



JAN 25 2007
SCH07-009

Certified Mail
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Article Number: 7004 2510 0005 2135 3143

Mr. Michael R. Hastry
Chief - Bureau of Hazardous Waste Compliance & Enforcement
New Jersey Department of Environmental Protection
300 Horizon Center
P.O. Box 407
Trenton, NJ 08625-0407

**RE: PSEG Nuclear LLC - Salem Generating Station
EPA ID Number NJ0077070811
NJDEP Case No. 05-04-08-1909-09
SETTLEMENT AGREEMENT
EA ID #: NEA070001**

Enclosed please find three (3) signed duplicate copies of the Settlement Agreement and one (1) signed copy of the Withdrawal of Hearing Request sent on January 17, 2007 and received on January 19, 2007.

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

Sincerely,

A handwritten signature in black ink, appearing to read "C. Fricker".

Carl J. Fricker
Salem Plant Manager

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JAN 25 2007

Chief - Bureau of Hazardous Waste Compliance & Enforcement
SCH07-009

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



State of New Jersey

JON S. CORZINE
Governor

DEPARTMENT OF ENVIRONMENTAL PROTECTION
COUNTY ENVIRONMENTAL AND WASTE ENFORCEMENT
BUREAU OF HAZARDOUS WASTE COMPLIANCE AND ENFORCEMENT
300 HORIZON CENTER
P.O. BOX 407
TRENTON NJ 08625-0407
Tel. (609) 584-4250
Fax. 609) 588-2444

LISA P. JACKSON
Commissioner

CERTIFIED MAIL/RRR
7005 0390 0001 8555 8024

January 17, 2007

Mr. Carl J. Fricker, Salem Plant Manager
PSE&G NUCLEAR LLC
P.O. Box 236, M/C N21 – Alloway Creek Neck Road
Hancocks Bridge, NJ 08038-1236

RE: SETTLEMENT AGREEMENT
SALEM/HOPE CREEK GENERATING STATION
Alloways Creek Rd
Hancocks Bridge, NJ 08038
EA ID #: NEA070001 - NJD077070811

Dear Mr. Fricker:

Enclosed are three (3) duplicate original Settlement Agreement documents in the above referenced matter (assigned new Enforcement Action ID# NEA070001 - NJD077070811). If the terms meet with your approval, please have them signed and returned to me within fifteen (15) days of receipt. I will, in turn, have each signed and return one to your attention along with the payment invoice and forward one to the attention of the Director of the Office of Legal Affairs, to conclude this matter.

Should you have any questions or comments on the proposed Settlement Agreement, please contact Mr. Peter Taylor of my staff at (856) 614-3650.

Sincerely,

Michael R. Hastry, Chief
Bureau of Hazardous Waste Compliance & Enforcement

Enclosure



State of New Jersey

JON S. CORZINE
Governor

DEPARTMENT OF ENVIRONMENTAL PROTECTION
COUNTY ENVIRONMENTAL AND WASTE ENFORCEMENT
BUREAU OF HAZARDOUS WASTE COMPLIANCE AND ENFORCEMENT
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Tel. (609) 584-4250
Fax. 609) 588-2444

LISA P. JACKSON
Commissioner

IN THE MATTER OF

PSEG NUCLEAR LLC
SALEM GENERATING STATION
ALLOWAY CREEK NECK ROAD
HANCOCKS BRIDGE, NJ 08038

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SETTLEMENT AGREEMENT

EA ID # NEA070001 - NJD077070811

1. This Settlement Agreement is entered into pursuant to the authority vested in the Commissioner of the New Jersey Department of Environmental Protection ("Department") by N.J.S.A. 13:1D-1 et seq., and the Solid Waste Management Act, N.J.S.A. 13:1E-1 et seq. and the Spill Compensation and Control Act, N.J.S.A. 58:10-23.11 et seq., and duly delegated to the Chief, Bureau of Hazardous Waste Compliance and Enforcement, pursuant to N.J.S.A.13:1B-4.
2. The Department issued a Notice of Civil Administrative Penalty Assessment – PEA060002 in the amount of \$15,750.00 to PSEG NUCLEAR LLC on 8/25/06 for violations of the Solid Waste Management Act, N.J.S.A. 13:1E-1 et seq., and/or the Spill Compensation and Control Act, N.J.S.A. 58:10-23.11 et seq., and the regulations promulgated pursuant thereto specifically, N.J.A.C.7:1E-1.11(a).
3. The Department therefore alleges that PSEG NUCLEAR LLC is liable for civil administrative penalties for the above referenced violation pursuant to N.J.S.A. 13:1E-9e, N.J.A.C. 7:1E-6.5, 6.6, 6.7 and 6.8, and N.J.A.C. 7:26G-2.4 and 2.5.
4. The Department and PSEG NUCLEAR LLC conducted a settlement conference on 10/10/06 and have agreed to settle this matter in accordance with the following terms:
 - a) On 12/26/06, PSE&G provided documentation to the Department demonstrating that PSE&G had developed new SOPs and checklists, instituted new policies, procedures, and had retrained personnel after the 04/08/05 discharge of hydrazine. On reviewing this documentation, the Department agrees that PSE&G took appropriate measures to ensure that there would be no future spills of hydrazine and that the discharge was due to "operator deviation from strict procedural compliance violation of company policy". The operator did not check off steps on a checklist as required and presumably left a valve open that he should have closed. Therefore the Department has determined that the incident was not "gross negligence" as listed in the Notice of Civil Administrative Penalty Assessment – PEA060002 but was "accidental" as defined in N.J.A.C. 7:1E-1.11(a).

- b) The Department has determined that the above violation has been corrected and PSEG NUCLEAR LLC agrees to operate in compliance with all applicable regulations and permits.
- c) In full settlement of the aforementioned violation and enforcement action, PSEG NUCLEAR LLC shall pay a penalty of **\$8,250.00** by check made payable to "Treasurer, State of New Jersey" and remit to the Division of Revenue at the address stated on the enclosed invoice within thirty (30) calendar days from the date of full execution of this Settlement Agreement.
- d) By execution of this Settlement Agreement PSEG NUCLEAR LLC hereby withdraws its request for an administrative hearing before the Office of Administrative Law with respect to the enforcement action which have been issued and which are listed in paragraph number 2. above. PSEG NUCLEAR LLC shall complete and submit the enclosed **WITHDRAWAL OF HEARING REQUEST**.
- e) If PSEG NUCLEAR LLC fails to pay the above penalty in accordance with the terms and conditions of this Settlement Agreement, then the Notice of Civil Administrative Penalty Assessment – PEA060002 shall become a final order and the full penalty, along with costs and interest calculated pursuant to N.J. Court Rule 4:42, shall be immediately due and owing. The Department may bring a summary action in the Superior Court to collect such penalty pursuant to R.4:67-6, R.4:70 or file this Settlement Agreement as a judgement under the Penalty Enforcement Law, N.J.S.A. 2A:58-1 et seq.
- f) Nothing in this Settlement Agreement shall preclude the Department from taking enforcement action against PSEG NUCLEAR LLC for violations not set forth in this Settlement Agreement.
- g) Nothing in this Settlement Agreement restricts the ability of the Department to raise the above findings in any other proceeding, specifically including, but not limited to, proceedings pursuant to N.J.S.A. 13:1E-126 et seq., (commonly referred to as A-901).
- h) This Settlement Agreement shall be effective upon execution by both parties.

NJ Department of Environmental Protection

DATE: _____

BY: _____

**Michael R. Hastry, Bureau Chief
Hazardous Waste Compliance & Enforcement**

PSEG NUCLEAR LLC

DATE: 1/24/2007

BY: _____

**Carl J. Fricker,
Salem Plant Manager**

WITHDRAWAL OF HEARING REQUEST

Re: PSEG NUCLEAR LLC
Notice of Civil Administrative Penalty Assessment, PEA060002
EA ID #: NEA070001 - NJD077070811

Based on the Department's letter of **January 17, 2007**, I hereby withdraw the request for adjudicatory hearing.

Date: 1/24/2007



Authorized Signature

CARL J. FRICKER

Print Name

Send to: **NJDEP**
Mr. Michael R. Hastry
Bureau of Hazardous Waste Compliance and Enforcement
PO Box 407
Trenton, NJ 08625-0407