

November 15, 1999

Mr. Harold W. Keiser
President and Chief Nuclear Officer
PSEG Nuclear LLC
Post Office Box 236
Hancocks Bridge, NJ 08038

SUBJECT: NRC INSPECTION REPORT 50-272/99-08, 50-311/99-08

Dear Mr. Keiser:

On October 10, 1999, the NRC completed an inspection of your Salem 1 & 2 reactor facilities. The enclosed report presents the results of that inspection. Preliminary findings were presented to PSEG Nuclear management led by Mr. Mark Bezilla in an exit meeting on October 20, 1999.

NRC inspectors examined numerous activities as they related to reactor safety and compliance with the Commission's rules and regulations, and with the conditions of your operating license. The inspection consisted of selected reviews of procedures and representative records, observations of activities and interviews with personnel. Specifically, it involved six weeks of resident inspection and four discrete region-based inspections of site physical protection practices, occupational exposure radiation protection, radiological environmental monitoring and inservice inspection activities. Each inspection finding was assessed using the applicable Significance Determination Process (SDP); all findings were determined to be within the licensee response band (i.e. Green). However, one additional issue involving ineffective emergency classification guide implementation following a September 8, 1999 reactor coolant system leak event is also described in the report. We are still reviewing the circumstances associated with this performance issue in order to properly employ the emergency preparedness SDP and determine its significance.

With regard to performance indicators (PIs), the inspectors identified errors in the data submitted for the *Safety System Functional Failure* PI. In accordance with Appendix F of the NRC Enforcement Policy, discretion is being exercised pursuant to Section VII.B.6 because these errors in your submittal to the NRC were not willful and because not all of the aspects of the PI data submission process have been finalized. Further, the corrected PI data would not have resulted in a change in the outcome of the indicator (i.e. performance remained in the Green band).

Lastly, we identified three violations of NRC requirements in the areas of operational procedure compliance and Annual Radiological Environmental Operating Report content. These violations are being treated as non-cited violations (NCVs), consistent with the Interim Enforcement Policy for pilot plants, are described in the subject inspection report, and have been entered into your corrective action program. If you contest the violation or severity level of these NCVs, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN: Document Control Desk,

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Mr. Howard W. Keiser

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Washington, DC 20555-0001, with a copies to the Regional Administrator, Region I, and the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

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.

Sincerely,

Glenn W. Meyer, Chief,
Projects Branch 3
Division of Reactor Projects

Enclosure: Inspection Report 50-272/99-08, 50-311/99-08

cc w/encl:

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E. Simpson, Senior Vice President and Chief Administrative Officer
M. Bezilla, Vice President - Operations
D. Garchow, Vice President - Technical Support
M. Trum, Vice President - Maintenance
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