

April 5, 2005

Mr. William Levis
Senior Vice President and Chief Nuclear Officer
PSEG Nuclear LLC - N09
P. O. Box 236
Hancocks Bridge, NJ 08038

RI-2003-A-0110

SUBJECT: NRC OFFICE OF INVESTIGATIONS CASE NOS. 1-2003-045 AND 1-2004-002

Dear Mr. Levis:

The Region I Field Office of the NRC Office of Investigations (OI) initiated an investigation on September 8, 2003 (Case No. 1-2003-045) to determine whether a former Principal Organizational Development Specialist at Salem/Hope Creek was subjected to discrimination. Specifically, the former Principal Organizational Development Specialist claimed that her position was eliminated and last day of work moved up from April 16, 2003 to March 28, 2003, by a former Chief Nuclear Officer (CNO) for having raised safety conscious work environment issues and other safety concerns to the former CNO and the Chairman of the Board. Based on the results of the OI investigation, the NRC has concluded that there was insufficient evidence to demonstrate that the former CNO eliminated this individual's position or moved up her last day of work because of engagement in NRC protected activity.

With respect to the elimination of the Principal Organizational Development Specialist's position, the evidence indicated that the individual took the assignment voluntarily with the understanding that there were no guarantees that the assignment would extend beyond 2002, and that the former CNO's decision to eliminate the position was based on budgetary reasons. With respect to moving up this individual's last day of work, the evidence indicated that the decision was made by Corporate Human Resources (HR) personnel, who instructed the Senior HR Client Consultant to deliver the message to the individual on March 18, 2003. However, due to work schedule conflicts on the part of the Senior HR Client Consultant, the individual was not informed until March 24, 2003. OI was unable to elicit any testimony or obtain any relevant documentation to show that the HR personnel involved in this decision were aware that she had raised safety concerns.

The Region I OI Field Office also initiated an investigation on January 8, 2004 (Case No. 1-2004-002) to determine whether a Salem Assistant Operations Manager (AOM) deliberately violated a technical specification required plant procedure and/or NRC regulations on September 22, 2002, by manually closing a valve to isolate a steam leak without the required approval and/or knowledge of the control room staff. Based on the results of the OI investigation, the NRC has concluded that the AOM did not willfully violate procedures or NRC requirements when he closed the valve.

With respect to the latter issue, testimony obtained by OI and a review of interview notes from the Artificial Island Employee Concerns Program (ECP) investigation revealed that some of the control room staff knew that the AOM was going to close the valve. In addition, the Operations Superintendent (OS) testified that he recalled the AOM saying that he was either going to close the valve or look to see if it could be closed. The AOM testified that he believed that his communication to the OS was clear, but recognized in hindsight that his communication did not meet his own expectations. As a result, the NRC concluded that the communications between the OS and AOM were not in accordance with normal control room communication procedures and practices. The evidence indicated that there was confusion, a lack of understanding, and inadequate communications between the AOM and on-shift personnel, including the OS. Confusion, a lack of understanding and inadequate communications are inconsistent with proper command and control attributes. PSEG Management Directive NC.NA-ME.ZZ-0015(Z), "Shift Management Responsibility for Station Operation (Technical Specification 6.1.2)," states that the OS is responsible for ensuring proper command and control during all planned evolution and upset conditions. On September 21 and 22, 2002, as a result of the confusion, a lack of understanding and inadequate communications, the OS did not ensure proper command and control during the Salem Unit 2 steam leak event. The failure to ensure proper command and control is a violation of Management Directive NC.NA-ME.ZZ-0015(Z). For the particular circumstances involved in the 2002 event, we have determined that the violation was of minor significance because it was not willful, had no impact on safety equipment and caused no safety consequences. Therefore, the violation is not subject to enforcement action in accordance with Section VI of the NRC Enforcement Policy.

The investigative results discussed in this letter are related to, but are separable from, the broader work environment issues that were the subject of an NRC special review in 2003 - 2004. As you know from our letters dated January 28, July 30, and August 30, 2004, the NRC special review substantiated broad-ranging issues associated with the work environment at the Salem and Hope Creek stations, and consequently, the NRC is supplying heightened oversight at the facilities. The above noted investigation results do not alter any of the prior NRC conclusions on the broader issues of work environment, and the NRC continues to consider it important that PSEG effectively address those issues. As such, the NRC will continue to monitor PSEG's performance and its efforts to improve the work environment at the Salem and Hope Creek stations until PSEG has concluded that substantial, sustainable progress has been made, and the NRC completes its review to confirm PSEG's assessment results.

Please note that final NRC documents, such as the OI reports described above, may be made available to the public under the Freedom of Information Act (FOIA) subject to redaction of information appropriate under the FOIA. Requests under the FOIA should be made in accordance with 10 CFR 9.23, Requests for Records, a copy of which is attached for your information.

Also, in accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, 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 Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Should you have any questions regarding this letter, please feel free to contact Mr. E. Cobey of my staff at (610) 337-5171.

Sincerely,

/RA/

A. Randolph Blough, Director
Division of Reactor Projects

Enclosure: As Stated

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

T. Joyce, Site Vice President - Salem
G. Barnes, Site Vice President - Hope Creek
M. Brothers, Vice President Nuclear Assessment
M. Gallagher, Vice President, Engineering and Technical Support
W. F. Sperry, Director Business Support
C. Perino, Director - Regulatory Assurance
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M. Massaro, Hope Creek Plant Manager
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F. Pompper, Chief of Police and Emergency Management Coordinator
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K. Tosch - Chief, Bureau of Nuclear Engineering, NJ Dept. of Environmental Protection
H. Otto, Ph.D., DNREC Division of Water Resources, State of Delaware
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N. Cohen, Coordinator - Unplug Salem Campaign
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ADAMS (Docket Nos. 50-272; 50-311)

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Region I Allegation File (RI-2003-A-0110)

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