

October 5, 1998

EA 98-441

Mr. Harold W. Keiser
Executive Vice President
Nuclear Business Unit
Public Service Electric and Gas Company
Post Office Box 236
Hancocks Bridge, NJ 08038

SUBJECT: NRC INTEGRATED INSPECTION REPORT 50-272/98-08, 50-311/98-08
NOTICE OF VIOLATION AND EXERCISE OF ENFORCEMENT DISCRETION

Dear Mr. Keiser:

On September 12, 1998, the NRC completed an inspection at the Salem 1 & 2 reactor facilities. The enclosed report presents the results of that inspection.

During the six week period covered by this inspection period, the conduct of activities at the Salem facilities was generally characterized by safety-conscious operations, sound engineering and maintenance practices, and careful radiological work controls. For example, a focused review of your radioactive liquid and gaseous effluent control processes determined these programs to be well implemented. Additionally, the NRC is closing its review of your program implemented under Generic Letter 89-10, "Safety-Related Motor-Operated Valve Testing and Surveillance," at Salem Unit 1, based on follow up reviews conducted during the report period.

However, we are concerned about three violations of regulatory requirements that were identified during the period. Specifically, in the first case, your staff identified repeat examples of missed technical specification surveillance requirements, indicating that corrective actions for several similar issues identified previously were not fully effective in preventing recurrence. Additionally, two examples of failures to properly implement safety-related system maintenance procedures by instrument and control technicians indicated continuing human performance deficiencies in that organization.

These violations are cited in the enclosed Notice of Violation, and the circumstances surrounding the violations are described in detail in the enclosed report. Please note that you are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

The NRC also reviewed an issue involving past design deficiencies related to the service water system being outside the plant design basis. This design issue is a violation of NRC requirements which could have been considered for escalated enforcement and subject to a civil penalty. However, after consultation with the Director, Office of Enforcement, and

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the Region I Administrator, I have been authorized to not issue a Notice of Violation and not propose a civil penalty in this case in accordance with the provisions provided in Section VII.B.3 of the NRC's Enforcement Policy. This decision was made after consideration that: (1) the violation was identified by your staff's good questioning attitudes; (2) corrective actions were comprehensive and timely; (3) the conditions were subtle in nature and not likely to be disclosed through routine surveillance or quality assurance activities; and (4) the violation was not reasonably linked to current performance. The exercise of discretion acknowledges your good effort to identify and correct subtle violations, that would not be identified by routine efforts, before the degraded safety systems are called upon.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be placed in the NRC Public Document Room (PDR).

Sincerely,

ORIGINAL SIGNED BY:
RICHARD V. CRLENJAK for

Charles W. Hehl, Director
Division of Reactor Projects

Docket Nos.: 50-272, 50-311
License Nos: DPR-70, DPR-75

Enclosures: Notice of Violation
Inspection Report 50-272/98-08, 50-311/98-08

cc w/encl:

L. Storz, Senior Vice President - Nuclear Operations
E. Simpson, Senior Vice President - Nuclear Engineering
E. Salowitz, Director - Nuclear Business Support
A. F. Kirby, III, External Operations - Nuclear, Delmarva Power & Light Co.
C. Bakken, General Manager - Salem Operations
J. McMahon, Director - QA/Nuclear Training/Emergency Preparedness
D. Powell, Director, Licensing, Regulation and Fuels
R. Kankus, Joint Owner Affairs
A. Tapert, Program Administrator
J. J. Keenan, Esquire
M. J. Wetterhahn, Esquire
J. A. Isabella, Manager, Joint Generation
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

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