



PSE&G Public Service
Electric and Gas
Company

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Robert L. Mittl General Manager
Nuclear Assurance and Regulation

April 15, 1985

Director of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
7920 Norfolk Avenue
Bethesda, MD 20814

ATTN: Mr. Albert Schwencer, Chief
Licensing Branch 2
Division of Licensing

Gentlemen:

INDEPENDENT DESIGN VERIFICATION PROGRAM
HOPE CREEK GENERATING STATION
DOCKET NO. 50-354

This letter confirms discussions between W. Gailey of Public Service Electric & Gas Company ("PSE&G") and D. Wagner and J. L. Milhoan of the NRC concerning the participation of Sargent & Lundy, the organization which has been designated to carry out the Independent Design Verification Program ("IDVP") for Hope Creek Generating Station, in a research effort relating to cycling operation of a PSE&G fossil fired unit.

The PSE&G Research Corporation, a subsidiary of PSE&G Company, submitted a research proposal to the Electric Power Research Institute ("EPRI") on March 8, 1985, to conduct a cycling conversion study of a fossil coal unit consisting of two basic tasks; development of a generic cycling conversion manual and preparation of a detailed conversion strategy for Hudson Unit No. 2. This project will have PSE&G as prime contractor, and a number of other organizations, including Sargent & Lundy, as participants.

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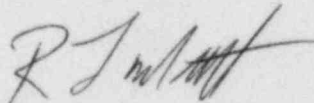
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If the proposal is accepted by EPRI, Sargent & Lundy will be performing the majority of the work, with PSE&G's Engineering and Construction Department providing information exchange and review and comment of the study plans and products as they are developed. The value of the portion of the contract involving Sargent & Lundy is projected to be less than \$500,000. The Sargent & Lundy personnel assigned to this project are not involved with the Hope Creek IDVP nor have they been involved with the design of the Station.

On this basis, we have concluded that Sargent & Lundy continues to meet all requirements and commitments relating to independence of the organization conducting the IDVP. Should you have any questions in this regard, please contact us.

Very truly yours,



C D. H. Wagner
USNRC Licensing Project Manager

A. R. Blough
USNRC Senior Resident Inspector

J. Milhoan
USNRC - QAB