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Mr. Terry Ostrander
New Jersey Department of Environmental Protection
Bureau of Hazardous Waste
Compliance and Enforcement
One Port Center
2 Riverside Drive, Suite 201
Camden, NJ 08103

**RE: PSEG Nuclear LLC - Salem Generating Station
EPA ID Number NJ0077070811
NJDEP Case No. 05-04-08-1909-09
Fifteen-Day Response to Notice of Violation**

Dear Mr. Ostrander:

PSEG Nuclear LLC ("PSEG Nuclear") submits this letter in response to the Notice of Violation issued April 20, 2005 (the "NOV"). NJDEP Southern Bureau of Hazardous Waste Compliance and Enforcement issued the NOV during a site visit to the Salem Generating Station (the "Station"). Although, as described in greater detail below, the circumstances of this event do not warrant an NOV, PSEG Nuclear is providing this letter to satisfy NJDEP's request in the NOV for an explanation of the corrective measures taken to achieve compliance.

PSEG Nuclear, pursuant to N.J.A.C. 7:14A-6.10 of the Pollutant Discharge Elimination System regulations, reported to the New Jersey Department of Environmental Protection ("NJDEP") hotline on April 8, 2005 the discharge to the Delaware River of approximately 5,000 gallons of water containing a concentration of 7 mg/l of Hydrazine (CAS # 302-01-2) through outfall DSN 487.¹ Outfall DSN 487 is an authorized discharge point pursuant to the New Jersey Pollutant Discharge Elimination System ("NJPDDES") permit issued to the Station. Hydrazine is a recognized potential component of the effluent discharged through that outfall through internal monitoring point DSN 487B. PSEG Nuclear also submitted to NJDEP on April 13, 2005 the "five-day report" required by the NJPDDES

¹ PSEG Nuclear also reported this occurrence to the Nuclear Regulatory Commission.

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regulations. N.J.A.C. 7:14A-6.10 requires NJPDES permit holders to report discharges to NJDEP verbally and in writing for a variety of events, including upsets and bypasses that are subject to an affirmative defense pursuant to N.J.A.C. 7:14A-6.11 and N.J.A.C. 7:14-8.3(i). The discharge of hydrazine-containing water within certain restrictions is an authorized discharge pursuant to the Station's NJPDES permit, although the path it took in this circumstance was a bypass of the usual effluent pathway.

The regulation of this occurrence through the NJPDES program removes it from the scope of N.J.A.C. 7:1E and makes the NOV unwarranted and inappropriate. The NOV describes the occurrence as a violation of N.J.A.C. 7:1E-1.11(a), which provides that "no person shall cause, suffer, allow or permit a discharge of a hazardous substance."

A "discharge" for purposes of N.J.A.C. 7:1E, however, is defined as:

Any intentional or unintentional action or omission, unless pursuant to and in compliance with the conditions of a valid and effective Federal or State permit, resulting in the releasing, spilling, pumping, pouring, emitting, emptying or dumping of a hazardous substance into the waters or onto the lands of the State, or into waters outside the jurisdiction of the State when damage may result to the lands, waters or natural resources within the jurisdiction of the State.

The discharge of the hydrazine-containing wastewater was not a "discharge" within the meaning of N.J.A.C. 7:1E because the NJPDES permit for the Station authorizes the discharge of such material. The question of whether this particular occurrence is in compliance with that permit, including whether it satisfies the requirements for an affirmative defense, is before the NJDEP – Water Compliance and Enforcement section, which had not made a determination at the time the NOV was issued. Furthermore, there is no indication that the discharge of the diluted hydrazine could result in damage to the lands, waters or natural resources within the State. Therefore, the occurrence is not a "discharge" under N.J.A.C. 7:1E and not a violation of N.J.A.C. 7:1E-1.11(a).

Without prejudice to its right to contest the NOV and any enforcement action taken with respect to the NOV, PSEG Nuclear offers the following information in satisfaction of the NOV's request for an explanation of corrective measures. Upon observation of the decrease in water level at the Salem Unit 2 Steam Generator, which had been isolated in preparation for maintenance, Station personnel commenced an investigation of the apparent loss of water. Immediately upon discovering the discharge path (i.e., within ten minutes), the Station's Fire Protection personnel installed a bladder to prevent any additional water from the Unit 2 Steam Generator from entering the river. Station personnel also re-routed a hose that served as the bypass pathway for the water to discharge through DSN 487 so that any remaining leaked water from the Steam Generator would be directed to the Industrial Wastewater Treatment System. The malfunctioning valve that was identified as the source of the discharge has been repaired and retested satisfactorily. Station personnel also collected samples of

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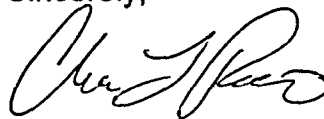
wastewater from the last manhole prior to discharge to the river at DSN 487 to assess the discharge. The results of these samples, and the calculations of water lost from the Steam Generator indicated that no more than approximately 5,000 gallons of water with a concentration of approximately 7 mg/l of hydrazine could have been discharged.

These actions effectively corrected the discharge in a timely manner. The Station is conducting a study to determine the corrective actions necessary to prevent a recurrence of this event. We will communicate the results of that study to NJDEP in writing on May 20, 2005 as requested by the NOV, once again without prejudice to our right to contest the NOV.

Please withdraw the NOV. As described above, the occurrence is subject to regulation under the NJPDES program and is not a "discharge" within the meaning of that term as used in N.J.A.C. 7:1E-1.11(a). PSEG Nuclear appreciates NJDEP's interest in this event and, as stated in the previous paragraph, will inform NJDEP of the corrective actions it will take to prevent a recurrence of this event.

If you have any questions regarding this information, please contact Mr. David K. Hurka at (856) 339-1275.

Sincerely,



Christina L. Perino
Director - Regulatory Assurance

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