UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

December 29, 1999

Mr. Harold W. Keiser
Executive Vice President-
Nuclear Business Unit
Public Service Electric & Gas
Company
Post Office Box 236
Hancocks Bridge, NJ 08038

SUBJECT: SALEM NUCLEAR GENERATING STATION, UNIT NOS. 1 AND 2 - SITE-SPECIFIC WORKSHEETS FOR USE IN THE NUCLEAR REGULATORY COMMISSION'S SIGNIFICANCE DETERMINATION PROCESS (TAC NO. MA6544)

Dear Mr. Keiser:

As a participant in the Pilot Plant Review of the revised reactor oversight program, you are aware of the Nuclear Regulatory Commission's (NRC's) efforts to develop a Significance Determination Process (SDP) to provide a risk characterization to an inspection finding. The purpose of this letter is to provide you with the enclosed Risk-Informed Inspection Notebook which contains site-specific SDP worksheets that inspectors will be using to risk characterize inspection findings at the Salem Nuclear Generating Station. In order to properly categorize an inspection finding, the NRC has developed the SDP. The SDP is discussed in more detail below.

On January 8, 1999, the NRC staff described to the Commission plans and recommendations to improve the reactor oversight process. These recommendations were contained in SECY-99-007, "Recommendation For Reactor Oversight Process Improvements," (Available at http://www.nrc.gov/NRC/COMMISSION/SECYS/secy1999-007/1999-007scy_attach.pdf). The new process, developed with stakeholder involvement, is designed around a risk-informed framework, which is intended to focus both the NRC's and licensee's attention and resources on those issues of more risk significance. The performance assessment portion of the new process involves the use of both licensee-submitted performance indicator (PI) data and inspection findings that have been appropriately categorized based on their risk significance.

The SDP for power operations involves evaluating an inspection finding's impact on the plant's capability to: limit the frequency of initiating events; ensure the availability, reliability, and capability of mitigating systems; and to ensure the integrity of the fuel cladding, reactor coolant system, and containment barriers. The SDP contains three tables. Table 1 is the estimated likelihood for initiating event occurrence during the degraded period. Table 2 describes how the significance is determined based on remaining mitigation system capabilities. Table 3 provides the bases for the failure probabilities associated with the remaining mitigation equipment and strategies.

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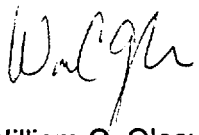
As a result of the recent Pilot Plant review effort, the NRC has determined that site-specific risk data is needed in order to provide a repeatable determination of the significance of an issue. Therefore, the NRC has contracted with Brookhaven National Laboratory to develop site-specific worksheets to be used in the SDP review. These attached worksheets were developed based on your Individual Plant Examination (IPE) submittal that was requested by Generic Letter 88-20. The NRC plans to use this site-specific information in evaluating the significance of issues identified at your facility. It is recognized that the IPE utilized during this effort may not contain current information. Therefore, the NRC conducted a site visit to your facility and discussed appropriate changes with your staff, which have been incorporated. We are not requesting written comments on the NRC's work product attached to this letter.

If there is a need to conduct additional follow up visits, we will coordinate our efforts through your licensing or risk organizations as appropriate. If you have any questions, please contact me at (301) 415-1479.

Sincerely,



William C. Gleaves, Project Manager, Section 2
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Office of Nuclear Reactor Regulation

Docket Nos. 50-272 and 50-311

Enclosure: Risk-Informed Inspection Notebook

cc w/encl: See next page

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