



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

MAR 06 1984

The Honorable William V. Roth, Jr.
United States Senate
Washington, D. C. 20510

Dear Senator Roth:

We are pleased to respond to your recent letter of January 31, 1984 to Chairman Palladino regarding our assessment of licensee performance at the Salem Nuclear Generating Station. You had specifically requested an explanation of the meaning and implication of our recent annual review for the Salem facility.

The most recent Systematic Assessment of Licensee Performance (SALP) covered the period from October 1, 1982, through September 30, 1983. The area of plant operations, which includes support activities as well as power operation, was assigned a Category 3 rating by the NRC Region I staff. Under the SALP program, a Category 3 rating is not indicative of unsatisfactory performance, but it does indicate that additional licensee and NRC attention is warranted in the area assessed. Actions being taken by the licensee and the NRC staff are discussed below.

As noted in the safety evaluation report of last year that provided the technical basis to allow restart of the units, we believe that there are several factors that affect the low rating. Personnel, organization and management attitudes are examples. The regional staff, including the resident inspectors, is expending considerable resources to monitor several initiatives that are being carried out by the licensee. These inspections confirm that a continuing acceptable level of safety is being maintained. The primary methods of assuring the level of safety include augmenting activities of the two resident inspectors with regional specialist inspectors, team inspections, NRC supervisory visits and periodic meetings by NRC managers with Salem management. In this manner we monitor both daily plant operations and the status of the licensee's efforts to improve performance in the long term.

In response to the reactor trip breaker failure of February 1983, Public Service Electric and Gas has developed an action plan for improving Salem operations. This plan is scheduled for implementation over a 2 year period. As noted in our SALP assessment, successful implementation of this plan is expected to result in an improved situation; however, the SALP report only allows credit for those accomplishments achieved to date and does not rely on planned future actions provided for in the plan. The Salem action plan includes over two dozen functional areas that are related to commitments made to the NRC. These areas cover a wide range of activities, including training, document

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control, management structure and handling of safety issues. Based upon the existing schedules, a majority of the milestones for making decisions to satisfy NRC commitments are scheduled to occur in CY 1984. Consequently, we are assigning a high priority this year to both increase our inspections and frequency of management meetings to make sure that improved guidance/policies are developed and that they are properly implemented. Based upon the few results achieved to date, the trend appears to be positive and the staff believes that Public Service Electric and Gas should be improving its performance as additional elements of the action plan are completed and put into place. The operating practices are not resulting in an unsafe or unsatisfactory operation. Notwithstanding, if performance is found to be unacceptable, immediate enforcement action will be taken to preclude unsafe operation.

Should you have any further questions or concerns please feel free to contact me.

Sincerely,

(Signed) William J. Dircks

William J. Dircks
Executive Director for Operations

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