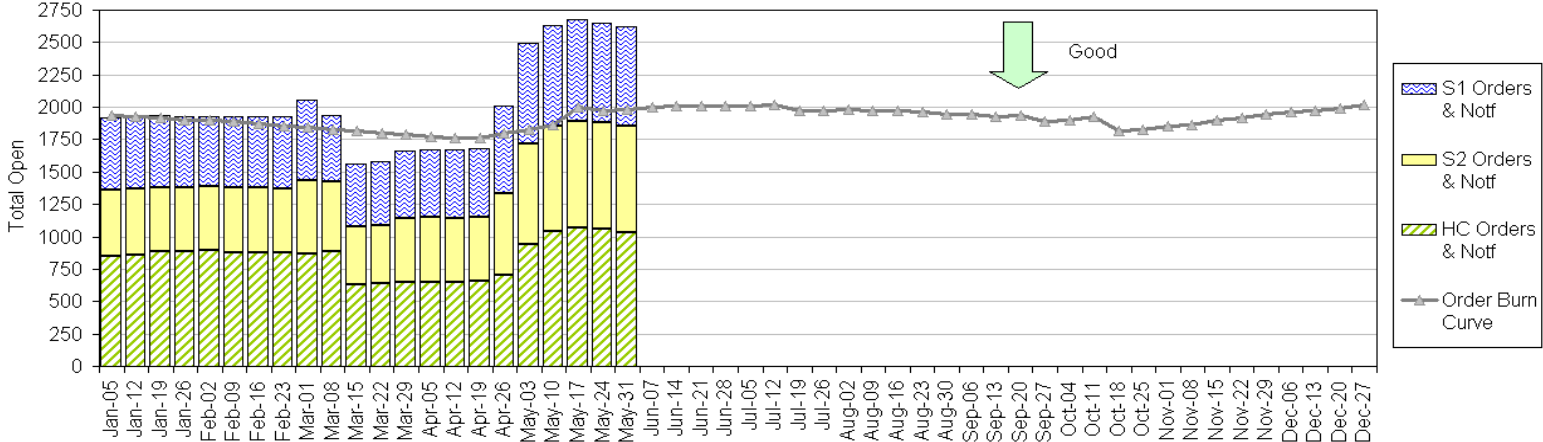
Key SCWE Performance Measures

PSEG Nuclear, LLC				May 2004	Monthly Status	Definition																																																				
UNPLANNED OPERATIONAL CHALLENGES				Updated: Monthly	Monitor	Operational Challenges as defined NC.CA-DG.ZZ-0101(Z) - Rev. 0.																																																				
Chart Owner / Data Owner																																																										
Incentive: No	NRC: No	INPO: No	Business Plan: Yes	SCWE - Conservatism	Year End	Goal: No adverse trend																																																				
History				Analysis and Actions																																																						
New indicator for 2004				This is a new indicator that measures the number of operational challenges as defined by NC.CA-DG.ZZ-0101(Z). This procedure is new and first implemented in May of 2004. There is no specific goal.																																																						
<table border="1"> <caption>Unplanned Operational Challenge Data (2004)</caption> <thead> <tr> <th>Month</th> <th>Salem Actual</th> <th>Hope Creek Actual</th> <th>Monthly Site Total</th> </tr> </thead> <tbody> <tr><td>Jan</td><td>0</td><td>0</td><td>0</td></tr> <tr><td>Feb</td><td>0</td><td>0</td><td>0</td></tr> <tr><td>Mar</td><td>0</td><td>0</td><td>0</td></tr> <tr><td>Apr</td><td>0</td><td>0</td><td>0</td></tr> <tr><td>May</td><td>2</td><td>0</td><td>2</td></tr> <tr><td>Jun</td><td>0</td><td>0</td><td>0</td></tr> <tr><td>Jul</td><td>0</td><td>0</td><td>0</td></tr> <tr><td>Aug</td><td>0</td><td>0</td><td>0</td></tr> <tr><td>Sep</td><td>0</td><td>0</td><td>0</td></tr> <tr><td>Oct</td><td>0</td><td>0</td><td>0</td></tr> <tr><td>Nov</td><td>0</td><td>0</td><td>0</td></tr> <tr><td>Dec</td><td>0</td><td>0</td><td>0</td></tr> </tbody> </table>							Month	Salem Actual	Hope Creek Actual	Monthly Site Total	Jan	0	0	0	Feb	0	0	0	Mar	0	0	0	Apr	0	0	0	May	2	0	2	Jun	0	0	0	Jul	0	0	0	Aug	0	0	0	Sep	0	0	0	Oct	0	0	0	Nov	0	0	0	Dec	0	0	0
Month	Salem Actual	Hope Creek Actual	Monthly Site Total																																																							
Jan	0	0	0																																																							
Feb	0	0	0																																																							
Mar	0	0	0																																																							
Apr	0	0	0																																																							
May	2	0	2																																																							
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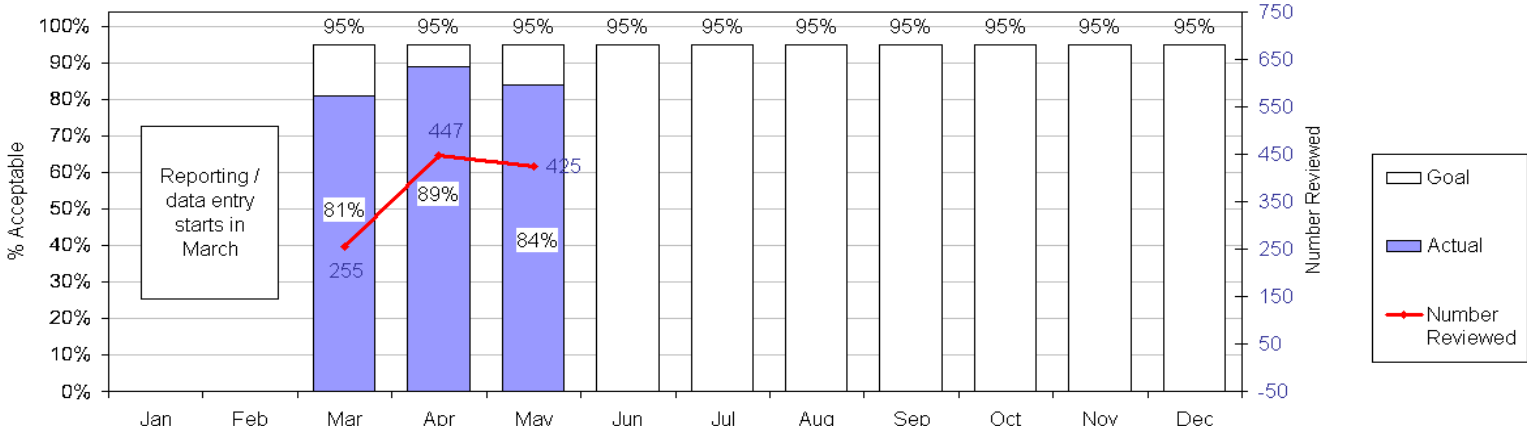
Key SCWE Performance Measures

PSEG Nuclear, LLC				May 2004	Monthly Status	Definition
ONLINE CORRECTIVE MAINTENANCE BKLG				Updated: Monthly		All Open NUCM, NUPM, NUEQ and NUST type Orders with Maintenance Activity Type "CM" and a priority of A,1,2 or 3 (Priority 4 reserved for Outage Work) AND All Open Notifications with at least one assigned "CM" task.
Chart Owner / Data Owner						
Incentive: YES	NRC: NO	INPO: NO	Business Plan: NO	Site Operations		
				Year End	Plan:	100
History				Analysis and Actions		
				<p>At both Hope Creek and Salem, we are reviewing the backlog to ensure the proper coding per INPO Document #AP-928. The coding reviews will be completed by July.</p>		
						

Key SCWE Performance Measures

PSEG Nuclear, LLC				May 2004	Monthly Status	Definition
ONLINE PL (Elective Maintenance) BACKLOG				Updated: Monthly		Elective maintenance addresses potential equipment problems not meeting the criteria listed for CM and is identified through monitoring, industry OE, or equip. history, that indicates the need for future maintenance. Backlog consists of orders (NUCM, NUPM, NUEQ and NUST) coded "EL" with a priority of A, 1, 2 or 3 AND Notifications with at least one Elective Maintenance Task.
Chart Owner / Data Owner						
Incentive: NO	NRC: NO	INPO: NO	Business Plan: NO	Site Operations		
History				Analysis and Actions		
				At both Hope Creek and Salem, we are reviewing the backlog to ensure the proper coding per INPO Document #AP-928. The coding reviews will be completed by July.		
						

Key SCWE Performance Measures

PSEG Nuclear, LLC				May 2004	Monthly Status	Definition																																							
CORRECTIVE ACTION PROBLEM RESOLUTION				Updated: Monthly		The percent of corrective action closures determined to be acceptable by the corrective action closure boards' review, based on the problem resolution criteria. The performance indicator is a monthly value.																																							
Chart Owner / Data Owner																																													
Incentive: NO	NRC: NO	INPO: NO	Business Plan: YES	Nuclear Assessment	Year End	Goal: 95%																																							
History				Analysis and Actions																																									
New indicator for 2004				<p>The Corrective Action Closure Board (CACB) reviewed 425 corrective actions closed in May and determined that 84% were adequate which did not meet the goal of 95%. CACB identified 31 technical errors and 39 administrative errors. Departments that did not meet the goal were Business Support 89%, Engineering 77%, Hope Creek 86%, Plant Support 84%, Salem 84% and Training 90%. Performance is not improving as expected. The corrective action program (CAP) gap analysis has shown that employees believe that CAP is due date driven. This indicates a lack of focus on quality and is partially driven by a large backlog.</p> <p>These factors and the three unit outages that occurred during May appear to have impacted this indicator. Details are discussed with the individual, an email is sent to the individual and their supervisor and manager, and each error is corrected. Detailed reports and a CACB Feedback Summary are available on the Corrective Action web page. CACB observations are also published via Nuclear Outlook. The CAP Recovery Schedule includes a backlog reduction project and a procedure revision/training to clarify closure requirements. The schedule is in final review for approval.</p>																																									
 <table border="1"> <caption>Performance Data from Chart</caption> <thead> <tr> <th>Month</th> <th>% Acceptable</th> <th>Number Reviewed</th> </tr> </thead> <tbody> <tr><td>Jan</td><td>95%</td><td>-</td></tr> <tr><td>Feb</td><td>95%</td><td>-</td></tr> <tr><td>Mar</td><td>81%</td><td>255</td></tr> <tr><td>Apr</td><td>89%</td><td>447</td></tr> <tr><td>May</td><td>84%</td><td>425</td></tr> <tr><td>Jun</td><td>95%</td><td>-</td></tr> <tr><td>Jul</td><td>95%</td><td>-</td></tr> <tr><td>Aug</td><td>95%</td><td>-</td></tr> <tr><td>Sep</td><td>95%</td><td>-</td></tr> <tr><td>Oct</td><td>95%</td><td>-</td></tr> <tr><td>Nov</td><td>95%</td><td>-</td></tr> <tr><td>Dec</td><td>95%</td><td>-</td></tr> </tbody> </table>							Month	% Acceptable	Number Reviewed	Jan	95%	-	Feb	95%	-	Mar	81%	255	Apr	89%	447	May	84%	425	Jun	95%	-	Jul	95%	-	Aug	95%	-	Sep	95%	-	Oct	95%	-	Nov	95%	-	Dec	95%	-
Month	% Acceptable	Number Reviewed																																											
Jan	95%	-																																											
Feb	95%	-																																											
Mar	81%	255																																											
Apr	89%	447																																											
May	84%	425																																											
Jun	95%	-																																											
Jul	95%	-																																											
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Nov	95%	-																																											
Dec	95%	-																																											



Chris Bakken

Senior Vice President – Nuclear Operations





Schedule

Milestones

- Completed Plans by July 31, 2004
- Commitment Letter to NRC by June 25, 2004
- Resurvey After Hope Creek Outage
- Keep NRC Informed
 - Ongoing
 - Public Meeting After Analyzing Resurvey Results
 - Docket Survey Results

Conclusions

We have Established the Foundation for Change

We Understand Our Issues

- Our Gap Analysis is Completed
- We Have Analyzed the Results

We Will Have Comprehensive and Integrated Plans to Resolve Our Issues

We Have the Resources We Need

- Financial
- Personnel

We Will Publicly Track Our Progress

Safe Plant Operation Will Not Be Compromised



Questions and Comments

Assessment Results and Plans for Improving the Work Environment at Salem/Hope Creek

NRC Public Meeting
June 16, 2004

