

Public Service Electric and Gas
Company

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

March 9, 1994

Docket Nos. 50-272 and 50-311
License Nos. DPR-70 and DPR-75
EA 94-003

Mr. Steven E. Miltenberger
Vice President and Chief Nuclear Officer
Public Service Electric and Gas Company
Post Office Box 236
Hancocks Bridge, New Jersey 08038

Dear Mr. Miltenberger:

SUBJECT: NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL
PENALTY - \$50,000
(NRC Inspection Nos. 50-272/93-23; 50-311/93-23; 50-354/93-25)

This letter refers to the NRC inspection conducted between October 17 and November 27, 1993, at the Salem Nuclear Generating Station, Hancocks Bridge, New Jersey. The inspection report was sent to you on January 10, 1994. During the inspection, the inspectors either identified examples of failure to follow procedures by your staff at the Salem facility related to the control of maintenance of work activities, or reviewed the circumstances associated with such examples identified by your staff. A total of eight violations were identified. On February 1, 1994, an enforcement conference was conducted with Mr. J. Hagan and other members of your staff to discuss these violations, their causes, and your corrective actions.

The violations are described in the enclosed Notice of Violation and Proposed Imposition of Civil Penalty. Many of the violations involved either (1) performance of maintenance on equipment, including electrical breakers, without appropriate tagging of the equipment to ensure that it was safe to work on; (2) improper removal of tags that should have been maintained; and/or (3) failure to adhere to written work orders or instructions relative to the performance of the work. In one case, the job supervisor's failure to ensure that equipment was appropriately tagged contributed to an electrician cutting into a 125 VDC control cable which was still energized, thereby creating the potential for significant injury to the individual. While none of these violations were significant from a nuclear safety perspective, some demonstrated the potential to cause physical harm to individuals. Collectively, the violations demonstrated that weaknesses exist in the maintenance and control of work process activities, which could, under other circumstances, adversely affect the operability of safety related equipment at the facility.

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

The NRC is concerned that similar examples of inadequate control of work processes have been identified in the past at Salem. For example, inattention to detail led to the inadvertent loss of a vital bus on June 9, 1993, when a maintenance technician failed to self-check his work as expected by your normal work practices. As a result, the individual failed to detect that he had inadvertently mispositioned a test signal switch. In addition, on June 8, 1993, a communications problem led to a diver entering a service water bay to perform underwater work even though the bay was not tagged out. Further, in May 1991, a Notice of Violation was issued to you for violations related, in part, to tagging errors (Reference: Inspection Report No. 50-272/91-09). Further, in a SALP meeting on September 17, 1993, as well as in the NRC letter, dated October 25, 1993, transmitting the latest SALP report, the NRC noted that the process for initiating root cause analyses was not consistently and clearly applied, and some abnormal conditions, situations, and indications, were not subject to critical assessment and response until after NRC involvement. The recent examples set forth in the enclosed Notice demonstrate that your corrective action efforts were not effective in precluding these more recent occurrences. At the enforcement conference, your staff acknowledged that weak supervisory methods, verbal communications, and work practices (failure to follow procedures), contributed to this condition at Salem.

The violations, in our view, are a direct result of continued demonstrated weaknesses in performance of first line supervisors and middle management at the Salem facility and is of continued concern to NRC. Your prompt attention to this matter is essential to assure that this concern is resolved. Given the number of violations, the significant lack of management and supervisory control of these maintenance-related activities, and the prior problems of this nature in the past few years, the violations constitutes a breakdown in the control of licensed activities and is categorized at Severity Level III in accordance with the "General Statement of Policy and Procedures for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, (Enforcement Policy).

The NRC recognizes that a significant number of plant modifications were implemented during the outage. However, this should have caused management and supervision to exercise particular care in overseeing these modifications and other maintenance-related work. The NRC also recognizes that subsequent to the identification of the violations, actions were taken to correct the violations and prevent recurrence. These actions, which were described at the enforcement conference, included, but were not limited to, (1) initiation of disciplinary action against responsible individuals; (2) reinforcement of management's expectations to the involved personnel and peers; and (3) issuance of a directive from your Vice President, Nuclear Operations, that his managers spend at least 16 hours per week in the field observing work activities.

Nonetheless, to emphasize the importance of adequate management and supervisory oversight of activities at the facility, including monitoring performance of maintenance and surveillance activities, to ensure adherence to procedural requirements and appropriate control of these activities, I have been authorized, after consultation with the Director, Office of Enforcement, to issue the enclosed Notice of Violation and Proposed Imposition of Civil Penalty (Notice) in the amount of \$50,000 for the violations set forth in the enclosed Notice.

The base civil penalty amount for a Severity Level III problem is \$50,000. The escalation and mitigation factors set forth in the enforcement policy were considered and, on balance, no adjustment was made to the base civil penalty. Although some of the violations were identified by your staff, others were identified by the NRC, or were self-disclosing, and therefore, no adjustment to the base civil penalty amount on this factor is warranted. While immediate short term corrective actions were taken for the specific examples, identification and correction of the broader concerns exhibited by the number of violations, was not promptly undertaken in that the general weakness exhibited relative to work processes was not recognized or treated until after these matters were brought to your attention by the NRC. Therefore, no adjustment to the civil penalty amount on this factor is warranted. In addition, no adjustment was deemed warranted on past performance, given the past concerns in this area, the Category 2 ratings in the Maintenance area during the last 2 SALP periods, and the related NRC concerns expressed during the last SALP, as already described herein. The other escalation/mitigation factors were considered and no further adjustment was deemed appropriate.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. In your response, you should also describe the methods that you have established to measure the effectiveness of those corrective actions. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

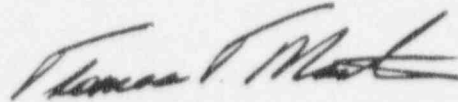
In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be placed in the NRC Public Document Room.

Public Service Electric and Gas
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The responses directed by this letter and the enclosed Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, Pub. L. No. 96-511.

Sincerely,

A handwritten signature in dark ink, appearing to read "Thomas T. Martin", with a stylized, flowing script.

Thomas T. Martin
Regional Administrator

Enclosure: Notice of Violation and Proposed
Imposition of Civil Penalty

**Public Service Electric and Gas
Company**

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cc w/encl:

J. Hagan, Vice President - Nuclear Operations
S. LaBruna, Vice President - Nuclear Engineering
C. Schaefer, External Operations - Nuclear, Delmarva Power & Light Co.
R. Hovey, General Manager - Hope Creek Operations
F. Thomson, Manager - Nuclear Licensing and Regulation
R. Swanson, General Manager - QA and Nuclear Safety Review
J. Robb, Director, Joint Owner Affairs
A. Tapert, Program Administrator
R. Fryling, Jr., Esquire
M. Wetterhahn, Esquire
P. Curham, Manager, Joint Generation Department, Atlantic Electric Company
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