



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

April 30, 1997

Mr. Leon R. Eliason
Chief Nuclear Officer & President
Nuclear Business Unit
Public Service Electric and Gas Company
P. O. Box 236
Hancocks Bridge, New Jersey 08038

SUBJECT: RESPONSE TO MARCH 4, 1997 PUBLIC MEETING

Dear Mr. Eliason:

On March 4, 1997, the NRC held a public meeting at the Salem Community College from 3:00 p.m. to 6:00 p.m. On March 19, 1997, we sent you a copy of the transcript of that meeting and asked that you respond to concerns of several of the individuals who commented about the continuing reluctance of PSE&G employees to raise safety concerns at Salem, including one current and one former Public Service Electric and Gas employee.

Thank you for providing your response to this issue and others in your letter dated April 18, 1997 (Enclosure 1). The NRC is continuing to follow up on your January 10, 1997 response to employee concerns subsequent to our December 11, 1996 enforcement action involving an \$80,000 civil penalty for harassment, intimidation and discrimination against employees for raising safety concerns. In addition, the Restart Assessment Team Inspection will evaluate the effectiveness of the Employee Concerns Program and other management initiatives in establishing an atmosphere conducive to raising safety concerns by your employees.

We have also enclosed the NRC responses to other public questions that were not completely addressed in the meeting transcript.

Thank you for your cooperation in this matter.

Sincerely,

James C. Linville, Chief
Projects Branch 3
Division of Reactor Projects

Enclosures: As Stated

Docket Nos. 50-272; 50-311

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Mr. Leon R. Eliason

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E. Simpson, Senior Vice President - Nuclear Engineering
E. Salowitz, Director - Nuclear Business Support
A. F. Kirby, III, External Operations - Nuclear, Delmarva Power & Light Co.
D. Garchow, General Manager - Salem Operations
J. Benjamin, Director - Quality Assurance & Nuclear Safety Review
D. Powell, Manager, Licensing and Regulation
R. Kankus, Joint Owner Affairs
A. Tapert, Program Administrator
J. J. Keenan, Esquire
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Atlantic Electric
Consumer Advocate, Office of Consumer Advocate
William Conklin, Public Safety Consultant, Lower Alloways Creek Township
Public Service Commission of Maryland
State of New Jersey
State of Delaware
R. Fisher (5), (8) additional copies of transcript
P. Gunter, Director, Alternatives to Nuclear Power Project
W. Burton, Broker, Burton Realty
B. Frankheiser, Secretary, Environmental Response Network
G. Flanagan, New Jersey Public Interest Research Group
A. Totah, Jr., Clean Ocean Action
F. McLaughlin

Mr. Leon R. Eliason

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DATE	4/24/97		<i>pu</i>					

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Thank you for your cooperation in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "James C. Linville".

James C. Linville, Chief
Projects Branch 3
Division of Reactor Projects

Enclosures: As Stated

Docket Nos. 50-272; 50-311

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ENCLOSURE 1

RESPONSES TO PUBLIC CONCERNS FROM THE MARCH 4, 1997 MEETING

Beginning on page 35 of the transcript, Mr. Gunter raised concerns about combustible Dow Corning silicone foam penetration seal materials. His concerns are addressed in NUREG-1552, "Fire Barrier Penetration Seals in Nuclear Power Plants," published in July 1996. Section 5.8 of the NUREG states, "In the unlikely event that a large fire exposes a silicone-based penetration seal to a high temperature for an extended period of time, the silicone-based material will decompose and be replaced with char or ash. Due to the nature of the silicone-based materials and the limited air supply present within the seal assembly (as opposed to the air present around the burning combustibles outside the seal), the propagation of the fire through the seal assembly will be very slow. Again, this has been observed during and demonstrated by full-scale penetration seal configurations. These tests have also demonstrated the silicone-based seals can provide the necessary fire resistance and the reasonable assurance that a fire will not spread from one side of the fire barrier to the other in configurations where cables, pipes, conduits, ducts, and other combustible and noncombustible entities penetrate the silicone-based penetration seal." Section 5.8 of the NUREG also states "The staff also concluded that the benefits of the silicone-based penetration seal materials outweigh any potential concerns regarding material combustibility," and "The staff recommends, therefore, that the material noncombustibility criterion be removed from Appendix R and the SRP." Section 7 of the NUREG states, "the staff concluded that the general condition of penetration seal programs in industry is satisfactory."

On page 50, Mr. Burton asked how to petition to keep units shutdown. As discussed by Mr. Zwolinski on page 51 of the transcript, the process for submitting a petition to keep the units shutdown is described in 10 CFR Section 2.206 by submitting a request to the NRC Executive Director for Operations specifying the action requested and the facts that constitute the basis for the request.

On page 77, Mr. Nogaki asked why Salem Unit 2 is not being treated the same as Salem Unit 1 relative to steam generator replacement. The Technical Specifications for both units require monitoring for steam generator tube degradation every cycle and corrective action based on the results. The Unit 2 results have not indicated the extensive degradation seen on Unit 1 steam generators. This may be somewhat attributable to modifications made to the Unit 2 condensate system to improve secondary water chemistry prior to Unit 2 operations.

On page 84, Mr. August asked questions about site acreage, seismic design, and security presence. Section 1.2.1 of the Salem Updated Final Safety Analysis Report (UFSAR) states that the Salem site is approximately 700 acres. Regarding seismic design, Section 2.5.2.10 of the UFSAR states that for safe shutdown of the reactor, the facility has been designed using a seismic factor of 20 percent of gravity at foundation level and the corresponding vertical ground acceleration is 13.3 percent of gravity. Section 2.5.2.11 of the UFSAR states that the station has been designed to respond elastically with no loss of function to horizontal earthquake ground acceleration of 10 percent of gravity, and vertical ground accelerations of 6.7 percent of gravity. The requirements for security presence on

Mr. Leon R. Eliason

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A. Totah, Jr., Clean Ocean Action
F. McLaughlin

site are provided in 10 CFR Part 73. The NRC conducts routine inspections to assure that the requirements of Part 73 are met.

On page 97, Mr. Frankheiser asked the life of dry spent fuel casks. A dry spent fuel cask is referred to as an Independent Spent Fuel Storage Installation (ISFSI) in 10 CFR Part 72. 10 CFR Paragraph 72.42(a) states that the license term for an ISFSI must not exceed 20 years.

On page 111, Mr. Totah asked who to contact regarding clean water act violations. Clean water act violations should be reported to the State of New Jersey Department of Environmental Protection (DEP). Representatives of the DEP have indicated to NRC that they have responded to this concern.

On page 120, Ms. Fisher commented on the NRC Chairman's conflict of interest with Public Service Electric and Gas. Dr. Shirley A. Jackson, Chairman of the NRC, was previously a member of the Board of Directors for Public Service Enterprise Group (PSEG), a holding company for Public Service Electric & Gas Company, the licensee for Salem. A letter dated February 9, 1995, from Karen D. Cyr, General Counsel and Designated Agency Ethic Official, NRC to Stephen D. Potts, Director, United States Office of Government Ethics, describes the measures that Dr. Jackson would take as NRC Commissioner. These include (1) upon appointment, resigning from her position as a member of the Board of Directors of PSEG, (2) within 90 days of her appointment, divesting herself of all stock issued to her by PSEG, (3) after resignation from the Board of Directors but prior to her becoming an NRC Commissioner, receiving a lump sum payment from PSEG for the entire amount of her pension from that company, and (4) for one year from her resignation from the Board of Directors, not participate as a Commissioner in any particular matter involving specific parties in which she knows PSEG is a party or represents a party. Mr. Potts agreed that these measures were appropriate. Accordingly, on May 1, 1995, Dr. Jackson resigned from the Board of Directors and on August 1, 1995, she divested herself on all PSEG stock.

Public Service
Electric and Gas
Company

APR 18 1997

Louis F. Storz

Public Service Electric and Gas Company P.O. Box 236, Hancocks Bridge, NJ 08038 609-339-5700

Senior Vice President - Nuclear Operations

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United States Nuclear Regulatory Commission
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Washington, DC 20555

**REPLY TO MARCH 4, 1997, MEETING TRANSCRIPTS
SALEM GENERATING STATION
UNIT NOS. 1 AND 2
DOCKET NOS. 50-272 AND 50-311**

Dear Sir:

During the March 4, 1997, public meeting that the NRC held to describe NRC activities and solicit public comments relative to Salem restart, several comments focused on the ability of Salem employees to raise safety issues. The transcripts of this meeting were issued to the public document room on March 19, 1997. Additionally, four of the speakers provided written comments that were included as an enclosure to the transcripts.

Copies of the transcripts were forwarded to PSE&G, along with a request to respond to the issues that were expressed about the reluctance of employees to raise safety concerns at Salem. This request also afforded PSE&G an opportunity to address any of the other issues that were discussed during the meeting.

This letter is to provide PSE&G's response and also reiterates our commitment to nuclear safety. We take very seriously the expressed allegations that employees are reluctant to raise safety concerns. However, we believe that the commenters do not present an accurate and balanced view of the present safety culture at Salem. Our management team is committed to promoting employee involvement in raising and resolving concerns. We continue to communicate a policy that safety is our number one priority and we have strengthened our independent oversight organizations. In addition, we continue to stress to our employees the need for a questioning attitude, attention to detail, the prevention of complacency, commitment to excellence, and personal accountability. We believe that this culture has contributed to the vast improvements made at Salem. These attributes will help us to maintain a safety-conscious work environment through re-start of our Salem units and their continued operation.

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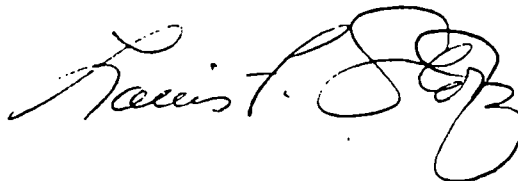


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Attachment 1 contains our detailed response to the comments relative to the ability of any Salem employee to raise safety issues. Attachment 2 contains our response to the written comments that were provided to the NRC during the meeting. Should you have any questions or comments on this transmittal, do not hesitate to contact us.



C

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ABILITY TO RAISE SAFETY CONCERNS

At the public meeting of March 4, 1997, several commenters, including one current and one former PSE&G employee, expressed concerns about what they characterized as a continuing reluctance of PSE&G employees to raise safety concerns at Salem. The NRC is understandably concerned with these comments, as is the management of PSE&G's Nuclear Business Unit ("NBU"). The NBU has devoted tremendous effort and resources during the Salem shutdown to improve the safety culture of the organization, including a questioning attitude, attention to detail, prevention of complacency, commitment to excellence and personal accountability. Management believes that great progress has indeed been made -- contrary to the concerns articulated at the public meeting -- and that the management emphasis and improved safety culture is a large contributor to the vast improvements made to Salem material conditions and personnel performance.

One commenter at the public meeting identified himself as a present employee at Salem. He emphasized the need for the NRC to "go around to the field, go out and talk to the guys with wrenches in their hands, see if they're comfortable [raising issues]." PSE&G agrees that the culture at Salem can and should be measured in this manner. And PSE&G believes that, when measured in this manner, the NRC will find that management has achieved a safety conscious work place in which employees do feel free to raise safety issues. Some of the initiatives that have been undertaken to achieve this goal, and some of the objective indicators of success, are described below.

Salem has gone through an extended shutdown as well as difficult organizational and cultural transformations. This has been a time of heightened expectations placed on employees, of increased personnel accountability, and some reductions in force. These conditions can lead to various management-employee issues, or human resources issues, that reflect the strain on the organization. Therefore, management has been very active to express its willingness to hear and address safety issues, and to provide alternate pathways for individuals to raise concerns. In a recent survey on this issue, PSE&G found that, when nuclear safety or quality is an issue, the vast majority of respondents expressed no reluctance to raise the issue with their supervisor. NBU management concludes that the commenters at the public meeting do not present an accurate and balanced view of the present safety culture at Salem.

1. Initiatives

The current management of the NBU has communicated its policy on nuclear safety in plain, unambiguous terms. For example, in a letter to employees on April 12, 1995, the Chief Nuclear Officer ("CNO") stated: "I must emphasize again my expectation that we provide for our employees an open, honest work environment that is receptive to all concerns. Safety is and always will be the NBU's #1 priority. Any actions that can be interpreted as harassment or intimidation or hostile behavior on the part of any NBU employee are unacceptable and they will not be tolerated. Any incident of this nature will be promptly addressed by management and appropriate actions taken."

To assure that these expectations are effectively communicated and understood, management has required NBU supervisors to undergo additional training in the handling of safety concerns or potential safety concerns raised by employees. Supervisors and management currently receive enhanced supervisory training on the handling of safety concerns and responsibilities for compliance under 10CFR50.7 as part of their Management Action Response Checklist ("MARC") training. This training emphasizes the need for supervisors to foster a welcoming environment for raising safety concerns, and to develop rapport with employees on the reporting of safety issues, before safety concerns develop.

As a structured outlet for employee concerns, in February, 1995, management established a new Employee Concerns Program ("ECP"), which includes Human Resources, Safety, Security, Medical, and the Employee Concerns Department. The Employee Concerns Department is currently staffed by a Manager, two full-time investigators, and augmented with additional resources as required. This comprehensive program is available to NBU employees and contractors. The ECP encourages identification of both nuclear and industrial safety concerns and may be accessed by walk-in interviews, drop boxes, telephone, a 24-hour toll-free hotline, and exit interviews. The means to raise safety concerns can be anonymous and are considered to be confidential. The availability of the ECP has been publicized extensively, including the NBU's daily newsletter, at CNO staff meetings and other management meetings, and personal letters to NBU employees from the CNO and the Director of QA/NSR. Additionally, an explanatory video presentation featuring the CNO and members of the ECP has been mailed to NBU employees and key contractor organizations for communication to their employees.

Since its inception, the ECP has received over 280 concerns. After each concern has been investigated and resolved, the ECP staff contacts the concerned individual (unless the concern was raised anonymously), verbally and in writing, to provide feedback. More recently, the ECP has heightened its emphasis on "early intervention" -- by working with individuals to help them resolve disputes with their supervisor before the matter escalates into a more serious issue.

To gauge the program, the department has conducted annual surveys of employees and contractors. The most recent survey, conducted in March, 1997, included 863 respondents. 77% responded that they believe that a culture exists that is conducive to raising safety concerns, 94% were aware that the ECP exists, and 95% would raise nuclear safety concerns directly with their supervisor.

In a further effort to improve the level of safety consciousness in the work environment, PSE&G has raised the standards for supervisors and managers, particularly in the area of sensitivity to employee issues. This is manifest in the continuing evaluation of supervisors and managers and specific training. In addition, the highest levels of management have clearly stated that the ability to raise employee concerns is not only part of an employees' job, but critical to the safety objectives and business success of the company. While this effort has yielded encouraging results, in the course of normal worker interaction misunderstanding and miscommunication do occur. To mitigate the consequences of these occurrences, the ECP described above provides additional outlets for employees to raise issues. If an employee has an issue and does not chose the above means to resolve the problem, PSE&G has promoted the use of NRC programs to resolve the issue.

NBU management believes these initiatives have been responsible, effective measures to create a safety conscious work environment. Management also understands that this theme must be continuously reinforced, particularly in light of the comments made at the March 4 public meeting. Accordingly, in a letter to all NBU personnel issued on April 18, 1997, Leon R. Eliason, Chief Nuclear Officer and President-Nuclear Business Unit, discusses his commitment to a safety conscious work environment. Mr. Eliason states, "It is my belief that an environment that is conducive to raising safety and quality concerns is a fundamental tenet of how we do business. We will not be successful if we cannot maintain that environment." His letter emphasizes that the most important element of that environment is the day to day working relationship between the employee and his supervisor. The employee/supervisor relationship is the primary path for raising concerns and it needs to be an open and welcoming relationship for the safety conscious work environment to exist. MARC training also continues to be provided for new supervisors and managers and a refresher session will be conducted this Summer for all who attended initial training last year.

2. Corrective Action Program Data

Another aspect of improving the environment for "issue resolution" within the NBU is the new procedure for filing and processing an action request in accordance with the Corrective Action

Program ("CAP"). Through this process, both employees and contractors have been provided the opportunity to identify issues for evaluation and response. This improved process includes provisions for the timely completion of evaluations and corrective actions. It also provides for a post-completion review to ensure that the issue is resolved. Every employee is responsible to identify issues through the use of the CAP. This responsibility is included in General Employee Training and reinforced through a Work Standards Handbook.

The CAP has been successful in lowering the threshold for raising issues to management. The CAP was considered a restart item by the NRC and was closed out after a satisfactory inspection. As also reflected in the NRC's letter of March 19, 1997, there have been a large number of corrective action reports generated at Salem. These reports are being resolved timely and appropriately. Recent data on Condition Reports is shown in Figure 1.

In addition, the most recent ECP's benchmark survey of employees and contractors with respect to attitudes about safety culture and raising safety or quality issues provides an important perspective. Although the data certainly reflects the need for continued management attention in this area, it is important that a strong majority (77%) responded that a culture exists within the NBU that is conducive to raising quality or safety concerns, either to direct supervision, other management, the ECP, or the corrective action process. In addition, the vast majority (95%) of respondents stated that if they had a nuclear safety concern, they would raise it with their supervisor.

PSE&G management certainly understands the human element of this issue and recognizes that the use of statistical indicators is only one measure of a safety focused culture. Cultural indicators are usually more subjective than objective data. Nonetheless, this data does not square with the concern raised at the public meeting. For example, the high number of corrective action reports being filed, a number that has generally trended upward, certainly reflects an environment in which the process is being used to identify issues. Moreover, the progress that has been made at the plant could not have been made without a workforce willing and committed to identify and address issues.

3. Conclusions

NBU management recognizes that the Salem safety culture, and the willingness of employees to raise and resolve safety or quality issues is a first priority. Addressing this issue has been an important part of the Salem restart effort and will be a continuing first priority as Salem returns to service. Management believes that its expectations in this area have been amply established and communicated. In addition, through training, managers and supervisors have been given the tools

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to enhance and maintain the safety culture, and to resolve employee issues. Further, we recognize that management can never become complacent or satisfied on this issue. It requires continuous reinforcement with all employees, and strong actions to address areas of needed improvement.

The CAP and the ECP also combine to provide employees ample opportunity to raise safety concerns. Not only are employees allowed to raise concerns, they are encouraged to do so. Management believes the culture will serve the station well through restart and successful operation.

COMMITMENT TO DESIGN BASES

PSE&G agrees that it is essential to establish and maintain programs that ensure the Salem Units are configured and operated in accordance with their design bases. Additionally, PSE&G is committed to assuring that there are programs and procedures in place to support the maintenance of the design bases. We have undertaken a number of validation efforts to provide reasonable assurance that the design bases are maintained and plan to conduct additional reviews. In addition, the use of critical self-assessments and an on-going corporate questioning attitude will ensure that issues are identified and resolved in an effective and timely manner in accordance with our Corrective Action Program.

PSE&G has reasonable assurance that the Salem design bases are adequate to assure systems, structures, and components can perform their intended safety functions. This reasonable assurance is based upon the previously completed Configuration Baseline Documentation program, configuration control processes, and the large number of recent in-depth reviews and assessments. These assessments have demonstrated the Salem design bases to be adequate.

Additional information regarding the status of the Salem design bases was presented to the NRC at a management meeting on March 6, 1997 and in our February 11, 1997, response to the 10CFR50.54(f) letter regarding the adequacy and availability of design basis information.

FIGURE NO. 1

