

March 20, 2012

EA-11-269

Mr. Thomas Joyce
President and Chief Nuclear Officer
PSEG Nuclear, LLC
P.O. Box 236 N-09
Hancocks Bridge, NJ 08038

SUBJECT: FINAL SIGNIFICANCE DETERMINATION FOR A SECURITY- RELATED
GREATER-THAN-GREEN FINDING AND NOTICE OF VIOLATION;
05000272/2012201, 05000311/2012201, 05000354/2012201 SALEM AND HOPE
CREEK NUCLEAR GENERATING STATIONS

Dear Mr. Joyce:

This letter provides you the final results of our significance determination of the preliminary Greater-than-Green finding identified in our previous communication dated December 19, 2011, which included the subject inspection report. This Greater-than-Green finding was discussed in detail in Section 3.4 of the subject inspection report.

At your request, a Regulatory Conference was held on February 6, 2012, to further discuss your views on this issue. During the meeting, your staff described your assessment of the significance of the finding, including the root cause, and corrective actions taken to resolve it.

After considering the information developed during the inspection, the additional information you provided in your letter dated February 21, 2012, and the information you provided at the Regulatory Conference, the U.S. Nuclear Regulatory Commission (NRC) has concluded that the inspection finding is appropriately characterized as Greater-than-Green (i.e., a finding having more than very low security significance). The finding also had a cross-cutting aspect in the area of Problem Identification and Resolution because licensee personnel failed to conduct an adequate effectiveness review (P.1(c)). The basis for the NRC's significance determination is provided, along with an evaluation of the position presented by Salem and Hope Creek at the February 6, 2012, Regulatory Conference, in Enclosure 2.

The enclosures transmitted herewith contain Official Use Only – Security-Related Information. When separated from the enclosures, this transmittal document is decontrolled.

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T. Joyce

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You have 30 calendar days from the date of this letter to appeal the staff's determination of significance for the identified Greater-than-Green finding. Such appeals should be addressed to the U.S. Nuclear Regulatory Commission, ATTN: Director, Office of Nuclear Security and Incident Response, Washington, DC 20555-0001 and will be considered to have merit only if they meet the criteria given in the NRC Inspection Manual Chapter 0609, Attachment 2.

The NRC has also determined that the condition discussed is a violation of Title 10 of the *Code of Federal Regulations* (10 CFR) 73.55(i)(5)(iii), as cited in the enclosed Notice of Violation (Notice, Enclosure 1). In accordance with the NRC Enforcement Policy, the Notice is considered escalated enforcement action because it is associated with a Greater-than-Green finding.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response.

Because plant performance for this issue has been determined to be beyond the licensee response band, we will use the NRC's Security Action Matrix to determine the most appropriate NRC response for this event. We will notify you, by separate correspondence, of that determination.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

However, the material enclosed herewith contains Security-Related Information in accordance with 10 CFR 2.390(d)(1) and its disclosure to unauthorized individuals could present a security vulnerability. Therefore, the material in the enclosure will not be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system ADAMS, accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. If security-related information is necessary to provide an acceptable response, please mark your entire response Security-Related Information in accordance with 10 CFR 2.390(d)(1) and follow the instructions for withholding in 10 CFR 2.390(b)(1).

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T. Joyce

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In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response.

Sincerely,

/RA/

Patricia K. Holahan, Director
Division of Security Operations
Office of Nuclear Security and Incident Response

Docket Nos. 50-354, 50-272, and 50-311
License Nos. DPR-70, DRP-75, and NPF-57

Enclosures:

1. Notice of Violation (OUO-SRI)
2. Evaluation of Regulatory Conference Information (OUO-SRI)

cc w/encl: P. Tocci, Salem and Hope Creek Nuclear Generating Stations

cc w/o encl: C. Fricker, PSEG Nuclear, LLC
J. Perry, PSEG Nuclear, LLC
P. Duke, PSEG Nuclear, LLC

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-3-

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OFFICE	NSIR/DSO/SPEB	NSIR/DSO/SPEB	RI	OE	BC:DSO/SPEB	NSIR/DSO
NAME	CGrigsby	KBrooks	C. Miller	D. Furst	RJohnson	PHolahan
DATE	3/9/12	3/8/12	3/ /12	3/13/12 via E-mail	3/9/12	3/20/12

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