

March 9, 2005

The Honorable Joseph R. Biden, Jr.
United States Senate
Washington, D.C. 20510

Dear Senator Biden:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am responding to your letter of January 12, 2005, in which you raised questions regarding the "B" reactor recirculation pump, as well as the results of the inspection into the steam pipe failure at the Hope Creek Generating Station (Hope Creek) on October 10, 2004. The NRC appreciates your continued interest in activities at the site.

The NRC staff has conducted careful and thorough evaluations of both the October 10, 2004 event and the recirculation pump issues. In early January, the NRC made the preliminary results from the evaluations public and briefed your staff on these results. On January 12, 2005, the NRC held a public meeting in Swedesboro, New Jersey, to present the evaluation results in a public and local forum and to respond to stakeholder questions. This meeting provided a constructive forum for the public to review the results of our assessments before the plant was restarted from the refueling outage.

The NRC staff concluded that the licensee can safely operate the plant by implementing commitments to monitor the "B" recirculation pump continuously for vibrations with enhanced monitoring devices and taking prompt action in response to any evidence that the pump's performance may be degrading. This was documented in an inspection report dated February 3, 2005. To reinforce the importance the NRC placed on ensuring that any degradation of pump conditions will be identified and action taken promptly, the licensee's commitments were formalized in a Confirmatory Action Letter on January 11, 2005. The NRC's resident inspectors at the site, in consultation with regional inspectors and a pump expert from the NRC's headquarters office, have been closely monitoring the licensee's activities to ensure that the licensee is effectively implementing the continuous monitoring program and that operators are prepared to take prompt actions. During the restart of Hope Creek on February 8, 2005, the licensee's monitoring program detected some increases in vibration readings. In response to these readings, the licensee took action in accordance with procedures, including reducing pump speed and reactor power, and performing engineering evaluations. NRC inspectors monitored the licensee's response very closely and confirmed that the actions taken by the licensee were appropriate. Licensee actions immediately reduced the vibration levels, and all monitored vibration parameters have since remained within the licensee's established acceptance criteria. Evaluation of the vibration data indicated that the increased vibration readings were not due to degradation of the pump shaft. I want to assure you that the NRC will continue to monitor closely the licensee's activities related to this matter.

With respect to the October 10, 2004 steam pipe failure at the plant, the NRC's special inspection team has determined that plant personnel did not properly evaluate and address a degraded component in the steam/turbine system that led to the steam pipe failure. This was documented in an inspection report dated February 4, 2005. As noted in your letter, the inspectors found that, in addition to the licensee's failure to properly evaluate a valve malfunction when it occurred in 2004, the licensee also did not properly consider a similar occurrence from 1988. This finding is indicative of lapses in the licensee's program for identifying and correcting problems at the plant. Our assessments of performance at Hope Creek for the past several years have identified continuing performance issues in this area. The NRC currently believes that operation of Hope Creek continues to be safe. However, based, in part, on the long-standing issues in this area, the NRC has increased its oversight at the site. The NRC will continue that heightened oversight until the licensee has made substantial improvements. The NRC will not hesitate to take further regulatory action if necessary to protect public health and safety.

You also indicated interest in the actions taken and planned by PSEG Nuclear LLC (PSEG) to inspect piping and pipe supports. The NRC's Maintenance Rule (10 CFR 50.65) requires licensees to perform appropriate preventive maintenance or to monitor the reliability and availability of plant systems and equipment that have the potential to impact the safe operation of the plant. The NRC is continuing to follow the licensee's evaluations related to this matter and actions to implement the corrective actions for the event as part of the heightened oversight of the plant.

As noted in your letter, PSEG and Exelon Nuclear LLC (Exelon) recently announced that they have agreed to seek a merger of their companies and that effective January 17, 2005, Exelon has provided a number of key managers to Salem and Hope Creek under a contractual agreement with PSEG. Under the agreement, PSEG will continue to provide management oversight for the plants, and NRC expects that both PSEG and Exelon-provided managers will uphold the commitments that have been made. PSEG, as the NRC licensee, remains fully responsible and accountable for complying with the terms of the operating licenses and meeting its commitments to the NRC. If and when the NRC approves the presumptive applications for transferring operating licenses from PSEG to Exelon, the existing license conditions and commitments will transfer to Exelon.

The Commission's top priority has always been and will continue to be ensuring the protection of public health and safety through oversight of the facilities that we regulate. As I have stated previously, Hope Creek, or any other nuclear plant for that matter, will not be permitted to operate unless the NRC believes it is safe. I want to assure you that the NRC will continue to monitor the licensee's actions closely to address work environment issues and to safely operate the plants as management transitions occur at Salem and Hope Creek.

If you have further questions, please feel free to contact me.

Sincerely,

/RA/

Nils J. Diaz

Identical letter sent to:

The Honorable Joseph R. Biden, Jr.
United States Senate
Washington, D.C. 20510

The Honorable Thomas R. Carper
United States Senate
Washington, D.C. 20510

The Honorable Michael N. Castle
United States House of Representatives
Washington, D.C. 20515