



SEP 13 2007

LR-N07-0224

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555-0001

Salem Nuclear Generating Station Unit 2
Facility Operating License No. 75
NRC Docket No. 50-311

Subject: **REPLY TO NOTICE OF VIOLATION EA-07-149**

On August 14, 2007, the NRC issued Inspection Report (IR) 05000272/2007003 and 05000311/2007003, which included a Notice of Violation (NOV) to PSEG Nuclear LLC (PSEG). The NOV concerned the failure to submit a relief request for the Inservice Inspection (ISI) program limitations within 12 months following the completion of the Salem Unit 2 Second ISI interval in 2003. Attachment 1 to this letter contains the violation as cited in the EA-07-149, Attachment 2 provides PSEG's response to that NOV, and Attachment 3 addresses additional questions posed by the NRC in the inspection report.

Should you have any questions concerning this submittal, please contact Howard Berrick at 856-339-1862.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Braun", with a long horizontal flourish extending to the right.

Robert C. Braun
Site Vice President - Salem

Attachments (3)

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I. VIOLATION

10 CFR 50.55a(g)(5)(iv) states in part that where an examination requirement by the code or addenda is determined to be impractical by the licensee and is not included in the revised inservice inspection (ISI) program as permitted by paragraph (g)(4) of this section, the basis for this determination must be demonstrated to the satisfaction of the Commission not later than 12 months after the expiration of the initial 120-month period of operation from start of facility commercial operation and each subsequent 120-month period of operation during which the examination is determined to be impractical.

10 CFR 50.55a(g)(5)(iii) states in part that if the licensee has determined that conformance with certain code requirements is impractical for its facility, the licensee shall notify the Commission and submit, as specified in Section 50.4, information to support the determinations.

Contrary to the above, PSEG Nuclear LLC determined that conformance with the code requirement for 100% inspection of 69 Class 1 welds and 29 Class 2 welds at Salem Nuclear Generating Station, Unit 2, during ISI interval 2 (May 10, 1992 - November 23, 2003), was impractical, however, (1) the basis for the termination was not demonstrated to the satisfaction of the Commission within 12 months after the expiration of ISI interval 2; and, (2) while PSEG notified the Commission of its determination on March 21, 2006, 28 months after the end of ISI interval 2, it did not submit the information necessary to support the determinations.

This is a Severity Level IV violation (Supplement I).

II. PSEG REPLY TO THE VIOLATION

1. Admission or Denial of the Alleged Violation:

PSEG does not dispute the alleged violation.

2. Reason(s) For The Alleged Violation:

PSEG performed an evaluation upon learning of the missed submittal. PSEG determined that less-than-adequate programmatic tracking and processing of this regulatory requirement as well as less than adequate human performance by the employees involved, including inadequate personnel responsibility and accountability, directly resulted in the violation. The individuals involved had left the company prior to this issue being identified.

3. Corrective Steps That Have Been Taken and the Results Achieved:

PSEG entered the issue into the Corrective Action Program (CAP) upon discovering the failure to submit the relief request for the Salem Unit 2 Second 10-year ISI Limitations and an investigation was initiated. The investigation included a review of work to assure that no other submittals had been missed. A CAP review identified one other issue that occurred in the past pertaining to relief requests. These are considered to be isolated events. At the conclusion of that investigation, PSEG took remedial actions to prepare and submit the late relief request.

The Salem Unit 2 Second 10-year ISI Limitations relief request was submitted on March 21, 2006. Additional questions from the NRC reviewers were received in December 2006. Prior to the re-submittal of the information, agreement was reached between PSEG/Exelon and NRC management to withdraw the relief requests and resubmit them. Relief Requests S2-I2-RR-B01 and S2-I2-RR-C01 were re-submitted on June 29, 2007, via letter LR-N07-0150 with the additional requested information incorporated.

PSEG has adopted new procedures for the ISI program, which include the requirement that a relief request be submitted within one (1) year. Specifically, the procedure states, "If a volumetric or surface examination coverage of 90% or less is achieved on a Section XI Class 1 or 2 weld examination, then INITIATE and SUBMIT a relief request for that examination to the NRC within 1 year following the completion of each Inspection Interval."

PSEG has enhanced its ability to track Salem station regulatory item required submittal dates since the missed submittal. Those regulatory requirements requiring routine, periodic submittals or reporting have been uploaded into PSEGS

work management program. Regulatory items are reviewed weekly at Station management meetings.

4. The corrective steps that will be taken to avoid further violations:

There is an existing preventive maintenance plan in SAP for the Salem Unit 1 10-year interval update assigned to the Salem ISI Program Manager. In order to ensure compliance with 10CFR50.55a and PSEG procedures, an activity in SAP was initiated to modify the maintenance plan to include tracking submission of any impractical examination requirement relief requests as part of the 10-year update process for Unit 1 and create the same for Unit 2.

5. Date When Full Compliance Will Be Achieved:

PSEG is in full compliance. Relief Requests S2-I2-RR-B01 and S2-I2-RR-C01 were re-submitted on June 29, 2007, via letter LR-N07-0150.

- 1. The NRC requested that PSEG provide an evaluation demonstrating that Salem Unit 2 systems affected by this failure were operable during the period from November 23, 2003, to the present.**

The untimely submittal of the second 10-year ISI interval relief requests for Salem 2 does not adversely affect equipment operability, plant status, or personnel safety.

ASME Class 1, 2, 3, MC, and CC weld and component exams were performed during the second 10-year interval to the extent practicable. It is noted that the examinations performed and limitations described in the two relief requests are consistent with the Salem Unit 2 first 10-year interval examinations. The NRC approved the impractical examination requirement relief requests for those first interval examination limitations. Thus, it is believed that the examinations performed and limitations from the Salem 2 second 10-year ISI interval, described in relief requests S2-I2-RR-B01 and S2-I2-RR-C01, provides reasonable assurance of pressure boundary integrity, and an acceptable level of quality and safety.

Salem 2 Technical Specification 4.0.5 indicates that examinations shall be performed in accordance with 10CFR50.55a(g) unless relief has otherwise been granted. Though the ISI program was not in conformance with this portion of the technical specifications prior to this submittal, the component's operability had been satisfied by the examinations that were performed to the extent practical. Some of the limitations were related to component geometry not lending itself to non-destructive examination and as such, it is recognized that only a portion of the component/weld can be examined with the technology available today. Small increases in examination coverage were noted between the first and second interval examinations of the same component, therefore improving assurance of component integrity. Additional examinations were performed in the second interval of components/welds with limitations to collectively achieve "essentially" 100% coverage of the component/weld type. Salem 2 performed the required number of examinations for the second 10-year interval to meet ASME Section XI and 10CFR50.55a requirements.

PSEG has adopted NRC approved Code Case N-460 that states if greater than or equal to 90% coverage is achieved on a single examination, "essentially 100%" coverage is achieved and relief from the NRC is not necessary. It is understood in the industry (including the NRC) that the field condition of some welds and components is not conducive to non-destructive examination in their entirety.

Flaws found during the course of an ISI examination, no matter what the coverage amount, were evaluated immediately and scope expanded at the time of discovery to ascertain the cause of the flaw and the extent of condition.

Based upon the similarity of the second interval limitations with the first interval approved limitations and the additional components/welds that were examined in

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the second interval to help achieve essentially 100% coverage, it is concluded that the examinations required by ASME Section XI provide reasonable assurance the Salem 2 ISI Long Term Plan components' operability for the second 10-year interval was satisfied. The second 10-year interval relief requests were re-submitted to the NRC on June 29, 2007. Therefore, conformance with Salem 2 Technical Specification 4.0.5 has been restored.

2. The NRC requested that PSEG provide an assessment of the effect of the incomplete inspections on the current ISI interval 3 which began on November 24, 2003.

There is no impact on the third ISI 10-year interval for Salem 2 due to second interval relief not yet being granted. Each interval is separate from the other. The third 10-year interval long-term plan was submitted 11/30/2003.

Additionally, Salem Units 1 and 2 have implemented a risk-informed ISI program for ASME Class 1 and 2 piping welds (categories B-F, B-J, C-F-1 and C-F-2 welds). This program selects welds for examination based upon probability of failure due to known damage mechanisms and consequence of failure using Probabilistic Risk Assessment (PRA) insights. The criterion for selecting welds for examination in applicable risk segments includes accessibility and the ability to be examined. Therefore, implementation of this process is expected to reduce, but not entirely eliminate, overall examinations with limitations.