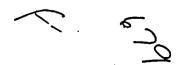


# NRC Oversight Status of Salem & Hope Creek

Work Environment and Corrective Action Effectiveness

June 29, 2004



#### **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"
  - stretched mgt thin and created confusion, especially in engineering
- Equipment Reliability/Outages/Events stressed the organization
- Corrective Action issues and Work Management ineffectiveness evident
- ORG Changes and Management Turnover

## PSEG PERFORMANCE AND NRC OVERSIGHT 2000-2003

- All three units have stayed in Licensee Response or Regulatory Response columns --a number of White indicators or findings, numerous other findings
- Strong crosscutting theme, PIR, highlighted in three Assessment letters; continues today
  - ► Numerous findings involving PIR
  - ► Involved S/HC EDGs, S/HC SW, S/HC grid UV protection, Salem water hammers, air systems, HC CRDMs, leaks, MOV's
  - Also lots of issues in BOP

## PSEG PERFORMANCE AND NRC OVERSIGHT 2000-2003 (cont.)

- Increased NRC management attention and site visits
  - ► RA visits: 4/01, 10/01, 7/02, 4/03, 7/03, 12/03, 3/04, 5/04
  - Maintained separate inspection programs for Salem and Hope Creek (2 SRIs)
  - Special inspections (e.g., partial LOOP, fuel pool leak with Tritium migration, EDG turbo charger failure)
- Late 2003: Initiated Special Review based on crosscutting themes, events, and allegations
  - Disciplined, structured approach through allegation process panels led by Region I DRP Director

#### **NRC OVERSIGHT 2004**

#### January 28: Interim Results of Special Review

- NRC concerns related to work environment and station capacity 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
- Recognized some change under new management but need to understand and address lingering issues
- NRC Requested PSEG to do their own Assessment

#### NRC OVERSIGHT 2004 (cont.)

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

### 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 (≈ 200 pages docketed)
  - Includes stark, unvarnished verbiage
  - None found major safety issues but overall implications are negative about "organizational effectiveness" and SCWE

### EXTERNAL STAKEHOLDER PERSPECTIVES

- Key Alleger -- revealed alleger status publicly in March; has ongoing civil suit against PSEG. Very frequent contact with NRC Region I. Alleger contends that extensive "records" and views of numerous station staff provide "irrefutable evidence" that corporate-driven production pressure has overshadowed safety; and plant should be shut down to fix equipment and other plant problems.
- UCS -- Increasing involvement over past several months advocates plant S/D, Order, or CAL. Considers problems to be the same as during extended shut down and watch list during 1990's.
- Unplug Salem -- small group consistently advocates S/D
- New Jersey -- very interested; supportive of NRC
- Congressional -- interest, but little direct involvement so far
- Financial -- recent strong interest including mtg attendance
- Media -- mostly local

#### **PSEG ACTION PLANS**

- PSEG letter recently submitted, summarizes plans. Licensee initiatives involve, in large measure, better execution of standard industry processes that PSEG has been trying to implement for several years.
- PSEG focus areas: SCWE, CAP, Work Management, Leadership Effectiveness, Facilities (detailed plans ECD July 31, 2004)
- PSEG intends to pursue action plans thru Business Plan
- Recent emphasis: conservative decisions and communications. Expanded outage scope to fix more equipment.
- **■** Commitments:
  - Submit Key metrics (SCWE and SCWE drivers)
  - ► SCWE and Safety Culture Survey after the HC outage, submit and meet with NRC early 2005
  - Survey for five years
- Assessment of effectiveness to be part of normal line management processes

## REGULATORY OVERSIGHT --PRINCIPLES

- Provide appropriate safety perspective and attention
- Understand that these issues will take some time to address. Recognize that things could get worse before improving
  - Need to assure PSEG has long term focus
- Look for effectiveness of efforts vs. merely completing action items
- Capture commitments and performance measures while avoiding "over-constraining" licensee processes.
- Recognize that metrics can be helpful but cannot become the sole measure of effectiveness

## REGULATORY OVERSIGHT --PRINCIPLES (cont.)

- Recognize that "organization effectiveness" and equipment reliability problems are principal drivers of "soft" communications/SCWE issues
- Avoid open-ended process have a clear exit strategy
- Needn't satisfy all stakeholders, but NRC action should be logical and be clearly explained within context of ROP and other processes (SCWE policy and allegation process)

#### REGULATORY OPTIONS ADDITIONAL PSEG COMMITMENT

#### Considering the need for additional PSEG commitments in several areas:

- Metrics submittal -- better coverage of equipment issues.
- Management meetings -- one this Fall, semiannually thereafter
- Additional effectiveness review -- without undercutting licensee management line processes, obtain agreement to repeat third-party assessment (e.g., USA review) covering more than work environment

## REGULATORY OPTIONS -- MONITORING AND FOLLOW UP

- Continued overall strong inspection effort
  - Maintain resident staffing
  - ► Thorough special/supplemental inspections as needed
  - Management site visits
- Complete the allegations and investigations in progress
- Some combination of <u>some</u> of the following:
  - Site Visits (some with HQ assist)
  - Review PSEG assessment in more detail (probably not needed)
  - Review PSEG approach and method for future assessments (with HQ assist or lead)
  - Focused Inspection follow up of selected actions (with HQ assist)
  - Periodic management meetings (how often?)
  - SCWE x-cut in mid-cycle assessment (probably)
  - Deviation Memo (likely)
  - ► Oversight panel to coordinate HQ and RI activities
  - Remove site from ROP due to corrective action weaknesses? (Not needed)

### REGULATORY OPTIONS – REGULATORY "FOOTPRINT"

- Order
- **CAL**
- Letter Accepting Commitments
  - Possibly to include Oversight Panel and Deviation Memo