

SEP 23 2005

LR-E05-0453



**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED  
ARTICLE NUMBER: 7004 2510 0005 2135 9299**

**Bureau of Discharge Prevention  
New Jersey Department of Environmental Protection  
401 East State Street – P.O. Box 424  
Trenton, New Jersey 08625-0424**

**Attention: Discharge Confirmation Reports**

**RE: PSEG NUCLEAR LLC - SALEM GENERATING STATION  
NJDEP CASE NO. 05-08-24-1530-16  
DISCHARGE CONFIRMATION REPORT**

**Dear Sir or Madam:**

**In accordance with N.J.A.C. 7:1E-5.8, PSEG Nuclear LLC ("PSEG Nuclear") is submitting the enclosed discharge confirmation report. This report describes the discharge to the ground of approximately 650 gallons of wastewater containing a dilute solution of hydrazine and ammonia from a leak in the condensate polisher system at Salem Unit 1. The discharge was reported to the New Jersey Department of Environmental Protection (NJDEP) hotline and assigned case number 05-08-24-1530-16. This discharge was also reported to the Nuclear Regulatory Commission pursuant to that agency's requirements.**

**The enclosed report contains the information as known at the time of this report. In accordance with the regulations, additional information regarding this discharge will be provided if and when it becomes available.**

*JEAS*

If you have any questions regarding this information, please contact Mr. Clifton Gibson of my staff at (856) 339-2686.

Sincerely,



Darin Benyak  
Director - Regulatory Assurance

Attachments (2)

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

Mr. Jim Werner  
Salem County Department of Health  
98 Market Street  
Salem, NJ 08079

**DISCHARGE CONFIRMATION REPORT**  
**SALEM GENERATING STATION**  
**NJDEP Case No. 05-08-24-1530-16**

**1. Name, Address and Telephone Number of Individual Who Reported**

Mr. Eric Powell  
Operations Superintendent  
PSEG Nuclear LLC - Salem Generating Station  
P. O. Box 236, M/C S01  
Hancocks Bridge, New Jersey 08038  
(856) 339-5200

**2. Name, Address and Telephone Number of Person Submitting Report**

Mr. Darin Benyak  
Director - Regulatory Assurance  
PSEG Nuclear LLC - Salem Generating Station  
P. O. Box 236, M/C N21  
Hancocks Bridge, New Jersey 08038  
(856) 339-1740

**3. Name, Address and Telephone Number of Owner/Operator of Facility Where Discharge Occurred**

PSEG Nuclear LLC  
80 Park Plaza  
Newark, New Jersey 07102  
(973) 430-7000

**4. Source of Discharge, If Known**

On August 23, 2005 at approximately 1545 hours, a chemistry technician noticed during his daily rounds standing water north of the Salem Unit 1 Condensate Polisher building. This standing water had a ring of white residue around it. This ring prompted the technician to sample this water for components consistent with the wastewater found in the condensate polisher building. The water was tested for pH and hydrazine. The results showed a pH of 6.37 and a hydrazine concentration of 30 ppm. This is consistent with the wastewater found in the condensate polisher building containments. The volume approximated at the time of discovery and through the following cleanup activities in the first 24 hours was 500 gallons. Upon discovery, the extent of the spill to the engineered fill appeared to be small enough to facilitate a clean-up within 24 hours. However, during the course of the cleanup, PSEG Nuclear made the determination that the cleanup could not be completed within 24 hours from the time it was discovered. PSEG Nuclear immediately then notified NJDEP of the spill by calling the NJDEP hotline.

5. **Location of Discharge**

**Name:** PSEG Nuclear LLC – Salem Generating Station  
**Street Address:** Alloway Creek Neck Road  
**Lot & Block:** Lot 4.01, Block 26  
**Municipality:** Lower Alloways Creek Township  
**County:** Salem County  
**Zip Code:** 08038-0236  
**Site Map:** The location of the Salem Unit 1 Condensate Polisher Building is identified on the Site Map in Attachment A.

6. **Common Name and CAS No. of Hazardous Substance Discharged**

The discharged material was wastewater containing a dilute solution of hydrazine and ammonia. The CAS numbers for hydrazine and ammonia are as follows:  
Hydrazine, CAS No. 302-01-2  
Ammonia, CAS No. 1336-21-6

7. **Quantity of Hazardous Substances Discharged**

The approximate volume of wastewater collected during the cleanup was 650 gallons, after which the excavation remained dry for approximately a week before the excavation was filled. It is believed that this volume includes some amount of rainwater and that the actual volume of wastewater discharged was less than 650 gallons.

8. **Date and Time Discharge Began, Was Discovered, Ended and Was Reported**

**Case No.:** 05-08-24-1530-16  
**Began:** Unknown but not observed during daily inspection rounds prior to August 23, 2005  
**Discovered:** August 23, 2005 at approximately 1545 hours  
**Ended:** August 24, 2005 at approximately 1000 hours  
**Reported:** August 24, 2005 at approximately 1530 hours

9. **Description of Containment, Cleanup and Removal Measures, Summary of Costs Incurred**

Upon discovery of the discharge, the first responders placed inflatable bladders in the surrounding storm drains to block any material from entering the drains and secured the scene, to prevent exposure to personnel traveling in the area. A contractor, Clean Harbors, was then contacted for support. Clean Harbors collected the free liquid from the ground by a vacuum-truck, (approximately 500 gallons). Gravel fill from the area was then removed and placed in a lined roll off dumpster. A ditch was constructed along the foundation of the building to collect

any further liquid. This liquid was collected until September 3, when the last of the wastewater was removed from around the building. All gravel fill, which could be visually identified as being affected was removed. The gravel was removed using a bobcat excavator and placed into a lined roll off. No free liquid was identified in the roll off.

PSEG Nuclear has not yet been invoiced for the costs of the spill contractor to date but expects the costs of cleanup to be approximately \$10,000.

**10. Corrective Actions – Preventative Measures**

Several corrective and preventive measures have been or are being taken to prevent future spills from the Salem Unit 1 Condensate Polisher. The containment pit that was discovered to be the source of the leak was repaired on August 28<sup>th</sup>. A daily inspection of this system now includes observations of day-to-day volume changes in the system. Additional internal inspections will be conducted as indicated. The amount of wastewater allowed in the system has also been minimized using administrative controls to further reduce the potential of leakage. The excavation used to collect water was left in place for several weeks prior to refilling to help identify any additional leaks but has remained dry. Clean gravel from offsite will be used to replace the soil and gravel removed from the site as part of the cleanup work.

**11. Name, Address and Telephone Number of Cleanup Entities**

PSEG Nuclear LLC  
P. O. Box 236  
Hancocks Bridge, New Jersey 08038-0236

Clean Harbors  
2858 Route 322 – P.O. Box 337  
Bridgeport, New Jersey 08014  
(856) 467-3102

**12. Description of Sample Date, Type, Quantity and Location**

PSEG Nuclear collected samples of the wastewater when it was first discovered, during the active cleanup activities and during the passive collection activities through the excavated trench. All of the following samples were taken and processed following the station's standard operating procedures.

Date	Time	Hydrazine (ppm)	Ammonia (ppm)	pH
8/23/05	1545	30		6.37
8/23/05	1545	30		6.19
8/24/05	1055	20	200	6.94
8/24/05	1315	7		
8/24/05	1420	7.5		
8/24/05	1445	125 (uncertain)		
8/24/05	2130	5	150	
8/25/05	1420	10	300	
8/25/05	2127	4	200	8.51
8/27/05	1135	0.7	150	8.53
8/29/05	0755	30 ppb	15	8.71
8/30/05	1025	50 ppb	15	
8/30/05	1250	50 ppb	20	8.83
8/31/05*	1345	Non-detect		

\* Excavation remained dry following 8/31/05.

Records of the results of these analyses are kept on-site and available for NJDEP inspection.

**13. Certification of Financial Responsibility**

A copy of the Certification of Financial Responsibilities is included as Attachment C.

**14. Supplemental Information**

Additional relevant information, if any, will be provided to the Department if and when it is discovered.

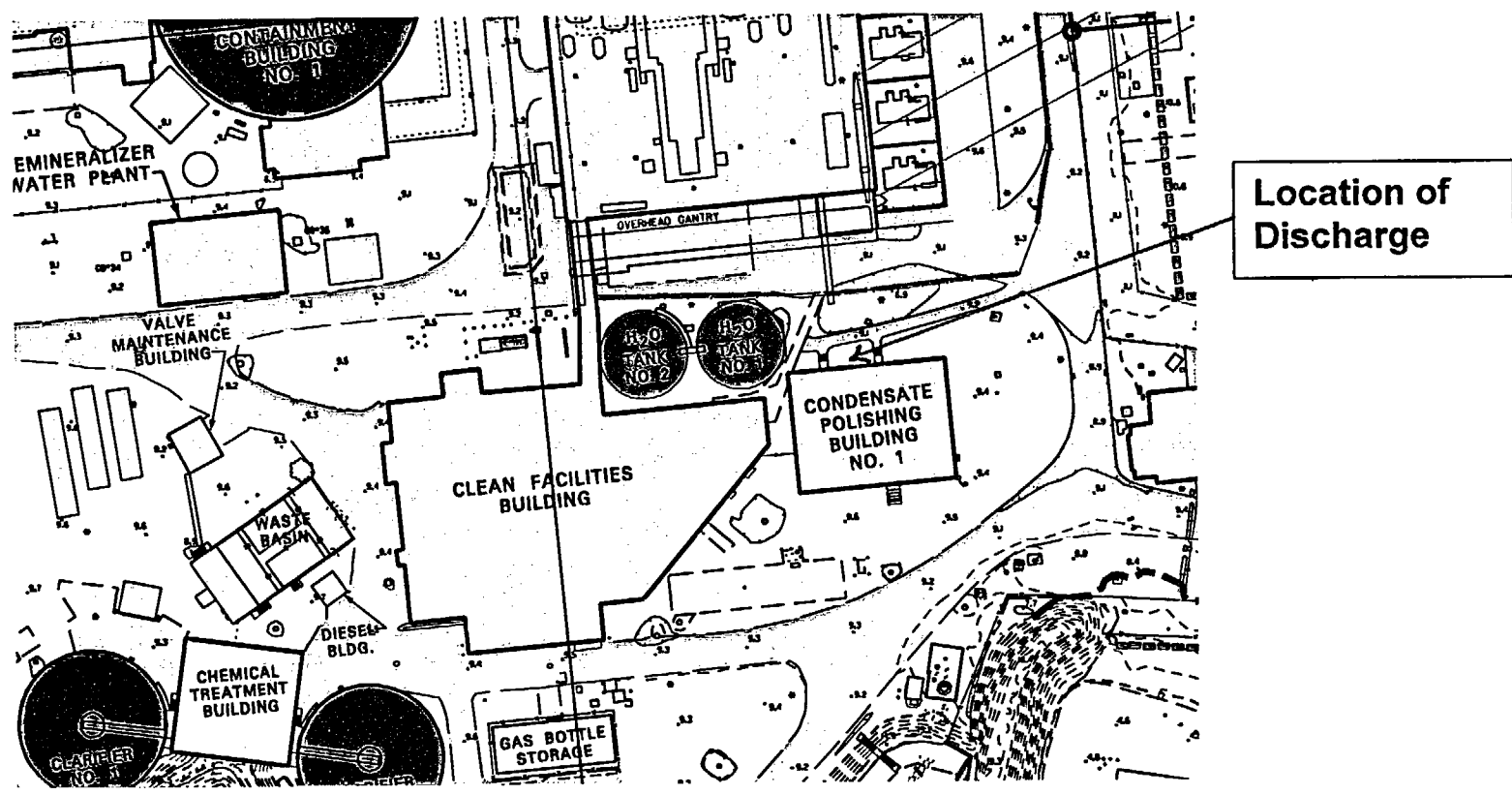
**15. Any Additional Information**

Additional information will be provided upon request.

**16. Certification**

The Certification of Darin Benyak, Director - Regulatory Assurance, is included as Attachment B hereto.

**ATTACHMENT A**





***ATTACHMENT B***

PSEG Nuclear LLC –  
Salem Generating Station  
Confirmation Report Certification as per NJAC 7:1E-4.11(a)

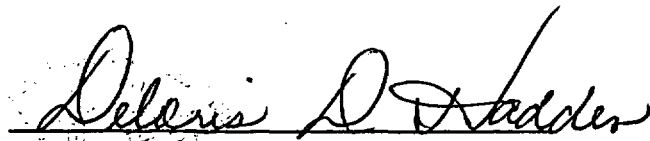
I, Darin Benyak, of full age, being duly sworn according to law, upon my oath depose and say:

1. I am the Director - Regulatory Assurance for Salem Generating Station;
2. I certify under penalty of law that the information provided in this document is, to the best of my knowledge, true, accurate and complete. I am aware that there are significant civil and criminal penalties, including the possibility of fines or imprisonment or both, for submitting false, inaccurate or incomplete information.



Darin Benyak  
Director - Regulatory Assurance  
Salem Generating Station

Sworn and subscribed before me  
this 23<sup>rd</sup> day of September 2005.



DELORIS D. HADDEN  
Notary Public of New Jersey  
My Commission Expires 03/29/2010  
ID # 2073649

***ATTACHMENT C***

John G. Valeri, Jr.  
Assistant General Environmental Counsel

Office of Environmental Counsel  
80 Park Plaza, TC5, Newark, NJ 07102  
tel: 973.430.6606 fax: 973.802.1267  
email: John.ValeriJr@pseg.com

*File*



April 26, 2004

VIA FEDERAL EXPRESS

Bureau of Release Prevention  
New Jersey Department of Environmental Protection  
Station Plaza 4  
22 South Clinton Avenue, 3<sup>rd</sup> Floor  
CN 424  
Trenton, New Jersey 08625

Re: Financial Responsibility Documents  
PSEG Fossil LLC  
PSEG Nuclear LLC

Ladies & Gentlemen:

Enclosed is an original and ten (10) copies of updated financial responsibility documents pursuant to N.J.A.C. 7:1E-4.4. The enclosed documents include the Chief Financial Officer's Letter and a Guarantee executed by the Vice President and General Counsel of PSEG Power LLC. Each specifies the eleven major facilities that are covered.

If you have any questions, please do not hesitate to contact me.

Very truly yours,

John G. Valeri, Jr.

JGV/jb  
Enclosures

bcc: H. W. Borden, Esq. (w/attach)  
C. T. Neely (w/attach)  
J. P. Ryan (w/attach)  
M. G. Cullen (w/attach)  
J. H. Peach (w/attach)  
B. S. Petrovski (w/attach)  
M. D. Schwartzkopf (w/attach)  
J. M. Eggers (w/attach)  
T. M. Syed (w/attach)

Thomas M. O'Flynn  
Executive Vice President  
and Chief Financial Officer

Public Service Enterprise Group Incorporated  
80 Park Plaza, 4th Fl., Newark, NJ 07102-  
tel: 973.430.5662 fax: 973.021.2150



LETTER FROM EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

I am the Executive Vice President and Chief Financial Officer of PSEG Power LLC, 80 Park Plaza, P.O. Box 1171, Newark, New Jersey 07101-1171. This letter is in support of the use "of the financial test of self-insurance" and/or "guarantee" to demonstrate financial responsibility for cleanup and removal activities arising from operating:

Bergen Generating Station  
Victoria Terrace  
Ridgefield, New Jersey 07657;

Hudson Generating Station  
Duffield & Van Keuren Avenues  
Jersey City, New Jersey 07306;

Kearny Generating Station  
Foot of Hackensack Avenue  
Kearny, New Jersey 07032;

Essex Generating Station  
155 Raymond Boulevard  
Newark, New Jersey 07105;

Linden Generating Station  
Grasselli Area of Wood Avenue South  
Linden, New Jersey 07036;

Sewaren Generating Station  
751 Cliff Road  
Sewaren, New Jersey 07077-1439;

Edison Generating Station  
164 Silver Lake Avenue  
Edison, New Jersey 08817;

Mercer Generating Station  
Lamberton Road  
Trenton, New Jersey 08611;

Burlington Generating Station  
W. Broad Street & Devlin Avenue  
Burlington, New Jersey 08016;

Salem Generating Station  
Foot of Buttonwood Road  
P.O. Box 236  
Hancocks Bridge, New Jersey 08038; and

Hope Creek Generating Station  
Foot of Buttonwood Road  
P.O. Box 236  
Hancocks Bridge, New Jersey 08038

in the amount of at least One Million Dollars (\$1,000,000) per occurrence per facility, and Two Million Dollars (\$2,000,000) annual aggregate per facility.

A "financial test" is also used by this "owner or operator" to demonstrate evidence of financial responsibility in the following amounts under the following EPA or State rules or regulations (i.e., RCRA, ECRA, UST, etc.):

N/A

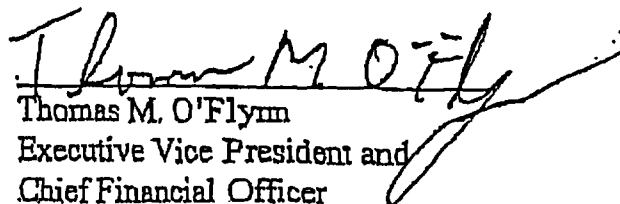
This "owner or operator" has not received an adverse opinion, a disclaimer of opinion, or a going concern qualification from an independent auditor on his or her financial statements for the latest completed fiscal year.

#### ALTERNATIVE I

	(Millions)
1. Amount of annual DCR aggregate coverage being assured by a financial test and/or guarantee	\$ <u>22</u>
2. Amount of annual aggregate coverage for all other Federal or State regulatory costs (i.e. RCRA, ECRA, UST, etc.) covered by a financial test, and/or guarantee	\$ <u>0</u>
3. Sum of lines 1 and 2	\$ <u>22</u>
4. Total tangible assets	\$ <u>7,620</u>
5. Total liabilities [if any of the amount reported on line 3 is included in total liabilities, you may deduct that amount from this line and add that amount to line 6]	\$ <u>5,123</u>
6. Tangible net worth [subtract line 5 from line 4]	\$ <u>2,497</u>

	YES	NO
7. Is line 6 at least \$10 million?	<u>X</u>	<u>          </u>
8. Is line 6 at least 10 times line 3?	<u>X</u>	<u>          </u>
9. Have financial statements for the latest fiscal year been filed with the Securities Exchange Commission?	<u>X</u>	<u>          </u>
10. Have financial statements for the latest fiscal year been filed with the Energy Information Administration?	<u>          </u>	<u>X</u>
11. Have financial statements for the latest fiscal year been filed with the Rural Electrification Administration?	<u>          </u>	<u>X</u>
12. Has financial information been provided to Dun and Bradstreet, and has Dun and Bradstreet provided a financial strength rating of 4A? [Answer Yes only if both criteria have been met]	<u>          </u>	<u>X</u>

I hereby certify that the wording of this letter is identical to the wording specified in Appendix B of N.J.A.C. 7:1E, as such rules were constituted on the date shown immediately below.

  
 Thomas M. O'Flynn  
 Executive Vice President and  
 Chief Financial Officer

Date: April 26, 2004



PSEG Power LLC  
80 Park Plaza, Newark, NJ 07102-4194  
tel: 973.430.7000



## GUARANTEE

Guarantee made this April 20, 2004 by PSEG Power LLC, a business entity organized under the laws of the State of Delaware, herein referred to as guarantor, to the New Jersey Department of Environmental Protection ("Department") and to any and all third parties, and obliges, on behalf of its wholly owned operating subsidiaries, PSEG Fossil LLC, which operates the Bergen, Burlington, Essex, Edison, Hudson, Kearny, Linden, Mercer and Sewaren Generating Stations and PSEG Nuclear, LLC, which operates Hope Creek and Salem Generating Stations, of 80 Park Plaza, Newark, New Jersey 07101.

- (1) Guarantor meets or exceeds the financial test criteria of N.J.A.C. 7:1E-4.4(g) and agrees to comply with the requirements for guarantors as specified in N.J.A.C. 7:1E-4.4(h).
- (2) This guarantee satisfies the requirements for assuring funding in the amount of \$1,000,000 per occurrence and \$22,000,000 annual aggregate for cleanup and removal activities arising from operating the above identified major facilities.
- (3) On behalf of our wholly owned operating subsidiaries, PSEG Fossil LLC and PSEG Nuclear LLC, guarantor guarantees to the Department and to any and all third parties that:

In the event that PSEG Fossil LLC or PSEG Nuclear LLC, fails to provide alternate coverage within 60 days after receipt of a notice of cancellation of this guarantee and the Department has determined or suspects that a discharge has occurred at a facility covered by this guarantee, the guarantor, upon instructions from the Department, shall fund a standby trust fund in an amount sufficient to cover cleanup and removal costs, but not to exceed the coverage limits specified in N.J.A.C. 7:1E-4.4(b).

In the event that the Department determines that PSEG Fossil LLC or PSEG Nuclear LLC has failed to perform cleanup and removal activities arising out of the operation of the above-identified facilities, the guarantor, upon written instructions from the Department, shall fund a standby trust in an amount sufficient to cover cleanup and removal costs, but not to exceed the coverage limits specified above.

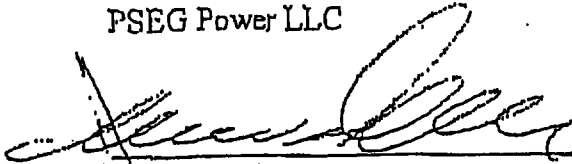
- (4) Guarantor agrees that if, at the end of any fiscal year before cancellation of this guarantee, the guarantor fails to meet the financial test criteria of N.J.A.C. 7:1E-4.4(g), guarantor shall send within 120 days of such failure, by certified mail, notice to PSEG Fossil LLC and PSEG Nuclear LLC and the Department. The guarantee will terminate 120 days from the date of receipt of the notice by PSEG Fossil LLC and PSEG Nuclear LLC or 120 days from the date of receipt of the notice by the Department, whichever is later, as evidenced by the return receipt.
- (5) Guarantor agrees to notify PSEG Fossil LLC and PSEG Nuclear LLC by certified mail of a voluntary or involuntary proceeding under Title 11 (Bankruptcy), U.S. Code, naming guarantor as debtor, within 10 days after commencement of the proceeding.
- (6) Guarantor agrees to remain bound under this guarantee notwithstanding any modification or alternation of any obligation of PSEG Fossil LLC or PSEG Nuclear LLC, pursuant to N.J.A.C. 7:1E.
- (7) Guarantor agrees to remain bound under this guarantee for so long as PSEG Fossil LLC or PSEG Nuclear LLC must comply with the applicable financial responsibility requirements of N.J.A.C. 7:1E-4.4 for the above-identified facilities, except that guarantor may cancel this guarantee by sending notice by certified mail to PSEG Fossil LLC and PSEG Nuclear LLC, and the Department, such cancellation to become effective no earlier than 120 days after receipt of such notice by PSEG Fossil LLC and PSEG Nuclear LLC, as evidenced by the return receipt.
- (8) The guarantor's obligation does not apply to any of the following:
  - (a) Any obligation of PSEG Fossil LLC or PSEG Nuclear LLC, under a worker's compensation, disability benefits, or unemployment compensation law or other similar law;
  - (b) Bodily injury to an employee of PSEG Fossil LLC or PSEG Nuclear LLC, arising from, and in the course of, employment by PSEG Fossil LLC or PSEG Nuclear LLC;-
  - (c) Bodily injury or property damage not related to a discharge arising from the ownership, maintenance, use, or entrustment to others of any aircraft, motor vehicle, or watercraft;
  - (d) Property damage to any property owned, rented, loaned to, in the care, custody, or control of, or occupied by PSEG Fossil LLC or PSEG Nuclear LLC that is not the direct result of a discharge from the facility;
  - (e) Bodily damage or property damage for which PSEG Fossil LLC or PSEG Nuclear LLC is obligated to pay damages by reason of the assumption of liability in a contract or agreement other than a contract or agreement entered into to meet the requirements of N.J.A.C. 7:1E-4.4.

- (9) Guarantor expressly waives notice of acceptance of this guarantee by the Department or by PSEG Fossil LLC or PSEG Nuclear LLC.

I hereby certify that the wording of this guarantee is identical to the wording specified in Appendix B of N.J.A.C. 7:1E as such rules were constituted on the effective date shown immediately below.

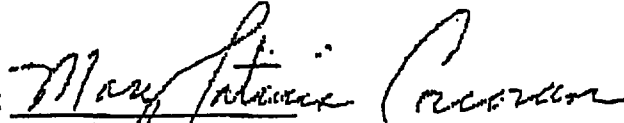
Effective date: April 20, 2004

PSEG Power LLC



Harold W. Borden  
 Vice President and General Counsel  
 PSEG Power LLC

Signature of witness or notary:



Mary Patricia Corcoran

S:\mf\jbl\poc\guarantee

Exam. to notary  
 License No. 1510  
 21. Apr. 20, 2004

MARY PATRICIA CORCORAN  
 NOTARY PUBLIC OF NEW JERSEY  
 Commission Expires 6/1/2006

John G. Valeri, Jr.  
Assistant General Environmental Counsel

Office of Environmental Counsel  
80 Park Plaza, TC6, Newark, NJ 07102  
tel: 973.430.6606 fax: 973.802.1267  
email: John.ValeriJr@pseg.com

*File*



To: Harold W. Borden, Esq.  
Christine T. Neely  
John P. Ryan  
Michael G. Cullen  
James H. Peach  
Bruce S. Petrovski  
Mark D. Schwartzkopf  
James Eggers

From: John G. Valeri, Jr., Esq.

Date: May 6, 2004.

Re: DPCC/DCR Plans - Financial Responsibility

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Enclosed please find a copy of NJDEP's acknowledgement of receipt of updated financial responsibility documents. As indicated in the letter, each generating station must keep a copy of the financial responsibility documents on-site. A copy of those documents were previously forwarded to you under separate cover.

If you have any questions or require additional copies of financial responsibility documents, please contact me.

JGV/jb  
Enclosures

cc: Christopher J. McAuliffe, Esq.  
Tasweer M. Syed



State of New Jersey

Department of Environmental Protection

James E. McGreevey  
Governor

Bradley M. Campbell  
Commissioner

Bureau of Release Prevention  
P. O. Box 424  
Trenton, N.J. 08626  
Tel: (609) 633-0610 Fax: (609) 633-7031

May 3, 2004

John G. Valeri, Jr.  
Assistant General Environmental Counsel  
PSEG Services Corporation  
80 Park Plaza, T5C  
Newark, NJ 07102

Re: Discharge Prevention, Containment and Countermeasure (DPCC) and Discharge Cleanup and Removal (DCR) Plans - Financial Responsibility for PSEG Fossil LLC and PSEG Nuclear LLC facilities in NJ

Bergen - 024900142000	Burlington - 030600142000	Edison - 120501202000
Essex - 071401223000	Hudson - 090601488000	Kearny - 090700466000
Linden - 200900820000	Mercer - 110300168000	Sewaren - 122501297000
Salem & Hope Creek - 170400041000		

Dear Mr. Valeri:

Thank you for the updated financial responsibility documents, dated April 26, 2004 for the above-referenced major facilities in New Jersey.

The financial test of self insurance and guarantee have been included in the department's copies of the DPCC/DCR plans for the above referenced facilities. Since these documents are part of approved DPCC/DCR plans, these facilities must also keep a copy on site as required by N.J.A.C. 7:1E-4.6(i):

If you have any question regarding this letter, please contact Philip Polios at (609) 292-1690.

Respectfully,

*Paul Baldauf*  
Paul Baldauf, P.E., Chief  
Bureau of Release Prevention

c: Beth S. Reddy, Section Chief, Engineering Review Section  
Prit R. Pals, Supervisor, Field Verification Section  
Philip Polios, Chemical Safety Engineer  
Audrey S. Dorofy, Chemical Safety Engineer  
Christopher Lucien, Principal Environmental Engineer  
Yefim Kantor, Principal Environmental Engineer  
Roy Soong, Environmental Engineer

