

From: Daniel Collins
To: Kevin Johnson *> MKR*
Date: June 28, 2004 4:10:55 PM
Subject: Additional Background Material for J. Dyer's 6/29 VTC

Kevin -

The attached document is additional background material for the VTC that is on Jim's calendar for 1pm on Tuesday 6/29 with DEDO and RGN I.

Also, please make sure that the VTC shows up on Brian's calendar for his info.

Thanks,
Dan
415.1427

A-13



Union of Concerned Scientists

Citizens and Scientists for Environmental Solutions

June 25, 2004

Mr. A. Randolph Blough, Director -- Division of Reactor Projects
United States Nuclear Regulatory Commission Region I
475 Allendale Road
King of Prussia, PA 19406-1415

**SUBJECT: SCRIPT FOR PSEG'S JUNE 16, 2004, PRESENTATION TO NRC WAS
RECYCLED FROM PSEG'S DECEMBER 11, 1995, PRESENTATION TO NRC**

Dear Mr. Blough:

During PSEG's presentation to the NRC staff on June 16, 2004, I kept feeling that I'd seen and heard it all before. My déjà vu moment tracks back to December 11, 1995. On that day, PSEG made another presentation to the NRC staff. Chris Bakken and Dave Garchow were among the presenters then and they were again at the PSEG table last week. The NRC staff had complete turnover since then -- no NRC staffer at the December 1995 meeting attended last week's meeting.

I did not attend the December 1995 meeting, but I recently had the opportunity to review a 54-minute videotape of the meeting's highlights. In addition, I obtained the February 1996 NRC summary of the meeting that included the slides used by PSEG during the presentation.

I would be glad to arrange for you to view the December 1995 videotape, but there is no need. Last week, you watched a revival of the PSEG "Promise 'em Anything" presentation. PSEG basically dusted off that script and reprised its old act. I can't blame them -- NRC fell for it once and can be expected to fall for it again.

What we heard last week was a recanting of grand promises and sophist chanting about safety first. About the only new act incorporated into the old routine was new cast member Mike Brothers flashing through a series of slides showcasing metrics touted as being harbingers for the promised progress.

Last week, Chris Bakken asked that PSEG be judged not on promises, but on results. He assumed the role played by Clay Warren during the December 1995 meeting and delivered the same message. In other words, he followed the script well.

I accepted PSEG's invitation(s) to judge them on results. I looked at the results from PSEG's promises in December 1995. What I saw gives me zero reason to believe that PSEG's repackaged promises today will yield any better results.

M 2041770490 PDR

 **PSEG** *Public Service
Electric and Gas
Company*

**NUCLEAR BUSINESS UNIT
SALEM RESTART MEETING**

December 11, 1995

SALEM
GENERATING STATION



On December 11, 1995, senior managers from PSEG met with the NRC to explain why Salem was ready to resume safe operations.

Readiness For Restart

FOCUS ON RESULTS

- RESTART READINESS REVIEW
 - ROUTINE SELF-ASSESSMENTS
 - SYSTEM READINESS ASSESSMENTS
 - DEPARTMENT READINESS ASSESSMENTS
 - OPERATIONAL READINESS ASSESSMENT
 - INTEGRATED READINESS ASSESSMENT
 - MANAGEMENT REVIEW COMMITTEE ASSESSMENT
 - QUALITY ASSURANCE RESTART VERIFICATION

In 1995, PSEG invited the NRC to "Focus on Results," the things the company had completed to justify why Salem was ready to restart.

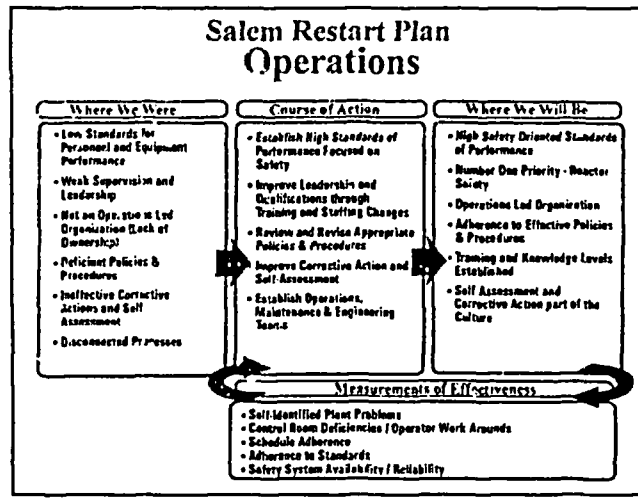
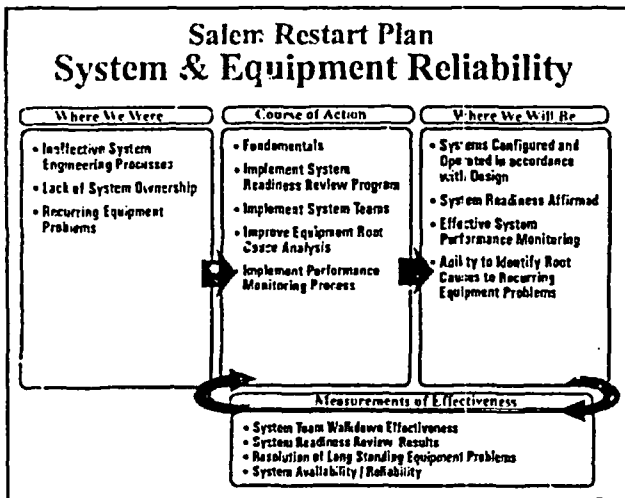
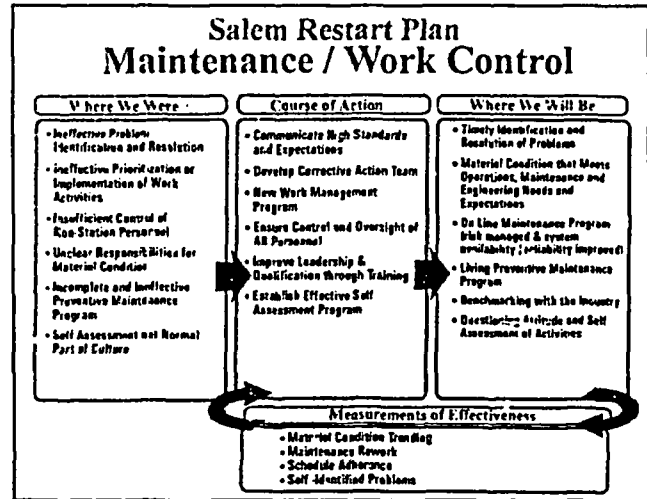
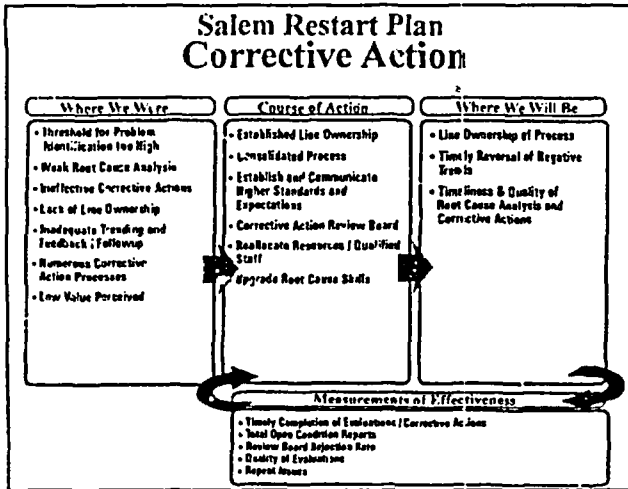
Salem Restart Plan

COMMON CAUSAL FACTOR AREAS

- Operations Focus of Organization
- Equipment Performance Standards
- Work Control Process
- Conservative Decision Making and Safety Perspective
- Root Cause Analysis and Corrective Action Effectiveness
- Self Assessment Process
- Roles, Responsibilities and Accountability
- Work Standards
- Monitoring and Enforcement of Performance Expectations
- Communications and Coordination (Vertical and Horizontal)
- Training and Qualifications
- Staffing and Work Loads

In 1995, PSEG explained the common causes for the problems that necessitated all the remedial actions.

In 2004, the results from the NRC, Synergy, USA, and the Independent Assessment Team evaluations demonstrates that ALL these common causes exist at Salem and Hope Creek.



In 1995, PSEG listed aspects of its Corrective Action, Maintenance/Work Control, System & Equipment Reliability, and Operations problems, steps taken to resolve problems, and metrics used to verify progress towards their desired destination.

In 2004, the results from the Synergy, USA, and Independent Assessment Team demonstrate that PSEG is once again in the "Where We Were" boxes and not in the "Where We Will Be" boxes. PSEG either abandoned its "Measurements of Effectiveness" or didn't understand what the data meant. PSEG failed to deliver the results it promised.

In 2004, PSEG promised its Corrective Action Closure Board would remedy its corrective action program deficiencies. In 1995, PSEG promised its corrective action "Review Board Rejection Rate" would do the trick. 'A rose by any other name is still a rose' replete with thorns in this case. This minor script revision should not fool NRC.

Readiness For Restart

EXAMPLES OF RESTART CRITERIA

- MATERIEL CONDITION, RELIABILITY & SYSTEM READINESS
- OPERATIONS LED ORGANIZATION
- TIMELY AND EFFECTIVE CORRECTIVE ACTION PROCESS
- SYSTEM TEAM OWNERSHIP
- STAFFING AND QUALIFICATIONS
- DECREASING NUMBER OF PERSONNEL ERRORS
- OPERATOR WORK AROUNDS (NONE SIGNIFICANT)
- DECREASING REPEAT EVENTS AND MAINTENANCE REWORK
- INCREASING PROPORTION OF SELF-IDENTIFIED ISSUES

In 1995, PSEG highlighted the changes it had completed to justify restarting Salem.

In 2004, the results demonstrate the very same problems exists at Salem and Hope Creek.

Keys for Success

<p>EFFECTIVE LEADERSHIP</p> <p>PRODUCTIVE TEAMWORK</p> <p>CORRECTIVE ACTION</p> <p>EFFECTIVE TRAINING</p>	=	<p>ACCOUNTABILITY FOR RESULTS</p> <p>You Are The Difference</p>
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In 1995, Lou Storz of PSEG conveyed the four keys for successful restart.

In 2004, NONE of these keys exists at Salem and Hope Creek. Mr. Storz must have taken the keys with him when he left.

In 1995, Salem was not operating. Both PSEG and the NRC agreed that the extensive problems at Salem had to be fixed before the reactor could be safely restarted.

These very same problems are back. But neither PSEG nor the NRC wants to shut down the reactors while the problems are fixed. I understand PSEG's reasons. As the Independent Assessment Team reported, PSEG provides "bonus incentives tied to such production-oriented goals as revenue, nuclear capacity factor, outage durations, and under-running the capital and/or O&M budget." PSEG recently told Wall Street that its nuclear units will operate at a 90 percent capacity factor this year. They cannot let safety problems interfere with their bonuses and financial plans.

I can only guess at the NRC's reasons. I've not yet heard any solid reasons articulated.

The NRC was happy back in December 1995 when PSEG kept Salem shut down until problems were corrected.

The NRC is happy now when PSEG operates Salem while efforts are underway to correct the very same problems.

The NRC comes across not as a regulator or public guardian but as an easily placated observer willing to endorse whatever PSEG promises to do.

Out of curiosity, what – shy of one of the reactors actually killing people – would make the NRC unhappy about conditions at Salem and Hope Creek and tempt the agency into considering ordering the reactors to be shut down until minimum performance levels are restored?

The NRC has the power to protect the public by not allowing the Salem and Hope Creek reactors to operate until the myriad of known problems are remedied. But that power is hollow if the NRC cannot, or will not, invoke it.

Sincerely,

A handwritten signature in black ink that reads "David A. Lochbaum". The signature is written in a cursive, flowing style.

David Lochbaum
Nuclear Safety Engineer
Washington Office