



NRC Oversight Status of Salem & Hope Creek

Organizational Effectiveness & Work Environment

June 29, 2004

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HISTORY

Extended S/D and Watch List - Late 1990's

Recovery Satisfactory but Performance Improvements Stalled in Early 2000's

- Poorly-conceived realignment to “3-Unit Site”
- Equipment Reliability/Outages/Events stressed the organization
- Corrective Action issues and Work Management ineffectiveness evident
- ORG Changes and Management Transitions

NRC Oversight 2000-2003

- All Three Units Have Stayed in Licensee Response or Regulatory Response Column--Occasional White Indicators or Findings
- Strong Cross-Cutting Theme, PIR, Highlighted in Three Assessment Letters; Continues Today
- Increased NRC Management Attention and Site Visits
- Late 2003: Initiated Special Review Based on:
 - ▶ Crosscutting Themes
 - ▶ Events
 - ▶ Allegations

NRC Oversight 2004

January 28: Interim Results of Special Review

NRC Concerns related to work environment for:

- Handling emergent issues and associated operational decision-making
- Addressing potential safety issues

These Concerns included:

- Openness of management to concerns and alternate views
- Strength of communication
- Effectiveness of corrective actions and feedback processes

Concerns did not involve any serious safety violations

NRC Requested PSEG to do their own Assessment

NRC Oversight 2004 (cont)

- NRC Letter to PSEG 1/28/04
- PSEG letter to NRC 2/27/04
 - ▶ Provided interim assessment plant
- Public Meeting 3/18/04
 - ▶ Discussed assessment plant
- PSEG letter to NRC 5/21/04
 - ▶ Submitted assessment results
- NRC Public Meeting 6/16/04
 - ▶ Discussed PSEG assessment results and action plan
- PSEG Commitment letter 6/25/04
 - ▶ Documented action plans in summary form

PSEG Assessments submitted 5/21/04:

Synergy Cultural Assessment (Dec 2003)

USA Group Safety Culture Assessment (Mar 2003)--DBLL
SOER review

Independent Review by IAT (Feb-May 2004)--Interviews
and overall review, included corporate

Results consistent with NRC inspections, assessments and
special review

Very detailed results (\approx 200 pages docketed)

Includes stark, unvarnished verbiage

None found major safety issues but overall implications are
negative about organizational effectiveness

PSEG Action Plans

PSEG letter recently submitted, now under detailed review

PSEG focus areas: SCWE, CAP, Work Mngmt, Leadership Effectiveness, Facilities.

Recent emphasis: Conservative decisions, and communications. Expanded outage scope to fix more equipment.

Commitments:

- ▶ Pursue Action Plans thru Business Plan
- ▶ Submit Key metrics (SCWE and SCWE drivers)
- ▶ SCWE and Safety Culture Survey after the HC outage, submit to NRC early 2005
- ▶ Meet in early 2005
- ▶ Survey for five years

NRC Next Steps

We are at a key point right now

All of the following are being worked in parallel for completion in July 2004

- **Finalize NRC Special Review**
- **Complete Evaluation of PSEG Assessments**
- **Compare NRC & PSEG Results**
- **Evaluate PSEG Plans**
- **Decide Additional Regulatory Actions and Basic Plan for Future Followup**
- **Stakeholder Communication**

Regulatory Options-Regulatory “Footprint”

- ORDER
- CAL
- LETTER ACCEPTING COMMITMENTS

Regulatory Options-Monitoring & Followup

Some combination of some of the following:

Site Visits (some with HQ assist)

Review PSEG assessment in more detail?

Review PSEG approach method for future assessments (with HQ assist or lead)

Focused Inspection followup of selected actions

Periodic management meetings (how often?)

SCWE x-cut in mid-cycle assessment? (Probably)

Deviation Memo? (Probably not)

Remove site from ROP due to corrective action weaknesses?
(Not needed)