



JUN 25 2007

SCH07-077

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED  
ARTICLE NUMBER: 7006 0100 0004 0656 7468

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. 07-05-24-0259-32  
DISCHARGE CONFIRMATION REPORT**

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 release of approximately 20,000 gallons of water containing Hydrazine from a catastrophic failure of the 24 Demineralizer Vessel sight glass from the condensate polisher system at Salem Unit 2. The discharge was reported to the New Jersey Department of Environmental Protection (NJDEP) hotline and assigned case number 07-05-24-0259-32. 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 as it becomes available.

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 "George H. Gellrich".

George H. Gellrich  
Salem Plant Manager

IEAS

NRR

NJDEP  
SCH07-077

**JUN 25 2007**

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. 07-05-24-0259-31**

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

Mr. Robert Cordrey  
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**

George H. Gellrich  
Salem Plant Manager  
PSEG Nuclear LLC - Salem Generating Station  
P. O. Box 236, M/C S07  
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  
P. O. Box 236  
Hancocks Bridge, New Jersey 08038  
(856) 339-2686

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

On May 24, 2007 at approximately 0232 hours, the operations control room was notified by a chemistry technician that several thousand gallons of condensate water, condensed steam, had discharged from #24 Condensate Polishing System Demineralizer Vessel (CPS-DMV) into the yard area east of the Unit 2 Condensate Polisher building. Using operator knowledge of the condensate water steam plant treatment chemicals (specifically Hydrazine) the spill was promptly reported through the NJDEP hotline. The cause of the discharge was a complete catastrophic failure of the 24 CPS-DMV upper sight glass due to stress risers in the glass.

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 2 Condensate Polisher Building is identified on the Site Map in Attachment A.

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

Hydrazine, CAS No. 302-01-2  
Ammonia, CAS No. 1336-21-6

7. **Quantity of Hazardous Substances Discharged**

The approximate volume of wastewater discharged is 20,000 gallons based upon flow rates and system pressure expected during the release. Based on normal concentrations of steam plant treatment chemicals in the system, the maximum mass of hydrazine and ammonia in the 20,000 gallons is less than 9 grams of hydrazine and less than 13 grams of ammonia. However, the condensate water discharged was approximately at a temperature of approximately 100 degrees F and under approximately 600 pounds pressure, releasing through the 7 inch sight glass area. The spray leaving the sight glass hole allowed degasification of the condensate water and a removal of a significant percentage of the hydrazine and ammonia to the atmosphere.

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

Case No.: 07-05-24-0259-32  
Began: May 24, 2007 at approximately 0232 hours  
Discovered: May 24, 2007 at approximately 0235 hours  
Ended: May 24, 2007 at approximately 0250 hours  
Reported: May 24, 2007 at approximately 0259 hours

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

Upon discovery of the spill, the chemistry technicians isolated the 24 DMV, while Salem Unit 2 reactor was being shut down by operations. Site Hazmat responders arrived at the scene to control the area and begin remediation. Collection of some of the water was maintained in the storm drain system, which leads to DSN 489 of the Site NJPDES permit. Please see letter LR-E07-067

(copy included) which discusses the potential discharge to waters of the state.

In accordance with the PSEG Nuclear Discharge Prevention Containment and Countermeasure (DPCC) plan, hydrazine was neutralized in the area using a combination of hydrogen peroxide spray and solar effects (natural attenuation through UV decay) of the hydrazine. Due to the compaction of the engineered fill material on the site, minimal penetration into the surrounding soils occurred.

PSEG Nuclear has done a baseline cost estimate of man-hours (240) and equipment/materials (\$160) for the spill cleanup. Contractor support for this cleanup event has totaled \$3,600 to date. The total cleanup cost for this event was \$3760, plus approximately \$15,000 in station labor costs. The majority of the cost for this event is associated with the damage of plant equipment during the event and not the cleanup activities.

**10. Corrective Actions – Preventative Measures**

Several Preventive measures have been and are being taken to prevent reoccurrence. All sight glasses in the Unit 2 Condensate Polishing System Demineralizer Vessels were replaced before placing Unit 2 back in service. All similar sight glasses in the Salem Unit 1 Condensate Polishing System Demineralizer Vessels are currently being replaced. A new preventive maintenance action has been implemented to replace sight glasses whenever they are removed for maintenance. The 24 CPS-DMV sight glass was the original sight glass, placed into service in 1981 and had last been removed for maintenance work and reinstalled in May of 2002. A further review of potentially superior sight glasses is currently in progress.

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

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

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

All of the following samples were taken and processed following the station's standard operating procedures. Samples were required to contain a minimum of 50ml per the station procedure.

Sample:

- 1) Oil Water Separator Outlet  
Time: 0850 on 5/24/07  
pH: 7.61  
Ammonia: Non-Detected <1 ppm  
Hydrazine: Non-Detected <10 ppb

- 2) Oil Water Separator Inlet  
Time: 0900 on 5/24/07  
pH: 7.72  
Ammonia: Non-Detected <1 ppm  
Hydrazine: Non-Detected <10 ppb
- 3) Skim Tank #1  
Time: 0935 on 5/24/07  
pH: 7.74  
Ammonia: Non-Detected <1 ppm  
Hydrazine: Non-Detected <10 ppb
- 4) Skim Tank #2  
Time: 0940 on 5/24/07  
pH: 7.43  
Ammonia: Non-Detected <1 ppm  
Hydrazine: Non-Detected <10 ppb
- 5) Storm Drain C1E  
Time: 0940 on 5/24/07  
pH: 7.42  
Ammonia: Non-Detected <1 ppm  
Hydrazine: Non-Detected <10 ppb
- 6) Storm Drain C1B  
Time: 0945 on 5/24/07  
pH: 8.66  
Ammonia: 2 ppm  
Hydrazine: 70 ppb
- 7) Storm Drain C1D  
Time: 1000 on 5/24/07  
pH: 9.68  
Ammonia: Non-Detected <1 ppm  
Hydrazine: Non-Detected <10 ppb
- 8) Storm Drain C1C  
Time: 1010 on 5/24/07  
pH: 3.45  
Ammonia: 10 ppm  
Hydrazine: 1 ppm
- 9) Puddle by Cafeteria  
Time: 1045 on 5/24/07  
pH: 7.52

Ammonia: 3 ppm  
Hydrazine: 30 ppb

- 10) Switch Yard Ground  
Time: 1250 on 5/24/07  
Ammonia: Non-Detected <1 ppm  
Hydrazine: 20 ppb
- 11) 2CPS Pipe Trench  
Time: 1410 on 5/24/07  
pH: 9.65  
Ammonia: Non-Detected <1 ppm  
Hydrazine: 20 ppb
- 12) Oil Water Separator Inlet  
Time: 0925 on 5/25/07  
pH: 7.85  
Ammonia: Non-Detected <1 ppm  
Hydrazine: Non-Detected <10 ppb
- 13) Storm Drain C1C  
Time: 1335 on 5/25/07  
pH: 7.09  
Ammonia: Non-Detected <1 ppm  
Hydrazine: Non-Detected <10 ppb
- 14) Storm Drain C1B  
Time: 1340 on 5/25/07  
pH: 6.66  
Ammonia: Non-Detected <1 ppm  
Hydrazine: Non-Detected <10 ppb
- 15) Switch Yard Ground  
Time: 1105 on 5/28/07  
pH: 7.70  
Ammonia: Non-Detected <1 ppm  
Hydrazine: Non-Detected <10 ppb
- 16) Switch Yard Ground  
Time: 1115 on 5/28/07  
pH: 7.43  
Ammonia: Non-Detected <1 ppm  
Hydrazine: Non-Detected <10 ppb

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 George H. Gellrich, Salem Plant Manager, is included as Attachment B hereto.

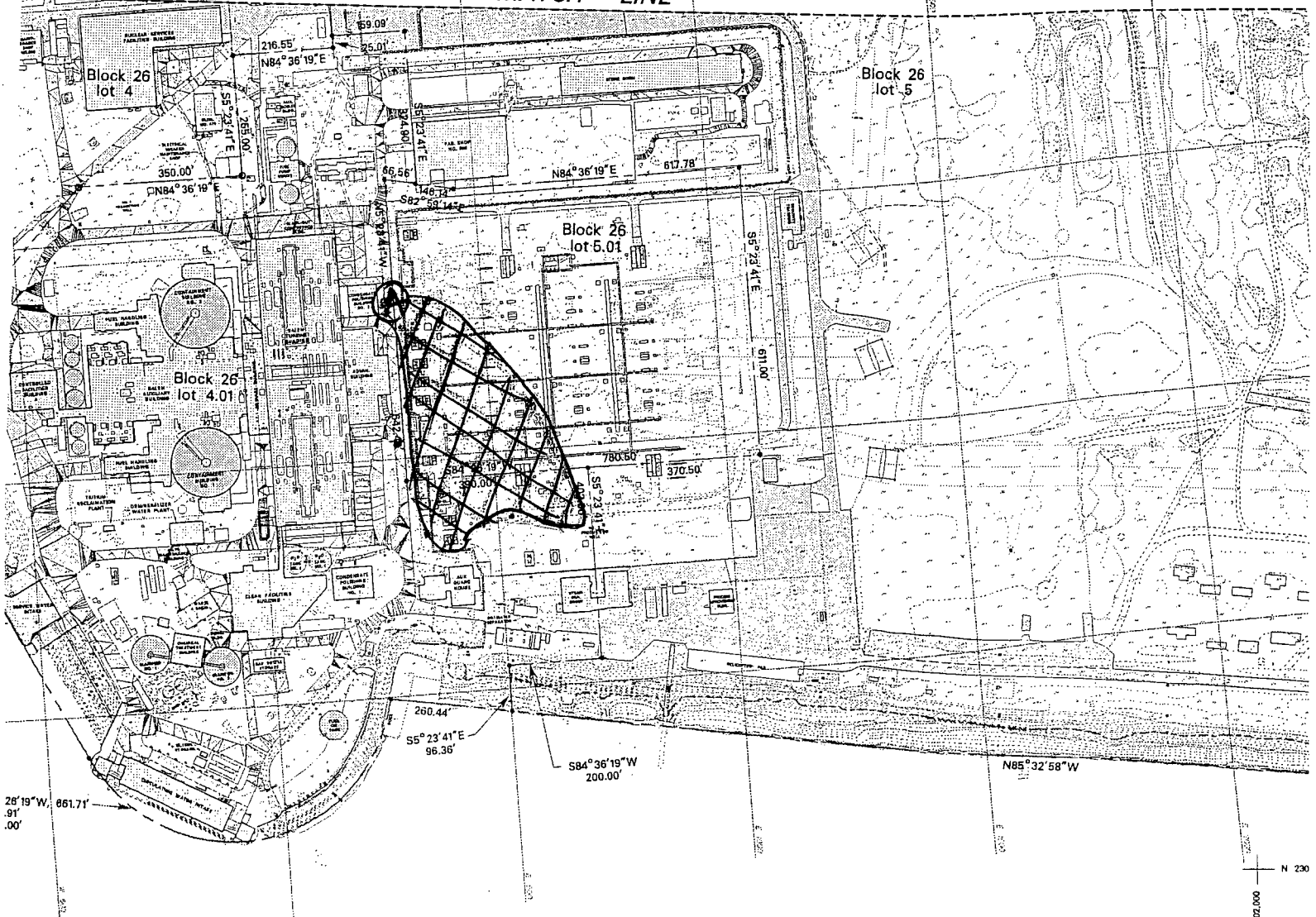


NJDEP  
SCH07-077

***ATTACHMENT A***

N 232.00'  
E 202.00'

MATCH LINE



N 230'  
E 202.00'

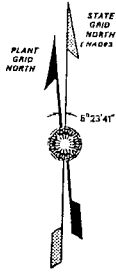


1. SALEM & HOPE  
IN (1 SHEET).

2. USE MAP, SALEM & HOPE  
IN (2 SHEETS).

**LEGEND**

- CATCH BASIN
- EVERGREEN TREE
- LIGHT POLE
- UTILITY POLE w/LIGHT
- SHRUB
- WAIHOLE
- TREE
- SWAMP
- WAIHOLE w/CATCH BASIN
- FIRE HYDRANT
- TRAFFIC CONTROL BOX
- UTILITY POLE
- TOWER
- MINOR CONTOUR
- MAJOR CONTOUR
- P.S.E. & CO. PROPERTY LINE
- LOT LINE
- 100 YEAR FLOOD LINE
- SECURITY FENCE



PSEG SERVICES CORPORATION  
10 PARK PLAZA • HUNTSVILLE • MARY JERRY • 35894-0000

I HEREBY CERTIFY THAT THIS PLAN HAS BEEN PREPARED UNDER MY RESPONSIBLE CHARGE AND THAT ALL DIMENSIONS AND INFORMATION ARE CORRECT AS TO THE DETAIL SHOWN.

**DAVID C. COLEMAN**

N.J. PROFESSIONAL LAND SURVEYOR No. 55828  
COA No. 240328078000

**OPSEG**  
Service Corporation  
SURVEYS & MAPPING

**SITE P**  
as of FEB. 11

**SALEM & HOPE CREEK G  
BLOCK 26 - LOTS 4**

Sheet 2

TOWNSHIP OF LOWER ALLOWAYS CREEK

PSEG NUCL

DRAWN BY JPK  
APPROVED BY MCH  
SCALE 1" = 100'

NJDEP  
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**ATTACHMENT B**

NJDEP  
SCH07-077

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

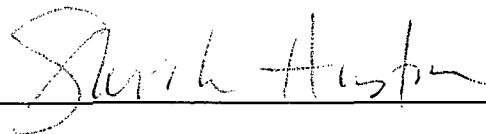
I, George H. Gellrich, of full age, being duly sworn according to law, upon my oath depose and say:

1. I am the Salem Plant Manager 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.



George H. Gellrich  
Salem Plant Manager  
Salem Generating Station

Sworn and subscribed before me  
this 25 day of June 2007.



SHERI L. HUSTON  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires 1-15-09

NJDEP  
SCH07-077

***ATTACHMENT C***

John G. Valeri, Jr.  
Assistant General Environmental Counsel

Office of Environmental Counsel  
80 Park Plaza, TCE, Newark, NJ 07102  
tel: 973.430.5506 fax: 973.802.1267  
email: John.ValeriJr@pseg.com

April 25, 2007



**VIA FEDERAL EXPRESS**

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

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Re: Financial Responsibility Documents  
PSEG Fossil LLC  
PSEG Nuclear LLC

Ladies and Gentlemen:

Enclosed are 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 President and Chief Operating Officer 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.

Sincerely,

A handwritten signature in black ink, appearing to read "John G. Valeri, Jr.", written over the typed name.

John G. Valeri, Jr.

Enclosures

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.

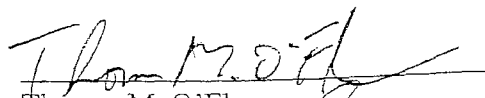
#### ALTERNATIVE I

	(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>8,069</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>4,723</u>
6. Tangible net worth [subtract line 5 from line 4]	\$ <u>3,346</u>



	<u>YES</u>	<u>NO</u>
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 Utilities Services or the Board of Public Utilities?	<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 or 5A? [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 25, 2007

## GUARANTEE

Guarantee made this April 25, 2007 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, both 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) PSEG Fossil LLC owns or operates the following major facilities covered by this guarantee:
  - 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;

PSEG Nuclear owners or operates the following major facilities covered by this guarantees:

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

This guarantee satisfies the requirements of N.J.A.C. 7:1E-4.4 for assuring funding in the amount of \$1,000,000 per occurrence per facility, and \$2,000,000 annual aggregate per facility 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.

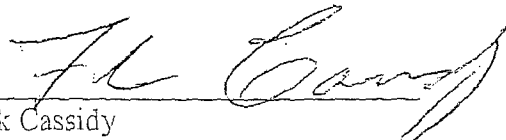
- (4) Guarantor agrees that if, at the end of any fiscal year before cancellation of this guarantee, the guarantor fails to meet the financial test criteria of N.J.A.C. 7:1E-4.4(g), guarantor shall send within 120 days of such failure, by certified mail, notice to PSEG Fossil LLC and PSEG Nuclear LLC 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 or 120 days from the receipt of the notice by the Department, whichever is later, 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 workers' 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;

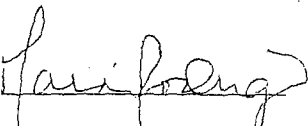
- (d) Property damage to any property owned, rented, loaned to, in the care, custody, or control of, or occupied by PSEG Fossil LLC or PSEG Nuclear LLC that is not the direct result of a discharge from the facility;
  - (e) Bodily damage or property damage for which PSEG Fossil LLC or PSEG Nuclear LLC 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 25, 2007

PSEG Power LLC

  
\_\_\_\_\_  
Frank Cassidy  
President and Chief Operating Officer

Signature of witness or notary: 

MARIA RODRIGO  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires 5/4/2010



State of New Jersey

DEPARTMENT OF ENVIRONMENTAL PROTECTION

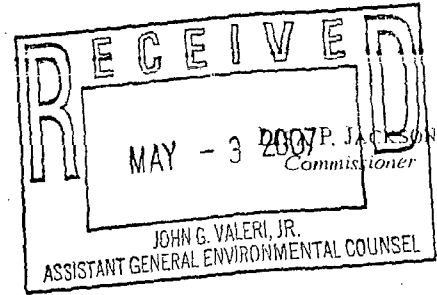
Bureau of Release Prevention

P. O. Box 424

Trenton, N.J. 08625

Tel: (609) 633-0610 Fax: (609) 633-7031

JON S. CORZINE  
Governor



May 1, 2007

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

Re: Discharge Prevention, Containment and Countermeasure (DPCC) and Discharge Cleanup and Removal (DCR) Plans - Financial Responsibility for the following PSEG facilities:

- Bergen Generating Station, Ridgefield Boro, Bergen County, DIFF# 024900142000
- Burlington Generating Station, Burlington Twp, Burlington County, DIFF# 030600142000
- Hudson Generating Station, Jersey City, Hudson County, DIFF# 090601488000
- Edison Generating Station, Edison Twp, Middlesex County, DIFF# 120501202000
- Essex Generating Station, Newark City, Essex County, DIFF# 071401223000
- Kearny Generating Station, Kearny Twp, Hudson County, DIFF# 090700466000
- Linden Generating Station, Linden City, Union County, DIFF# 200900820000
- Mercer Generating Station, Hamilton Twp, Mercer County, DIFF# 110300168000
- Sewaren Generating Station, Woodbridge Twp, Middlesex County, DIFF# 122501297000
- Salem & Hope Creek Generating Station, Lower Alloways Creek, Salem County, DIFF# 170400041000

Dear Mr. Valeri, Jr.:

Thank you for the financial responsibility document submittal, received April 26, 2007, for the above-identified facility.

This updated financial document has been included in the department's copy of the DPCC/DCR plan for the facility. Since this document is part of an approved DPCC/DCR plan, this facility must also keep a copy on site at all times as required by N.J.A.C. 7:1E-4.6(g).

If you have any questions regarding this letter, please contact me at (609) 777-1329.

Respectfully,

Yefim Kantor  
Principal Environmental Engineer  
Bureau of Release Prevention

c: Beth S. Reddy, Chief, Engineering Review Section  
Prit Pals, Supervisor, Field Verification Section

NJDEP  
SCH07-077

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File 2.1.1 Salem

MAY 29 2007

LR-E07-067



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Administrator of Water Compliance and Enforcement  
New Jersey Department of Environmental Protection  
401 East State Street, 4th Floor East  
PO Box 422  
Trenton, New Jersey 08625-0422

**RE: PSEG Nuclear LLC - Salem Generating Station  
NJPDES Permit No. NJ0005622  
NJDEP Case No. 07-05-24-0259-31  
Retraction of Report of Discharge to Waters of The State and  
Demonstration of Affirmative Defense of Unanticipated Bypass**

Dear Sir/Madam:

In accordance with N.J.A.C. 7:14A-6.10 Noncompliance Reporting, PSEG Nuclear LLC (PSEG) is submitting this report to retract the notification of a possible discharge of water containing hydrazine to the Delaware River through lettered outfall 489, and, if additional information indicates appropriate, providing the bases for an affirmative defense for an unanticipated bypass. The possible discharge was reported to the New Jersey Department of Environmental Protection (NJDEP) hotline and assigned case number 07-05-24-0259-31. This possible discharge was also reported to the Nuclear Regulatory Commission and assigned event number 43382. This report contains information as known at the time of this report. In accordance with the regulations, additional information regarding this discharge will be provided as it becomes available. This report does not retract the discharge to land, PSEG is managing any release of hydrazine to the land in accordance with the approved Discharge Prevention Containment and Countermeasure (DPCC) Plan.

On May 24<sup>th</sup>, 2007 at approximately 0232, a catastrophic failure of the upper sight glass on 24 Condensate Polisher System demineralizer vessel caused the shutdown of Salem Unit 2. Approximately 20,000 gallons of steam plant water (containing approximately 1 ppm hydrazine) were released outside of the Condensate Polisher building. At the time of the report it was believed that the hydrazine may have entered the stormwater drainage system and been discharged through the Salem Oil Water Separator, DSN 489, to the Delaware River. At 0310 the Oil Water Separator (Discharge 489) was isolated to prevent or minimize any effluent discharge to the Delaware River. Subsequent sampling



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and analyses were performed demonstrating that no hydrazine was present in the Oil Water Separator main chamber or effluent chamber, therefore, NO hydrazine was release to the Delaware River. Hydrazine which was discharged to the land is being managed in accordance with the DPCC Plan.

PSEG continues to investigate this event, continues to sample and analyze sources and effluent points for hydrazine, and continues to collect information relative to this event. If additional information indicates appropriate, PSEG believes any water containing hydrazine later found released to the Delaware River from this event is an unanticipated bypass and is herein providing the bases for an affirmative defense for an unanticipated bypass. In accordance with N.J.A.C. 7:14A-6.10(f), the following information is provided:

- Since no hydrazine has been detected in any effluent to the Delaware River, no existing operating logs or other evidence is relevant at this time.
- Steam plant condensate water, as well as any other secondary water that would contain hydrazine, is normally discharged through the Non-Radiological Liquid Waste Disposal System, DSN 48C, following treatment. The catastrophic failure of a component such as a sight glass that has maintained integrity for over 25 years is clearly unintentional.
- This was not a failure of the treatment system, rather, a failure of a component that cause untreated water to leave the system outside of the design configuration.
- If there were a release of water containing hydrazine to the Delaware River, it would have occurred after 0232 on May 24, 2007. The NJDEP was notified on May 24 at 0259, well within the 24 hour notification requirement of the regulations.
- Although the Department did not specify any remedial measures upon notification, the appropriate remedial measures, including isolating the effluent point, were taken.
- If water containing hydrazine is later determined to have been released from the site, it would be due to the catastrophic failure of the sight glass in a pressure vessel and not a conscious decision of PSEG.
- Based on the information collected to date, PSEG believes it did collect any water containing hydrazine in the Oil Water Separator to avoid a release to the Delaware River.
- This event occurred during normal operation of relevant systems and components.

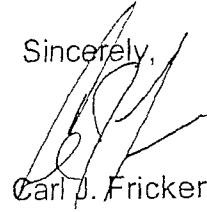
Although PSEG is retracting the notification of a release of hydrazine to the Delaware River, PSEG is concurrently providing the bases for an affirmative defense of an unanticipated bypass if addition information deems that defense appropriate. In accordance with the regulations, additional information regarding this will be provided as it becomes available.

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If you have any questions regarding this information, please contact Clifton  
Gibson of my staff at (856) 339-12686.

Sincerely,



Carl J. Fricker

Salem Plant Manager

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NJDEP  
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