NOTICE OF VIOLATION
AND
PROPOSED IMPOSITION OF CIVIL PENALTIES

Public Service Electric and Gas Company
Salem Nuclear Generating Station
Units 1 & 2

Docket Nos: 50-272; 50-311
License Nos. DPR-70; DPR-75
EAs 95-062; 95-065; 95-117

During four NRC inspections conducted between December 5, 1994 and June 23, 1995, at the Salem Nuclear Generating Station of the Public Services Electric and Gas Company (Licensee), violations of NRC requirements were identified. In accordance with the "General Statement of Policy and Procedures for NRC Enforcement Actions," (NUREG-1600; 60 FR 34381, June 30, 1995), the Nuclear Regulatory Commission proposes to impose civil penalties pursuant to Section 234 of the Atomic Energy Act of 1954, as amended (Act), 42 U.S.C. 2282, and 10 CFR 2.205. The particular violations and associated civil penalties are set forth below:

I. 10 CFR Part 50, Appendix B, Criterion XVI, Corrective Action, requires, in part, that conditions adverse to quality are promptly identified and corrected; and in the case of significant conditions adverse to quality, the cause of the condition shall be documented, appropriately reported to levels of management, and corrective action taken to preclude repetition.

A. Contrary to the above, a significant condition adverse to quality existed at the Salem Unit 2 facility from January 26, 1995, until June 7, 1995, in that the Licensee was aware that the No. 22 Residual Heal Removal (RHR) pump minimum recirculation flow valve would not open on low RHR flow as required to prevent pump failure. Similarly, the Licensee was aware that the same significant condition adverse to quality existed at the facility from February 9, 1995, until June 7, 1995, for the No. 21 RHR pump minimum recirculation flow valve. However, prior to June 7, 1995, the Licensee failed to determine the cause of the valve failures or initiate corrective measures. (01013)

This is a Severity Level III Violation (Supplement I)
Civil Penalty - $100,000

B. Contrary to the above, a significant condition adverse to quality existed at the Salem Unit 1 facility from December 12, 1994, until May 16, 1995, in that the No. 12 safety related switchgear ventilation supply fan failed on December 12, 1994, and the Licensee did not initiate resolution of the condition or effect any corrective measures to resolve the condition promptly. (02013)

This is a Severity Level III Violation (Supplement I).
Civil Penalty - $100,000

C. The Licensee was informed by Westinghouse on March 15, 1993, of a significant condition adverse to quality involving

nonconservatisms in the setpoint methodology for the Pressurizer Overpressure Protection System (POPS) for low temperature overpressure transient conditions.

1. Contrary to Criterion XVI, the Licensee took nine months of analysis, from March 1993 to December 1993, to conclude that the corrected peak transient pressure would exceed pressure/temperature (P/T) limits as described in each unit's technical specifications limits. After completing the analysis, from December 30, 1993, and continuing for approximately one month, the Licensee dispositioned the matter of the nonconservativism in the setpoint methodology for the POPS by 1) administratively limiting RCS operation to two reactor coolant pumps when the RCS was less than 200°F and 2) increasing each unit's P/T limit by 10%; the latter corrective action was inadequate because it utilized as a basis an unauthorized ASME Code Case (N-514), which the Licensee was aware was not acceptable pursuant to 10 CFR 50.55(a). (03013)

This is a Severity Level III Violation (Supplement I)
Civil Penalty - $100,000

2. Contrary to Criterion XVI, in January 1994, following the Licensee recognizing the unacceptability of using unauthorized Code Case N-514 as a corrective action to disposition the POPS setpoint methodology, the Licensee elected to implement corrective action by taking credit for the relief capacity provided by RHR system suction relief valve RH3 to augment POPS relief capacity. However, as the Salem FSAR (Section 7.6.3.2) describes the POPS system to include two Power Operated Relief Valves (PORVs) and does not describe Valve RH3, this corrective action was inadequate because an evaluation was not performed to determine the acceptability of the use of Valve RH3 as part of the POPS system. In addition, the Licensee failed to identify that on the receipt of a safety injection (SI) signal, a previously operating positive displacement charging pump's discharge, combined with the discharge from the high head safety injection pump that starts on receipt of the SI signal, could have injected water mass into the RCS at a rate that could have prevented POPS from performing its function. (04013)

This is a Severity Level III Violation (Supplement I)
Civil Penalty - $100,000

D. Contrary to the above, on several occasions, conditions adverse to quality existed, but were not identified and promptly corrected, as evidenced by the following examples:

1. On June 7, 1994, the Licensee identified that material management documentation for limit switches related to the reactor head vent valves, improperly classified the components as non-safety related. A nuclear design discrepancy evaluation form (DEF) identified that a switch short circuit could render two head vent valves inoperable since the components were powered from the same common circuit. Notwithstanding, the DEF did not identify any concern relative to operability or safety. In February 1995, the Licensee determined that non-safety related limit switches were actually installed in reactor head vent valves 1RC41 and 1RC43 at Salem Unit 1. Subsequently, the Licensee failed to perform and document an engineering evaluation to demonstrate the acceptability of continued Salem Unit 1 operation with non-safety-related parts installed in a safety-related application.

2. On February 24, 1995, Unit No. 1 operators placed control of a PORV in the manual mode, rendering it inoperable, and failed to adhere to the Technical Specification 3.4.3 action statement which required operators to close the block valve within one hour. A shift supervisor discovered that the PORV had been erroneously placed in the manual mode and corrected it on February 25, 1995, about 23 hours later.

3. On July 6, 1994, safety-related reactor head vent valve 2RC40 failed to operate (stroke open) during testing while Unit No. 2 was in cold shutdown. Subsequently, the valve was returned to normal service on July 10, 1994, without any review or assessment in accordance with established procedures; that is, the Licensee failed to process this occurrence in accordance with the applicable "Work Control Process" procedure. Consequently, this failure of a safety-related component was never documented and formally assessed relative to preventive maintenance, operability, actions to prevent recurrence, or generic implications.

4. An oil sample laboratory report, dated August 4, 1994, recommended resampling and changing the oil on the No. 21 high-head safety injection pump based upon a ten-fold increase in wear particle concentration. An oil analysis, dated November 28, 1994, identified high wear particle concentration in the No. 22 high-head safety injection pump speed increaser oil. In both these cases, the system engineer, though aware of the findings of the lab reports, did not initiate any follow-up evaluation or corrective measure, nor establish a bases for operability or reliability in view of the apparent degraded condition of the equipment. The degraded nature of the equipment was not entered into the Equipment Malfunction Identification System (EMIS) until March 20, 1995.

5. A lab report, dated October 6, 1994, recommended resampling the No. 23 Auxiliary Feedwater (AFW) turbine lube oil due to a detectable amount of water contamination and an increase in wear particle concentration. However, the degraded nature of the equipment was not entered into the EMIS until March 27, 1995, and the system engineer did not initiate review, and evaluation, or establish any basis for equipment operability or reliability.

6. LER 95-05 identified seven instances, between May 8, 1990 and January 14, 1995, of pressurizer safety valves (PSVs) being beyond the 1% tolerance required by TS 4.0.5 for Unit 1. Four instances were identified between November 14, 1994, and January 14, 1995, which involved 2 of the 3 installed PSVs. In all instances, the vendor notified the appropriate system engineer by telephone and written follow-up reports. However, the responsible system engineer never initiated an Incident Report. Consequently, root cause, operability, and reportability actions were not accomplished.

7. On March 6, 1995, May 3, 1995, and May 8, 1995, the Salem Unit 1 staff failed to determine the cause, correct, or prevent recurrence of failure of the Containment 100 foot elevation personnel airlock to pass its local leak rate test.

8. From February 29, 1992 until June 7, 1995, Salem Unit 1 staff failed to correctly determine the cause or take action to preclude recurrence of failures of instrument lines connected to the jacket water cooling system for the No. 1B and No. 1C emergency diesel generators.

9. From July 11, 1992 until June 10, 1995, Salem staff failed to determine the cause, evaluate the potential safety consequences, and establish corrective action for an abnormal condition affecting the No. 21 Residual Heat Removal discharge manual isolation valve (21RH10) associated with impact noise from the interior of the valve. (05013)

This is a Severity Level III violation. (Supplement I)
Civil Penalty - $100,000

II. 10 CFR Part 50, Appendix B, Criterion V, "Instructions, Procedures, and Drawings", requires that activities affecting quality shall be prescribed by documented instructions, procedures, or drawings of a type appropriate to the circumstances, and shall be accomplished in accordance with these instructions, procedures and drawings. Instructions, procedures, or drawings shall include appropriate quantitative or qualitative acceptance criteria for determining that important activities have been satisfactorily accomplished.

Contrary to the above, following a modification in May 1993, that installed a drain system for the Salem Unit 2 pressurizer code safety loop seals, the Licensee did not ensure that an activity affecting quality was satisfactorily accomplished in that the procedure that directed the installation of the modification to the pressurizer code safety loop seals drains did not adequately ensure that the drain valves were properly positioned prior to plant startup after the modification. Specifically, valve 2PR66, a valve in a common drain line for the 2PR3, 2PR4, and 2PR5, pressurizer safety valves, was left closed throughout the operating cycle between May 1993 and October 1994. (06013)

This is a Severity Level III Violation. (Supplement I)
Civil Penalty - $100,000

Pursuant to the provisions of 10 CFR 2.201, Public Service Electric and Gas Company (Licensee) is hereby required to submit a written statement or explanation to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, within 30 days of the date of this Notice of Violation and Proposed Imposition of Civil Penalties (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each alleged violation: (1) admission or denial of the alleged violation, (2) the reasons for the violation if admitted, and if denied, the reasons why, (3) the corrective steps that have been taken and the results achieved, (4) the corrective steps that will be taken to avoid further violations, and (5) the date when full compliance will be achieved.

If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as why the license should not be modified, suspended, or revoked or why such other action as may be proper should not be taken. Consideration may be given to extending the response time for good cause shown. Under the authority of Section 182 of the Act, 42 U.S.C. 2232, this response shall be submitted under oath or affirmation.

Within the same time as provided for the response required above under 10 CFR 2.201, the Licensee may pay the civil penalties by letter addressed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, with a check, draft, money order, or electronic transfer payable to the Treasurer of the United States in the amount of the civil penalty proposed above, or the cumulative amount of the civil penalties if more than one civil penalty is proposed, or may protest imposition of the civil penalties in whole or in part, by a written answer addressed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission. Should the Licensee fail to answer within the time specified, an order imposing the civil penalties will be issued. Should the Licensee elect to file an answer in accordance with 10 CFR 2.205 protesting the civil penalties, in whole or in part, such answer should be clearly marked as an "Answer to a Notice of Violation" and may: (1) deny the violations listed in this Notice, in whole or in part, (2) demonstrate

extenuating circumstances, (3) show error in this Notice, or (4) show other reasons why the penalties should not be imposed. In addition to protesting the civil penalties in whole or in part, such answer may request remission or mitigation of the penalties.

In requesting mitigation of the proposed penalties, the factors addressed in Section VI.B.2 of the Enforcement Policy should be addressed. Any written answer in accordance with 10 CFR 2.205 should be set forth separately from the statement or explanation in reply pursuant to 10 CFR 2.201, but may incorporate parts of the 10 CFR 2.201 reply by specific reference (e.g., citing page and paragraph numbers) to avoid repetition. The attention of the Licensee is directed to the other provisions of 10 CFR 2.205, regarding the procedure for imposing civil penalties.

Upon failure to pay any civil penalties due which subsequently have been determined in accordance with the applicable provisions of 10 CFR 2.205, this matter may be referred to the Attorney General, and the penalties, unless compromised, remitted, or mitigated, may be collected by civil action pursuant to Section 234c of the Act, 42 U.S.C. 2282c.

The response noted above (Reply to Notice of Violation, letter with payment of civil penalties, and Answer to a Notice of Violation) should be addressed to: Mr. James Lieberman, Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, One White Flint North, 11555 Rockville Pike, Rockville, MD 20852-2738, with a copy to the Regional Administrator, U.S. Nuclear Regulatory Commission, Region I, and a copy to the NRC Resident Inspector at the facility that is the subject of this Notice.

Because your response will be placed in the NRC Public Document Room (PDR), to the extent possible, it should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR without redaction. However, if you find it necessary to include such information, you should clearly indicate the specific information that you desire not to be placed in the PDR, and provide the legal basis to support your request for withholding the information from the public.

Dated at Rockville, Maryland
this 16th day of October 1995

Public Service Electric
and Gas Company

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