



NRC Oversight Status of Salem & Hope Creek

Organizational Effectiveness & Work Environment

June 29, 2004

C-213

HISTORY

Extended S/D and Watch List - Late 1990's

Recovery Satisfactory but Performance Improvements

Stalled in Early 2000's

- Poorly-conceived realignment to "3-Unit Site"
 - stretched mgt thin and created confusion, especially in engineering
- Equipment Reliability/Outages/Events stressed the organization
- Corrective Action issues and Work Management ineffectiveness evident
- ORG Changes and Management Turnover

Regulatory Options Additional PSEG Commitments

Considering the need for additional PSEG commitments in several areas:

- Metrics submittal -- better coverage of equipment issues.
- Management meetings -- one this Fall, semi-annually thereafter
- Additional effectiveness review -- possible independent assessment covering more than work environment

Regulatory Options-Monitoring &

Followup

Some combination of some of the following:

Site Visits (some with HQ assist)

Review PSEG assessment in more detail?

Review PSEG approach method for future assessments

(with

HQ assist or lead)

Focused Inspection followup of selected actions

Periodic management meetings (how often?)

SCWE x-cut in mid-cycle assessment? (Probably)

Deviation Memo?

Remove site from ROP due to corrective action

weaknesses?

(Not needed)

Regulatory Options-Regulatory “Footprint”

- ORDER
- CAL
- LETTER ACCEPTING COMMITMENTS
 - Possibly to include Oversight Panel and Deviation Memo

PSEG Assessments

The following slides are not intended to provide an overall perspective. Instead, they are designed to show the type of blunt detail that has been docketed and is available to any interested stakeholder.

Independent Assessment Team (IAT)

- 190 interviews, 14 events examined, reviewed Synergy, USA, NRC reports
- “Personnel will raise nuclear safety concerns”(but some expressed hesitancy to raise lesser concerns) (p2)
- ...management...ineffective in addressing other [lesser]... concerns, particularly longstanding equipment problems, principally due to ineffective implementation of the corrective action programs and work management practices.” (p2)
- ...management has not been effective at understanding or addressing the potential for a chilling effect in response to how management has addressed highly visible employee concerns...” (p3)

IAT: Stark Words About Leadership's Conflict Mgt

IAT: Stark Quotes About Corporate:

"...some assumed that site management is not fixing longstanding equipment issues because corporate is not providing the necessary funds"

"...some involved in the unresolved conflicts, assumed that site management's conduct in the course of those events resulted from a perceived pressure from corporate to place a greater emphasis on production and scheduling considerations than conservative decision-making."

"Corporate policies, practices, business planning, and compensation may have had the unintended consequence of having site management focus on production and schedule, at times, over conservative decision-making.

Corporate policies and practices may have similarly had an unintended consequence of leaving longstanding equipment issues unresolved."
(p43, similar to statement on p9)

SYNERGY - December 2003

- Priority 1 Key issue and opportunity for improvement from this survey -Plant equipment & material condition of plants are perceived to be in a degraded condition as manifested by longstanding or recurring equipment problems, work-arounds, and compensatory measures. This situation is perceived to be worsening. This was considered to be the driving force behind low trust/confidence in senior management as well as very low rating or concerns with CAP effectiveness, maintenance work planning, and effectiveness of maintenance

Mgt perceived to be concerned about short-term performance results

Mgt perceived as uncommitted to resolving chronic equip problems

S/HC compared poorly with other facilities surveyed:

- Nuclear Safety Values/Practices (11th%)
- SCWE (11th percentile)
- ECP (16th percentile)
- Leadership Behaviors (11th%)
- Business/Resource Mgt. Behaviors 11%
- other areas not directly related to SCWE scored 26th-44th%;

"...these ratings indicate that many employees correlate the current situation

Utilities Service Alliance (USA) Review of DBLL SOER - March 2004

NRC Oversight 2000-2003

- All Three Units Have Stayed in Licensee Response or Regulatory Response Column--Occasional White Indicators or Findings
- Strong Cross-Cutting Theme, PIR, Highlighted in Three Assessment Letters; Continues Today
- Increased NRC Management Attention and Site Visits
 - (e.g. RA: 7/02, 4/03, 7/03, 12/03, 3/04)
- Late 2003: Initiated Special Review Based on:
Crosscutting
Themes, Events, and Allegations

NRC Oversight 2004

January 28: Interim Results of Special Review

NRC Concerns related to work environment and station capacity for:

- Handling emergent issues and associated operational decision-making
- Addressing potential safety issues

These Concerns included:

- Openness of management to concerns and alternate views
- Strength of communication
- Effectiveness of corrective actions and feedback processes

Concerns did not involve any serious safety violations

Recognized some change under new management but need to understand and address lingering issues

NRC Requested PSEG to do their own Assessment

NRC Oversight 2004 (cont)

- NRC Letter to PSEG

1/28/04

- PSEG letter to NRC

2/27/04

- ▶ Provided interim assessment plant

- Public Meeting

3/18/04

- ▶ Discussed assessment plans

- PSEG letter to NRC

5/21/04

- ▶ Submitted assessment results

- NRC Public Meeting

6/16/04

- ▶ Discussed PSEG assessment results and action plan

- PSEG Commitment letter

PSEG Assessments submitted 5/21/04:

- Synergy Cultural Assessment (Dec 2003)
- USA Group Safety Culture Assessment (Mar 2003)--
DBLL SOER review
- Independent Review by IAT (Feb-May 2004)--
Interviews
and overall review, included corporate
 - Results consistent with NRC inspections, assessments
and special review
 - Very detailed results (\approx 200 pages docketed)
 - Includes stark, unvarnished verbiage

External Stakeholder Involvement

Key Alleger -- revealed alleger status publicly in March; has ongoing civil suit against PSEG. Very frequent contact with

NRC Region I

UCS -- Increasing involvement over past several months--

Advocates plant S/D, Order, or CAL

Unplug Salem --small group consistently advocates S/D

New Jersey -- Very interested; supportive of NRC

Congressional -- Interest, but little direct involvement so far

Financial -- some attendance at meetings

Media -- mostly local

PSEG Action Plans

PSEG letter recently submitted, summarizes plans

PSEG focus areas: SCWE, CAP, Work Mngmt, Leadership Effectiveness, Facilities. (Detailed plans ECD July 31, 2004)

PSEG Intends to pursue action plans thru Business plan

Recent emphasis: Conservative decisions, and communications.

Expanded

outage scope to fix more equipment.

Commitments:

- Submit Key metrics (SCWE and SCWE drivers)
- SCWE and Safety Culture Survey after the HC outage, submit to

NRC

early 2005

- Meet in early 2005
- Survey for five years

Assessment of effectiveness to be part of normal line management processes

Regulatory Oversight--Principles

Considerations for NRC Oversight:

- Provide appropriate safety perspective
- Understand that these issues will take some time to address
- Recognize that things could get worse before improving
- Look for effectiveness of efforts vs merely completing action items
- Recognize that metrics can be helpful but cannot become the sole measure of effectiveness.
- Have a clear exit path to de-escalate as licensee improves.
- Needn't satisfy all stakeholders, but NRC action should be

NRC Next Steps

We are at a key point right now

The following are being pursued for completion in July

- Finalize NRC Special Review
- Complete Evaluation of PSEG Assessments
- Compare NRC & PSEG Results
- Evaluate PSEG Plans
- Decide Additional Regulatory Actions and Basic Plan for Future Followup--Three Highly Coupled Questions
 - ▶ Need for additional PSEG commitments
 - ▶ Scope/Nature of NRC Oversight
 - ▶ Regulatory "footprint"
- Stakeholder Communication