

September 13, 1996

MEMORANDUM FOR: Record

FROM: James M. Taylor
Executive Director for Operations

SUBJECT: DROP-IN VISIT - PUBLIC SERVICE ELECTRIC AND GAS

On August 26, 1996, Public Service Electric and Gas (PSE&G) representatives Mr. James Ferland, Chairman of the Board, President and Chief Executive Officer, and Mr. Leon Eliason, President of the Nuclear Business Unit and Chief Nuclear Officer, met with Messrs. J. Taylor, J. Milhoan (DEDR), B. Bordenick (OGC), F. Miraglia (NRR), and Bill Dean (OEDO) to discuss current activities and issues involving PSE&G's Hope Creek and Salem Nuclear Power Plants.

The PSE&G representatives provided a schedule dating from August 1995 to the current date, indicating significant events and milestones and discussed current plans related to restarting of Salem Unit 2. It was noted that Salem Unit 2 was expected to be at power by the end of the year, but it was emphasized that the startup will be slow and meticulous, and that the plant would not be operated until it was ready. Therefore, they were avoiding putting any hard and fast schedule into effect.

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It was noted that the maintenance department personnel were all being tested and retrained and that a contractor (Raytheon) was performing maintenance work in the interim.

It was noted that Hope Creek has operated 155 days since emerging from an extended outage earlier this year, the best recovery from an outage at that plant. The EDO raised the issue of service water vulnerabilities at Hope Creek, and Mr. Eliason noted that there are some long term issues that need to be resolved and that PSE&G is doing a comprehensive review of the service water system this fall.

The EDO discussed the issues involving licensing and design basis issues at Haddam Neck and Millstone including erosion in the confidence the NRC has of the licensing basis. He conveyed the need to do inspections like the safety system functional inspections and that the agency is wrestling with trying to find the depth of the issues there. Mr. Eliason noted that PSE&G has initiated a program to look at their own licensing and design bases.

Several other issues that were briefly discussed included the status of the steam generator replacement project for Salem Unit 1 (expect the S/Gs to be on site in November), the recent change in the Region I Regional Administrator

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(viewed to be a good move to get a set of fresh eyes)

The meeting adjourned at approximately 1:00 p.m. No regulatory decisions were made.

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FOIA Name & Number: J.H. O'Neill

Pages: 11-20-96 response
Appendix B-1 through B-5 (6 pages)