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U. S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, DC 20555

**RESPONSE TO NRC REVIEW OF USE OF THE EXECUTIVE REVIEW BOARD PROCESS**
**SALEM GENERATING STATIONS UNITS 1 AND 2**
**HOPE CREEK GENERATING STATION**
**DOCKET NOS. 50-272, 50-311 AND 50-354**

Reference: NRC letter, "NRC Review of Use of the Executive Review Board Process and Request for Response," dated June 1, 2005

In the referenced letter, the NRC requested PSEG Nuclear, LLC (PSEG) to reassess, in the broader context of the work environment, the evidence of a range of worker perceptions regarding the advisability of raising issues or challenging decisions in the current environment.

As discussed at the June 8, 2005 Annual Assessment Meeting and in additional conversations with the NRC, it is our view, based on the information we have reviewed, that employees will raise nuclear safety issues. However, as described below, there are indications that some employees are reluctant to raise issues or challenge decisions that they believe are not related to nuclear safety. We expect and want all our employees to feel that any issue, whether it involves nuclear safety or not, can be raised to managements' attention. Accordingly, we continue to identify and correct any behaviors that can potentially contribute to individuals feeling reluctant to raise any issue.

In response to your June 1, 2005 letter, we performed a detailed review of available data to identify factors contributing to the reluctance of employees to raise issues or to challenge decisions. This effort involved the review of over 200 comments or statements involving the willingness of employees to raise issues. This review was performed in a manner that preserved confidentiality.

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This review included:

- Supporting information from the Independent Review Team report pertaining to the Executive Review Board (ERB), including interviews with station personnel to assess the impact of not convening an ERB to review the January 2005 personnel actions,

- Data from interviews conducted by the Employees Concerns Program (ECP) and the Safety Conscious Work Environment (SCWE) organization, and

- Write-in comments from the January 2005 Synergy survey.

The results of this additional review appear to be consistent with previous PSEG and NRC assessments and also included concerns about increasing personal visibility. A large part of this concern appears to be related to the merger, the potential for substantial change, and the impact to individual employees. Along with concerns about the merger, there remains concerns about management not fixing identified issues in a timely manner and management not being receptive when an issue was raised. Many of these concerns appear to be historical and we believe we are making progress in this area. The review also identified some instances of the proper method for reporting issues not being recognized or considered.

We have taken a number of actions to address the issues involving the concerns over the merger. We have established the expectation that managers and supervisors cascade messages from the Chief Nuclear Officer monthly managers meetings to each worker; and feedback mechanisms are being developed to ensure personnel received the message. Additionally, periodic meetings with the Site Vice Presidents have been established to provide the workers with an opportunity to have a candid and direct interface with senior management.

We recognize that the merger presents a level of anxiety to our employees and understand and appreciate the importance of enhanced communication during this period. To assist in this transition, the PSEG corporate website has established an Exelon/PSEG merger information link. This website, accessible via the Intranet, identifies and addresses employees merger questions and concerns.

To improve the area of employees raising issues, we have taken actions to show employees that we are interested in finding and fixing problems. Some of the actions taken involved improvements in the corrective action program (CAP), and the ECP. Although we recognize that there are still gaps in our performance, we have seen indications of incremental progress in the CAP relative to employee participation rate. As expected, the increase in the participation rate by the employees is being manifested in the total number of notifications generated in 2005. We are projecting that the total number of notification generated in 2005 will exceed those generated in 2004. Similarly, there has been continued growth in the number of contacts being brought to the ECP, as an alternate means. Management

is actively engaged in key processes such as the work management (T-week scheduling meetings, plan-of- the-day meetings, outage planning meetings) and CAP screening meetings, stressing a consistent message of improvement expectations and ensuring that the right issues get the appropriate attention and that feedback to the employees with the issues is provided.

We have reviewed the 2005 Synergy survey results and the results showed us that a number of station departments had noteworthy improvements over the 2003 survey results while a few organizations did not score as well. To achieve consistent improvements across the site, an analysis of the survey data for those station departments needing improvement is underway. Current actions include meetings with employees to identify key issues that are adversely impacting their perception of a safety conscious work environment and to provide focus on those issues.

In conclusion, we have performed a detailed review of available data to ensure that we had identified the perceptions relating to the reluctance of some employees to raise issues or challenge management's decisions in the current environment. The result of this additional review is consistent with previous PSEG and NRC assessments. To improve the work environment at Salem and Hope Creek Stations, we have developed a number of short-term and long-term actions along with metrics to measure our progress. The implementation of the Exelon Management Model in conjunction with our stated course of action will guide our efforts to achieve a strong safety conscious work environment and improve station performance.

If you have any questions or comments, please do not hesitate to call me.

Sincerely,

George P. Barnes, for

William Levis
Senior Vice President &
Chief Nuclear Officer