

## Reasons for Hope:

Management Additions - Significant management additions have occurred. In addition to the arrival of Roy Anderson in the previous period, Chris Bakken is now the site VP, Jim Hutton has arrived as Hope Creek plant manager, and Greg Halnon has arrived as Salem operations manager. Clearly, there is hope that these managers will enable improvement in site performance. Nonetheless, these changes will need time to demonstrate any overall performance improvement, and there is currently no evidence that the changes have had any significant effect. There is evidence that upper management has gotten NRC's message that performance needs to be improved.

Salem Unit 2 Outage - The outage begun October 9 is nearing its end. Thus far, the outage has been generally uneventful; there have been no NRC notifications, inadvertent actuations or operational events. Further, the unexpected ISI results, e.g., steam generator 23 tube indications and SG 24 foreign material, have been addressed properly. Working level problems regarding work control and maintenance have occurred.

Working Relationship Between NRC and PSEG - At the inspector level there are indications that communications between NRC and PSEG remain awkward (misstatements, slow, etc). Nonetheless, the new PSEG management appears to have heard the message on general communications and cooperation on PRA / SDP, and to be interested in improving these areas. Some initial steps have been taken, but it is too early to measure any real progress. Further, upper management (Cassidy, Bakken, Garchow, Carlin, Hutton) have sought opportunities to discuss PSEG performance assessments with regional management. These efforts appear to have enabled better understanding of performance issues but also somewhat suggest a PSEG management effort to put some of their actions in a better light.

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