



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PA 19406-1415

September 2, 2008

Mr. William Levis
President and Chief Nuclear Officer
PSEG Nuclear LLC
80 Park Plaza, T4B
Newark, NJ 07102

**SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN –
SALEM NUCLEAR GENERATING STATION, UNIT NOS. 1 AND 2**

Dear Mr. Levis:

On August 6, 2008, the NRC staff completed its performance review for Salem Nuclear Generating Station (Salem). Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results for the period from July 1, 2007, through June 30, 2008. The purpose of this letter is to inform you of our assessment of your safety performance during this period and our plans for future inspections at your facility.

This performance review and enclosed inspection plan do not include security information. A separate letter designated and marked as "Official Use Only--Security Information" will include the Security cornerstone review and resultant inspection plan.

Plant performance for the most recent quarter at Salem Units 1 and 2 was within the Licensee Response column of the NRC's Action Matrix, based on all inspection findings being classified as having very low safety significance (Green) and all PIs indicating performance at a level requiring no additional NRC oversight (Green). Therefore, we plan to conduct reactor oversight process (ROP) baseline inspections at your facility.

In the fourth quarter of 2007 the Emergency AC Power Mitigating Systems performance Index at Unit 1 was Yellow. In accordance with the ROP, this requires additional oversight through supplemental inspection. The purpose of this inspection is to: verify that you understand the root and contributing causes for any risk significant performance issues relative to the PI; independently assess the extent of cause and condition for emergency diesel generator performance at Unit 1; independently determine if any safety culture components contributed to the performance issues; and verify that the corrective actions are sufficient to prevent recurrence. On August 5, 2008, we were notified by your staff that as of September 29, 2008, you would be ready for the NRC to perform the supplemental inspection; therefore, we plan to conduct the inspection beginning on September 29, 2008.

In our Annual Assessment Letter dated March 3, 2008, we defined the exit criteria for clearing the cross cutting issue in procedure compliance as demonstrated sustainable improved performance evidenced by effective implementation of a corrective action plan that resulted in no safety significant inspection findings and a notable reduction in the overall number of inspection findings with the same causal factor. We also concluded that you did not meet this criteria. Specifically, you had not demonstrated sustainable performance improvement because there had not been a notable reduction in inspection findings with this causal factor. As such, the NRC maintained this substantive cross cutting issue open.

Based on the results of baseline inspection activities completed in the first half of 2008, we have determined that the depth and scope of your identified corrective actions for the substantive cross-cutting issue in procedure compliance were appropriate and that you have made substantial progress in implementation. In addition during this time all inspection findings identified at Salem were Green, and there was only one new finding with a procedure compliance cross-cutting aspect. Therefore, based on the exit criteria defined in our Annual Assessment Letter we have concluded that PSEG has demonstrated sustainable improved performance in the procedure compliance cross-cutting aspect and this substantive cross-cutting issue is closed.

The enclosed inspection plan details the inspections, less those related to physical protection scheduled through December 31, 2009. The inspection plan is provided to allow for the resolution of any scheduling conflicts and personnel availability issues well in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last nine months of the inspection plan are tentative and may be revised at the end-of-cycle review.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be made available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of the NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

If circumstances arise that cause us to change this inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at 610-337-5069 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Arthur L. Burritt, Chief
Division of Reactor Projects
Projects Branch 3

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

Enclosure: Salem Nuclear Generating Station Inspection/ Activity Plan

cc w/encl:

T. Joyce, Senior Vice President, Operations
R. Braun, Site Vice President
P. Davison, Director of Nuclear Oversight
J. Spears, Acting Director of Finance
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E. Zobian, Coordinator - Jersey Shore Anti Nuclear Alliance

Salem
Inspection / Activity Plan
08/01/2008 - 12/31/2009

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	08/25EXM - INITIAL OPERATOR LICENSING EXAM		5			
1	U01686	FY08 - SALEM 1 & 2 INITIAL OPERATOR EXAM		08/25/2008	08/29/2008	Not Applicable
	7111121 - CDBI		7			
1,2	IP 7111121	Component Design Bases Inspection		07/28/2008	08/01/2008	Baseline Inspections
1,2	IP 7111121	Component Design Bases Inspection		08/04/2008	08/08/2008	Baseline Inspections
	TI-172 - U1 TI-172 RCS DISSIMILAR METAL WELDS		1			
1	IP 2515/172	Reactor Coolant System Dissimilar Metal Butt Welds		08/18/2008	08/22/2008	Generic Safety Inspecti
	71121 - OCC RAD SAFETY		1			
1,2	IP 7112101	Access Control to Radiologically Significant Areas		09/15/2008	09/19/2008	Baseline Inspections
1,2	IP 7112102	ALARA Planning and Controls		09/15/2008	09/19/2008	Baseline Inspections
1,2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		09/15/2008	09/19/2008	Baseline Inspections
1,2	IP 71151-OR01	Occupational Exposure Control Effectiveness		09/15/2008	09/19/2008	Baseline Inspections
1,2	IP 71151-PR01	RETS/ODCM Radiological Effluent		09/15/2008	09/19/2008	Baseline Inspections
	TI 171 - TI 171		6			
1,2	IP 2515/171	Verification of Site Specific Implementation Of B.5.b Phase 2 & 3 Mitigating Strategies		09/15/2008	09/19/2008	Generic Safety Inspecti
	95002 - YELLOW MSPI - EDG		3			
1,2	IP 95002	Inspection For One Degraded Cornerstone Or Any Three White Inputs In A Strategic Performance		09/29/2008	10/09/2008	Supplemental Program
	71121 - OCC RAD SAFETY		1			
1,2	IP 7112101	Access Control to Radiologically Significant Areas		10/20/2008	10/24/2008	Baseline Inspections
1,2	IP 7112102	ALARA Planning and Controls		10/20/2008	10/24/2008	Baseline Inspections
1,2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		10/20/2008	10/24/2008	Baseline Inspections
	7111108P - U1 INSERVICE INSPECTION		1			
1	IP 7111108P	Inservice Inspection Activities - PWR		10/20/2008	10/31/2008	Baseline Inspections
	TI 176 - TI 176		2			
1,2	IP 2515/176	Emergency Diesel Generator Tech Spec Surveillance Requirements Re: Endurance & Margin		12/01/2008	12/05/2008	Generic Safety Inspecti
	71121 - OCC RAD SAFETY		1			
1,2	IP 7112101	Access Control to Radiologically Significant Areas		01/12/2009	01/16/2009	Baseline Inspections
1,2	IP 7112102	ALARA Planning and Controls		01/12/2009	01/16/2009	Baseline Inspections
1,2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		01/12/2009	01/16/2009	Baseline Inspections
	TRI FIRE - TRIENNIAL FIRE PROTECTION INSPECTION		3			
1,2	IP 7111105T	Fire Protection [Triennial]		01/26/2009	01/30/2009	Baseline Inspections
1,2	IP 7111105T	Fire Protection [Triennial]		02/09/2009	02/13/2009	Baseline Inspections
	TI 173 - GROUNDWATER TI		1			
1,2	IP 2515/173	Review of the Implementation of the Industry Ground Water Protection Voluntary Initiative		03/09/2009	03/13/2009	Generic Safety Inspecti

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This report shows only on-site and announced inspection procedures.

Salem
Inspection / Activity Plan
08/01/2008 - 12/31/2009

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
EP PROGR - EP PROGRAM INSPECTION			1			
1,2	IP 7111402	Alert and Notification System Testing		03/15/2009	03/20/2009	EP Baseline Inspection
1,2	IP 7111403	Emergency Response Organization Augmentation Testing		03/15/2009	03/20/2009	EP Baseline Inspection
1,2	IP 7111404	Emergency Action Level and Emergency Plan Changes		03/15/2009	03/20/2009	EP Baseline Inspection
1,2	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		03/15/2009	03/20/2009	EP Baseline Inspection
1,2	IP 71151	Performance Indicator Verification		03/15/2009	03/20/2009	Baseline Inspections
71121 - OCC RAD SAFETY			1			
1,2	IP 7112101	Access Control to Radiologically Significant Areas		05/18/2009	05/22/2009	Baseline Inspections
1,2	IP 7112102	ALARA Planning and Controls		05/18/2009	05/22/2009	Baseline Inspections
1,2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		05/18/2009	05/22/2009	Baseline Inspections
711111B - BIENNIAL REQUAL INSP WITH P/F RESULTS			3			
1,2	IP 7111111B	Licensed Operator Requalification Program		07/27/2009	07/31/2009	Baseline Inspections
71152B - PI&R BIENNIAL TEAM			4			
1,2	IP 71152B	Identification and Resolution of Problems		06/22/2009	06/26/2009	Baseline Inspections
1,2	IP 71152B	Identification and Resolution of Problems		07/06/2009	07/10/2009	Baseline Inspections
7112203 - PUB RAD SAFETY - REMP			1			
1,2	IP 7112203	Radiological Environmental Monitoring Program (REMP) And Radioactive Material Control Program		09/14/2009	09/18/2009	Baseline Inspections
71121 - OCC RAD SAFETY			1			
2	IP 7112101	Access Control to Radiologically Significant Areas		10/19/2009	10/23/2009	Baseline Inspections
2	IP 7112102	ALARA Planning and Controls		10/19/2009	10/23/2009	Baseline Inspections
2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		10/19/2009	10/23/2009	Baseline Inspections
1,2	IP 71151	Performance Indicator Verification		10/19/2009	10/23/2009	Baseline Inspections
7111108P - U2 INSERVICE INSPECTION			1			
2	IP 7111108P	Inservice Inspection Activities - PWR		10/19/2009	10/30/2009	Baseline Inspections
7112202 - PUB RAD SAFETY - RADWASTE			1			
1,2	IP 7112202	Radioactive Material Processing and Transportation		12/07/2009	12/18/2009	Baseline Inspections

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