



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION I
2100 RENAISSANCE BLVD., SUITE 100
KING OF PRUSSIA, PA 19406-2713

February 19, 2014

Mr. Thomas P. Joyce
President and Chief Nuclear Officer
PSEG Nuclear LLC - N09
P.O. Box 236
Hancocks Bridge, NJ 08038

**SUBJECT: NOTICE OF ENFORCEMENT DISCRETION FOR PSEG NUCLEAR
REGARDING SALEM UNIT 2 [TAC No. MF3417, NOED No. 14-1-02]**

Dear Mr. Joyce:

By letter dated February 17, 2014, you requested that the U.S. Nuclear Regulatory Commission (NRC) exercise discretion not to enforce compliance with the actions required in Technical Specification (TS) 3.8.1, "AC Sources - Operating" for Salem Unit 2. Your letter documented information previously discussed with the NRC on telephone conferences held on the evenings of February 14 and 15, 2014.

PSEG Nuclear (PSEG) stated that at 1:56 pm on February 13, 2014, the 24 Station Power Transformer (SPT) was declared inoperable due to elevated transformer combustible gas levels that indicated an active internal thermal fault. Because TS 3.8.1.1 Action a.3, required restoration of the 24 SPT to operable status within 72 hours, and the estimated time to replace the transformer with an onsite available spare was estimated to take up to 216 hours, or nine days, in total, PSEG requested enforcement discretion for six days beginning at the expiration of the TS Action Statement 3.8.1.1 at 1:56 pm on February 16, 2014.

You requested that a Notice of Enforcement Discretion (NOED) be issued pursuant to the NRC's policy regarding the exercise of enforcement discretion for an operating facility as detailed in the NRC Enforcement Policy and NRC Inspection Manual Chapter (IMC) 0410, "Notices of Enforcement Discretion," dated March 13, 2013. The NOED was to be effective from 1:56 pm EST on February 16, 2014, until the estimated completion of the 24 SPT replacement, but not to exceed 1:56 pm on February 22, 2014. You stated that the request satisfied Section 3.0.3 (b) of IMC 0410 in that compliance with this TS would result in an unnecessary shutdown of the reactor without a corresponding public health and safety benefit. This letter documents our telephone conversations on February 14 and 15, 2014, as well as our verbal granting of this NOED during a subsequent call at 9:15 pm on February 15, 2014. The principal staff members who participated in both of these telephone conferences, which met the minimum NRC staffing requirement for considering a NOED request, are noted in Enclosure 1. The staff confirmed that your February 17 letter was consistent with the NOED request made verbally on February 14 and 15.

During the teleconferences on February 14 and 15, 2014, and further elaborated in your February 17, 2014 letter, your staff indicated that from a risk perspective, it was unnecessary to place Salem Unit 2 into a plant shutdown given that the unit was operating in a stable configuration with offsite power available via the 23 SPT and all three Salem Unit 2 emergency diesel generators (EDGs) available. Based on actual plant conditions, your staff estimated the Incremental Conditional Core Damage Probability (ICCDP) to be less than $5E-08$ for the requested duration of the NOED, and the Incremental Conditional Large Release Probability (ICLERP) to be approximately $2E-09$. Both of these probabilities were well below the thresholds established by NRC Inspection Manual Chapter 0410. Additionally, your staff stated that the estimated ICCDP and ICLERP values did not take into account various additional conservatisms associated with compensatory actions which had been put in place. The results of your staff's quantification were independently corroborated by NRC risk analysts and were confirmed to be within the guidance thresholds in Inspection Manual Chapter IMC 0410.

While the 24 SPT was removed from service, your staff stated that they implemented the following actions, among others, to reduce the risk to the offsite and onsite safety-related power distribution system: 1) monitored the critical parameters of the 23 and 4 SPTs on a once per operating shift basis, including gas sampling; 2) electively elevated the Probabilistic Risk Assessment (PRA) risk level to Yellow for Unit 2, thereby implementing administrative controls on a wide range of important equipment, including additional testing of the gas turbine generator (Unit 3); 3) elevated and curtailed as necessary scheduled station work and testing activities, including switchyard work, to minimize the effects on the station electrical power system and the possibility of a plant transient; 4) performed table-top reviews of normal, abnormal and emergency operating procedures applicable to the response to a further loss of off-site and on-site electrical distribution and generating equipment; and 5) received an update from the Electric System Operator on system status, emergent issues and weather forecasts that could impact off-site power availability or grid stability on a once per shift basis. These additional compensatory risk management measures remained in place during the period of the NOED and were independently verified by the NRC resident inspectors. Due to a failure of one of the two engines to run on the tandem powered gas turbine generator (Unit 3) prior to the entry into the period of enforcement discretion, PSEG agreed during an additional phone discussion on February 16, 2014, to additional surveillance requirements on this power source as denoted in your February 17, 2014 letter.

Your staff stated that the proposed change did not involve a significant hazard based on the three standards set forth in 10 CFR 50.92(c), and did not involve adverse consequences to the environment such that the proposed NOED meets the categorical exclusion set forth in 10 CFR 51.22(c)(9). The Salem Plant Operations Review Committee (PORC) reviewed and concurred with the NOED request. Because the request was a one-time extension of the required completion time for repairs, your staff stated that a follow-up license amendment request was not required.

Based on the NRC's staff's evaluation of your request, the NRC concluded that you have adequately addressed the criteria in IMC 0410 which demonstrates that granting this NOED was consistent with the NRC's Enforcement Policy. Specifically, based on the risk evaluations performed by PSEG and the NRC, as well as the compensatory measures put in place during the NOED, the staff concludes that granting the NOED would not adversely affect public health and safety or the common defense and security. Therefore, as communicated to your staff at 9:15 pm on February 15, 2014, the NRC exercised discretion not to enforce compliance with TS 3.8.1.1 Action a.3, for an additional period of six (6) days, which would have expired at 1:56 pm

on February 22, 2014. Due to the successful completion of the replacement of the 24 SPT ahead of schedule, this NOED was terminated at 3:15 am on February 18, 2014, after an elapsed time of just over 37 hours.

In addition, as discussed on February 15, 2014, the NRC staff agreed with your determination that a follow-up TS amendment is not necessary. The staff finds that a TS amendment (either temporary or permanent) needed for circumstances similar to those addressed by the NOED is not necessary because it involves a non-recurring non-compliance and only involves a single request for extending the TS allowed outage time to allow for replacement of an inoperable component.

As stated in the NRC Enforcement Policy, action will be taken, to the extent that any violation was involved, for the root cause that led to the noncompliance for which this NOED was necessary.

Sincerely,

/RA/

Michael L. Scott, Acting Director
Division of Reactor Projects

Docket No: 50-311
License No.: DPR-75

Enclosure 1: Key NRC staff participants in the NOED evaluation

cc w/encl: Distribution via ListServ

Enclosure 1: Key NRC staff participants in the NOED evaluation

- Michael Scott, Acting Director, Division of Reactor Projects (DRP), Region I
- Eric Benner, Acting Deputy Director, DRP
- Ray Lorson, Director, Division of Reactor Safety (DRS)
- Glenn Dentel, Branch Chief, DRP
- Bill Cook, Senior Reactor Analyst, DRS
- Patrick Finney, Senior Resident Inspector, Salem
- Louise Lund, Deputy Director, Division of Operating Reactor Licensing, Office of Nuclear Reactor Regulation (NRR)
- Meena Khanna, Branch Chief, NRR
- Sheldon Stuchell, NOED Process Coordinator, NRR
- John Hughey, Senior Project Manager, NRR
- Gurcharan Matharu, Senior Electrical Engineer, NRR
- Donald Chung, Reliability and Risk Analyst, PRA Operations and Human Factors Branch, NRR
- Richard Barkley, Senior Project Engineer, DRP

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Michael L. Scott, Acting Director
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DATE	02/19/14	02/19/14	02/ 19 /14	02/19/14	02/19/14
OFFICE	NRR	RI/ORA	RI/DRP A		
NAME	LLund/RSB for *	DLew/ JWC for	MScott/ MLS		
DATE	02/19 /14	02/19/14	02/19 /14		

*Via telephone

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