

PSEG Nuclear LLC

P.O. Box 236, Hancocks Bridge, NJ 08038-0236



EA-13-160

LR-N13-0195
August 22, 2013

U. S. Nuclear Regulatory Commission
Regional Administrator, Region 1
2100 Renaissance Boulevard
King of Prussia, PA 19406

Hope Creek Generating Station
Renewed Facility Operating License No. NPF-57
NRC Docket No. 50-354

Salem Generating Station, Units 1 and 2
Renewed Facility Operating License Nos. DPR-70 and DPR-75
NRC Docket Nos. 50-272 and 50-311

Subject: **Response to NRC Request for Information – Potential Impact on Work Environment**

Reference: EA-13-160, Potential Impact of a U.S. District Court Jury Finding of Retaliation on the Work Environment at Salem & Hope Creek; from William M. Dean, NRC Region 1 Administrator to Thomas P. Joyce, PSEG Nuclear President and Chief Nuclear Officer, July 26, 2013

On June 21, 2013, a U.S. District Court jury found that a former security supervisor of Wackenhut Corporation (now G4S Regulated Security Solutions (G4S)), the security contractor at the Salem and Hope Creek Generating Stations (Salem and Hope Creek), was terminated by Wackenhut in October 2009, in retaliation for engaging in a protected activity. PSEG Nuclear (PSEG) was not a party in the lawsuit and was not aware of the court trial until after the verdict.

The letter referenced above states that the jury finding that Wackenhut retaliated against the former security supervisor for engaging in a protected activity raised questions with the NRC as to whether the work environment at Salem and Hope Creek is such that individuals (PSEG employees and contractors) are encouraged and willing to raise safety and regulatory concerns. Therefore, the NRC requested that PSEG inform them of the actions it has taken, is taking, and plans to take to ensure Wackenhut's actions, as found by the jury in its verdict, do not have a

chilling effect on the willingness of PSEG employees and its contractors to raise safety and regulatory concerns either internally or to the NRC.

Policy

PSEG has an established Safety Conscious Work Environment (SCWE) Policy (LS-AA-3). The Chief Nuclear Officer issues an annual letter reiterating his expectation for maintaining a SCWE, and his expectation that supervisors and above (PSEG employees and contractors) complete annual SCWE computer based training (CBT). The most recent letter was issued on January 17, 2013.

Contract organizations are required to promote a SCWE, as stated in the service contracts for companies providing supplemental workers at Salem and Hope Creek.

Assessments Conducted

Assessments have been conducted site-wide and within the security department to ascertain the existing safety culture / SCWE. Recent examples include:

- March 2012, Diagnostic Self Assessment in preparation for NRC 95002 inspection
 - Groups involved: Operations, Maintenance, Engineering, Security (G4S management, G4S officers), other management
 - Techniques used: Individual interviews, focus groups, survey
- August 2012, Focused Area Self Assessment in preparation for NRC 95002 inspection
 - Groups involved: Security (PSEG management, G4S management, G4S officers), Nuclear Oversight Managers
 - Techniques used: Individual interviews, focus groups
- August 2012, NRC 95002 inspection
 - Groups involved: Site-wide departments
 - Techniques used: Individual interviews, focus groups
- January / February 2013, biennial USA Nuclear Safety Culture Assessment for Salem & Hope Creek
 - Groups involved: Site-wide departments
 - Techniques used: Individual interviews, observations, survey
- May 2013, Employee Concerns Program (ECP) conducted survey as part of a security records Apparent Cause Evaluation (ACE) 70152215, to review the security departments safety culture.
 - Groups involved: Security (G4S management, G4S officers)
 - Technique used: Survey

These completed assessments have validated a healthy SCWE, including the willingness of PSEG employees and contractors to raise safety concerns. The most recent site-wide assessment (USA Nuclear Safety Culture Assessment for Salem and Hope Creek) stated that overall, the assessment team noted that the Salem and Hope Creek Stations safety culture supports all of INPO's Principles for a Strong Nuclear Safety Culture and has a healthy respect for nuclear safety that is not compromised by production priorities. These assessments also provide a base-line (existing conditions), which can be used to assist in identifying any potentially negative trends in the willingness of PSEG employees and contractors to raise safety and regulatory concerns either internally or to the NRC.

While our assessments have provided insights and opportunities for continuous improvement in our work environment, a chilling effect on the willingness of PSEG employees and its contractors to raise safety and regulatory concerns was not detected.

Corrective Action Program (CAP)

The security department (the most likely affected department with potential knowledge of the former security supervisor terminated by Wackenhut in October 2009) CAP usage for 2009 – July 2013 was reviewed, to determine if any noticeable changes may have occurred that could be indicative of a chilled work environment. There was an increase in CAP usage by security personnel each year from 2009 – 2012, and 2013 is projected to equal or exceed 2012. This review was unable to detect an adverse nexus between the former security supervisor termination and / or the jury finding of retaliation and the security department CAP notification generation rate.

Detection Methods

PSEG has processes for monitoring the health of our safety culture and associated SCWE. These processes would detect if the referenced Wackenhut actions, as found by the jury in its recent verdict, had a chilling effect on the willingness of PSEG employees or contractors to raise safety and regulatory concerns. If a chilling effect is detected, management is informed and appropriate action is taken. These methods are controlled by procedure and include:

- Nuclear Safety Culture Monitoring (LS-AA-4000). This program is based on NEI 09-07, "Fostering a Strong Nuclear Safety Culture." The Nuclear Safety Culture Monitoring Panel (NSCMP), a multidiscipline team, monitors nuclear safety culture process inputs that are indicative of the organization's nuclear safety culture health, to identify potential concerns in the work environment that merit additional organizational attention. The NSCMP meets periodically to review process inputs and trends, and if an emergent issue arises that warrants prompt attention.
- Executive Protocol Group (EPG) (HR-AA-1002). EPG reviews data from various sources and proactively identifies issues or trends that might adversely affect the site, including affects on safety culture and SCWE. Trends identified and any recommendations made are communicated to executive management through monthly reports. Significant problems or emergent trends identified are verbally communicated to appropriate executives.
- ECP (EI-AA-101). The ECP manager, in conjunction with the EPG, performs periodic reviews and analyzes pertinent data to identify trends and detect adverse impacts to SCWE health. Identified trends are discussed with each site vice president monthly. Semi-annual and annual reports are also submitted.
- Nuclear Safety Review Board (LS-AA-116). Their charter includes examining SCWE health through an independent review of NSCMP reports and ECP data. This group meets at each station (Salem / Hope Creek) typically three times per year.
- Performance Improvement Integrated Matrix (PIIM) (LS-AA-125-1006). PIIM is a strategic planning tool that facilitates a systematic approach to address identified performance gaps. This activity is performed both at the station and department level. Performance gaps are identified through various performance monitoring tools including:

self-assessment, metrics, trending, benchmarking, operating experience, behavior observation, corrective action program (CAP), effectiveness reviews, oversight, INPO and the NRC.

- Some contract organizations such as G4S (security) and Day & Zimmerman (supplemental maintenance) maintain their own employee concerns programs. Their processes provide periodic feedback to PSEG ECP. This feedback is included in the ECP semi-annual report, ECP annual report and is evaluated by the NSCMP.

Specific Actions Taken

This section describes the specific actions taken by PSEG in response to the recent jury findings and / or NRC Chilling Effects Letter (CEL).

July 22 and 23, 2013

The PSEG Emergency Services Director and / or PSEG Security Director discussed the NRC CEL at security turnover with all four shifts. Topics discussed included the court outcome, expectations for raising concerns, the different processes available to raise safety issues, and concluded with the distribution of Traits of a Healthy Nuclear Safety Culture (pocket guide to INPO 12-012).

July 24, 2013

At a site leadership team meeting (that includes supervisors and above, PSEG employees and contractors), the PSEG Senior VP and COO discussed the court outcome, highlighted the various avenues for raising safety issues, and reemphasized his expectations for management personnel when an individual raises a safety issue.

July 26, 2013

Following receipt of your CEL, a copy of the CEL was forwarded to PSEG employees and contractors, accompanied by an article from the PSEG Senior VP and COO re-enforcing his expectations related to raising safety issues.

July 29, 2013 – August 15, 2013

ECP personnel conducted random dialogues with PSEG employees and contractors to determine if their knowledge of Wackenhut's actions, as found by the jury in its verdict, had impacted their willingness to raise issues or concerns. Indications of a chilling effect based on Wackenhut's actions, as found by the jury in its verdict, were not detected.

August 21, 2013

At a site leadership team meeting (that includes supervisors and above, PSEG employees and contractors), the PSEG Senior VP and COO discussed the leadership behaviors and actions to maintain a healthy work environment. He also stated his expectation that supervisors and above (PSEG employees and significant contractors) attend a case study training session presented by PSEG management.

August 22, 2013

PSEG leadership met with G4S corporate leadership to discuss G4S actions taken in response to the NRC chilling effects letter.

August 22, 2013

A communication was sent to vendors restating PSEG's expectation and requirement that contractors support a SCWE at Salem and Hope Creek. Vendor contracts reference compliance with Section 211 of the Energy Reorganization Act, 10 CFR 50.7 and 29 CFR 24. This communication also specified compliance with the New Jersey Conscientious Employee Protection Act (CEPA). PSEG restated vendor requirements for PSEG's Executive Review Board review of certain proposed personnel actions prior to such action being taken. The purpose of this review is to ensure that the proposed action does not violate 10 CFR 50.7, or create or have the potential to create a chilling effect.

Remaining Actions

An additional action PSEG is taking in response to the recent jury finding of retaliation by Wackenhut is strengthening the language in vendor contracts for PSEG notification following certain situations that may impact the SCWE. Specifically, current contract language requires notification to PSEG within two business days in the event of any allegation made by a Salem and Hope Creek contractor to their employer regarding discriminatory acts prohibited by federal regulations (Section 211 of the Energy Reorganization Act, 10 CFR 50.7 and 29 CFR 24), or any indication that the contractor intends to invoke the protections of these provisions. New Jersey Law Against Discrimination (NJLAD) and New Jersey CEPA are being added to the legal provisions previously identified, to ensure that PSEG is notified of events implicating these laws as well. This action is being tracked in our CAP.

PSEG also is completing case study training sessions for supervisors and above (PSEG employees and significant contractors). These sessions will emphasize management / supervision's responsibility for our work environment, including maintaining an environment where individuals have comfort speaking up. The case studies will focus on the appropriate responses to work force challenges. These sessions are being scheduled prior to the 2013 Hope Creek Fall outage.

Summary Statement

Site-wide personnel most likely first became aware of the former security contractor terminated by Wackenhut in October 2009 through either a local newspaper article published on June 25, 2013 reporting the U.S. District Court jury finding of retaliation, or upon receipt of an article from the PSEG Senior VP and COO with a copy of the NRC CEL that was forwarded to PSEG employees and contractors on July 26, 2013. Thus, the earliest potential site-wide impact of the former security supervisor termination and / or the jury finding of retaliation most likely would have occurred after June 25, 2013.

PSEG will continue to communicate the importance of site personnel raising issues and concerns through all available channels during periodic meetings, company communications and training. We will monitor the health of our programs and safety culture through the various processes and periodic assessments described above. These diverse monitoring methods will determine if additional actions are necessary to ensure that PSEG employees and contractors are willing to raise issues and concerns.

There are no regulatory commitments contained in this letter.

If you have any questions or require additional information, please contact me at 856-339-1100.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas P. Joyce". The signature is fluid and cursive, with the first name "Thomas" being the most prominent.

Thomas P. Joyce
President and Chief Nuclear Officer

cc: J. Hughey, Project Manager, USNRC
NRC Senior Resident Inspector, Hope Creek
NRC Senior Resident Inspector, Salem
P. Mulligan, Manager IV, NJBNE
P. Bonnett, Commitment Tracking Coordinator, Hope Creek
T. Cachaza, Commitment Tracking Coordinator, Salem
L. Marabella, Corporate Commitment Tracking Coordinator