



Union of Concerned Scientists

Citizens and Scientists for Environmental Solutions

January 28, 2005

Mr. A. Randolph Blough, Director – Division of Reactor Projects
United States Nuclear Regulatory Commission Region I
475 Allendale Road
King of Prussia, PA 19406-1415

**SUBJECT: SAFETY CONSCIOUS WORK ENVIRONMENT, OR LACK THEREOF, AT
THE SALEM AND HOPE CREEK GENERATING STATIONS**

Dear Mr. Blough:

Last year, the Nuclear Regulatory Commission (NRC) took some unprecedented steps to compel the licensee to correct safety conscious work environment (SCWE) problems at the Salem and Hope Creek nuclear plants. Among these steps were the letter dispatched by the NRC in January 2004 to the PSEG Chief Executive Officer about SCWE concerns and the subsequent identification by the NRC in August 2004 of SCWE problems as a cross-cutting performance problem at the plants.

The NRC's oversight efforts prompted PSEG to take numerous actions to remedy the SCWE problems. For example, during the June 16, 2004, public meeting between NRC and PSEG, PSEG senior managers (on slide 38 of their presentation slides) told you they had established an Executive Review Board (ERB) on June 7, 2004. PSEG reinforced its commitment to the ERB in a letter dated June 25, 2004, from the PSEG Chief Nuclear Officer to the NRC Region I Regional Administrator. Beginning on page 6, PSEG's Chief Nuclear Officer defined several "pillars" established or to be established to remedy the SCWE problems. On page 7 under the 4th pillar, PSEG told you that it had "*Established an Executive Review Board to review PSEG Nuclear and Salem/Hope Creek contractor adverse personnel actions to preclude retaliation and/or chilling effect*". PSEG told you that the 4th pillar was designed "*To improve the Management Effectiveness in Detecting and Preventing Retaliation and Chilling Effect.*"

Lest there be any confusion whether PSEG's comments during the June 16th meeting and statements in the June 25th letter were merely descriptions or formal commitments to the NRC, the PSEG Chief Nuclear Officer made it explicitly clear in his October 29, 2004, docketed letter to the NRC:

We presented a summary of our action plans at a public meeting on June 16, 2004.

During that meeting we discussed a number of short-term actions we were taking in parallel with the development of our longer-term action plans and we stated that we would follow up with a written summary of our actions to improve the work environment, the identification and resolution of issues, and the work management process. In our follow up June 25 letter (Reference 3) we restated our actions and commitments made during the public meeting. These commitments included implementing, monitoring and publishing quarterly metrics to objectively measure the effectiveness of our SCWE improvements at Salem and Hope Creek.

In a follow up response letter, dated July 30, 2004, (Reference 4) the NRC acknowledged receipt and review of the PSEG action plan and stated that the PSEG plan appeared to address the key findings of both the NRC and PSEG assessments. The July 30 letter made reference to a July 27 telephone conversation with PSEG wherein an additional commitment was agreed upon with respect to the quarterly submittals. PSEG Nuclear agreed to include a brief description of any significant changes to the PSEG action plan. At this time, there have been no substantive changes to the PSEG action plan.

Page 3 of PSEG's October 29th letter reiterated its commitment to the ERB:

We have focused our efforts on the fair and consistent treatment of employees through the creation of an Executive Review Board (ERB). The ERB is serving its function of ensuring that proposed personnel actions (e.g., promotions and disciplinary actions) are conducted in a manner consistent with PSEG policy. The approval rate for the Board as show improvement since the Board's inception in April.

In fact, a metric for the ERB approval rate was established by PSEG and reported to the NRC during the public meetings conducted in June and October 2004. The goal for the metric was established by PSEG at 95 percent.

It was announced in December 2004 that Exelon Corporation intended to acquire PSEG and that Exelon would begin managing operations at the Salem and Hope Creek nuclear plants beginning in January 2005. This management change begged the question of whether Exelon would honor and abide by the commitments made to NRC by PSEG. That question seemed to be answered by *Today's Sunbeam* staff writer Bill Gallo, Jr., in the January 13, 2005, edition of his paper:

It was announced in December that Exelon was buying PSEG for \$12 billion.

One of the major changes already announced that Exelon was ending a team of its nuclear specialists to the Island Monday to oversee operations. One of the major staff changes is Bakken's replacement as chief nuclear officer by Bill Levis.

Levis attended Wednesday's meeting as an observer. He said Exelon was committed to the safe operation of the plants and backed the safety commitments made by PSEG.

"We understand the issue, the commitment being made and our intent to keep that commitment," said Bill Levis who takes over as chief nuclear officer at the Island on Monday. "We will stand by them."

Thus, it appears abundantly clear that PSEG committed to NRC to have an Executive Review Board review promotions and disciplinary actions taken at Salem and Hope Creek as part of its overall efforts to correct the SCWE problems and to notify the NRC of any changes to its action plan. Our review of docketed materials in ADAMS failed to reveal any change by PSEG or Exelon to the ERB commitment.

It is less clear that the ERB process was followed by Exelon managers, including Mr. Levis, as they made personnel changes, including terminations, at Salem and Hope Creek.

Therefore, we request that the NRC determine the answers to the following questions:

1. Did the Executive Review Board review personnel changes made by Exelon?
2. If yes, did the ERB approval rate meet the stated goal of 95 percent?
3. If not, did PSEG or Exelon notify the NRC of the change to its committed action plan?

4. If the ERB did not review the Exelon actions and neither PSEG nor Exelon notified NRC of this substantive change to its committed actions, why should NRC or the public have any confidence that Exelon will honor any of the many other commitments PSEG made last year to keep the NRC from shutting down the three troubled reactors?

If the NRC must invoke its allegation or 2.206 petition process in order to be able to provide UCS with the answers to these vital questions, then by all means do so.

Sincerely,

A handwritten signature in dark ink, reading "David A. Lochbaum". The signature is written in a cursive, flowing style.

David Lochbaum
Nuclear Safety Engineer
Washington Office