

October 18, 1996

Mr. Leon R. Eliason
President and Chief Nuclear Officer
Nuclear Business Unit
Public Service Electric and Gas Company
Post Office Box 236
Hancocks Bridge, NJ 08038

SUBJECT: NRC INTEGRATED INSPECTION REPORT 50-354/96-07
NOTICE OF VIOLATION

Dear Mr. Eliason:

On September 21, 1996, the NRC completed an inspection at your Hope Creek reactor facility. The enclosed report presents the results of that inspection. In addition to the normal resident inspector findings that are described in the enclosed report, several specialist inspections were conducted during the inspection period, the results of which are also enclosed, including: a region-based inspections of emergency preparedness and follow up of prior inspection findings; and, an inspection of the 50.59 process by the Office of Nuclear Reactor Regulation Hope Creek project manager.

During the 7-week period covered by this inspection period, your conduct of activities at the Hope Creek facility was generally characterized by safety-conscious operations, sound engineering and maintenance practices, and careful radiological work controls. Uneventful operations has continued since unit restart in March 1996. The recent initiative to have SORC review operability determinations continued to be viewed as a positive effort. Performance of maintenance was good; however, two personnel errors during testing activities occurred. Better work week schedule adherence was noted during this inspection period, which is an improvement over previous performance. However, corrective maintenance backlogs continued to be high, and we are concerned that the aggregate affect of the backlogged work does not hinder safe operations. Generally good performance was noted in radiation protection, fire protection and emergency preparedness activities. However, several problems occurred during the inspection involving physical protection activities. The NRC conducted a separate special inspection of these issues, details of which are contained in NRC Inspection Report 50-272/96-14, 50-311/96-14 and 50-354/96-08.

We reviewed your 50.59 safety evaluation program and found it to be generally good. However, several activities were noted during the inspection period that indicated poor implementation of this program and resulted in two violations of NRC requirements. In the first instance, inadequate safety evaluations for design changes to the plant were noted. In the second instance, the technical specification required reviews of design change safety evaluations by the Offsite Safety Review group were not always being performed.

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Mr. L. Eliason

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These violations are cited in the enclosed Notice of Violation, and the circumstances surrounding the violations are described in detail in the enclosed report. Please note that you are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

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

Sincerely,

ORIGINAL SIGNED BY:

Larry E. Nicholson, Chief
Projects Branch 3
Division of Reactor Projects

Docket No.: 50-354
License No: NPF-57

Enclosures: Notice of Violation
Inspection Report 50-354/96-07

cc w/encl:

L. Storz, Senior Vice President - Nuclear Operations
E. Simpson, Senior Vice President - Nuclear Engineering
E. Salowitz, Director - Nuclear Business Support
C. Schaefer, External Operations - Nuclear, Delmarva Power & Light Co.
P. MacFarland Goelz, Manager, Joint Generation
Atlantic Electric
M. Bezilla, General Manager - Hope Creek Operations
J. Benjamin, Director - Quality Assurance & Nuclear Safety Review
D. Powell, Manager - Licensing and Regulation
R. Kankus, Joint Owner Affairs
A. C. Tapert, Program Administrator
R. Fryling, Jr., Esquire
M. J. Wetterhahn, Esquire
Consumer Advocate, Office of Consumer Advocate
William Conklin, Public Safety Consultant, Lower Alloways Creek Township
State of New Jersey
State of Delaware

Distribution w/encl:
Region I Docket Room (with concurrences)
K. Gallagher
D. Screnci, PAO
Nuclear Safety Information Center (NSIC)
NRC Resident Inspector
PUBLIC

Distribution w/encl: (Via E-Mail)
W. Dean, OEDO
D. Jaffe, Project Manager, NRR
J. Stolz, PDI-2, NRR
Inspection Program Branch, NRR (IPAS)
R. Correia, NRR
R. Frahm, Jr., NRR

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