



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

September 28, 1994

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

Mr. Steven Miltenberger
Vice President and Chief Nuclear Officer
Public Service Electric and Gas Company
P.O. Box 236
Hancocks Bridge, NJ 08038

Dear Mr. Miltenberger:

SUBJECT: NRC PERFORMANCE ASSESSMENT OF SALEM

Between July 11 and August 25, 1994, a special team under the direction of the Special Inspection Branch of the Office of Nuclear Reactor Regulation completed a comprehensive assessment of performance at the Salem Nuclear Generating Station. This assessment was conducted under a pilot NRC program designed to develop a customized inspection plan based on an objective, integrated review of performance insights confirmed through an onsite assessment. The results of the team's in-office review of documentation were sent to you on August 4, 1994. The team then performed a 2-week onsite evaluation which was concluded on August 25, 1994.

The results from the first phase documentation review have been combined with the results of the team's onsite evaluation and assembled on a Final Performance Assessment/Inspection Planning Tree which is included with the enclosed assessment report. The team determined that increased NRC inspection is warranted in the areas of licensee control systems and maintenance, normal NRC inspection is warranted in the areas of operations and engineering, and reduced NRC inspection is warranted in the area of plant support.

Within the above areas, we are particularly concerned about the failure to establish aggressive quality oversight of the Salem facility and to proactively correct system and equipment deficiencies before such deficiencies lead to challenging plant events. We are also concerned with the many weaknesses identified with your maintenance program. Weaknesses were noted in procedural adherence, post-maintenance testing, and control of work activities. In the area of operations, we are encouraged by many of your recent initiatives and the improved performance in the conduct of operations in the control rooms; however, many operational "workarounds" still exist that require operators to take nonroutine actions to compensate for degraded equipment conditions. Current engineering design work appears to be good, but effective engineering oversight of vendor-designed modifications was not always apparent. The plant support areas of radiation protection, emergency preparedness, security, and fire protection continue to show strong

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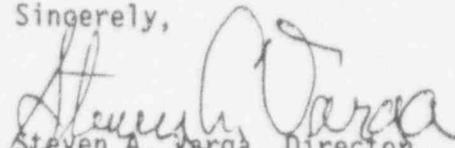
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Mr. Steven Miltenberger

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performance. No response to this report is required. Any enforcement actions resulting from this assessment will be issued by Region I via separate correspondence. Should you have any questions concerning this assessment, please contact Mr. Robert Gallo at (301) 504-2967 or Mr. Jeffrey Jacobson at (301) 504-2977.

Sincerely,


Steven A. Varga, Director
Division of Reactor Projects I/II
Office of Nuclear Reactor Regulation

Enclosures: As stated

PDR

Mr. Steven Miltenberger
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Salem Nuclear Generating Station,
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