

March 3, 2003

Mr. Harold W. Keiser
Chief Nuclear Officer and President
PSEG LLC - N09
P. O. Box 236
Hancocks Bridge, NJ 08038

SUBJECT: ANNUAL ASSESSMENT LETTER - HOPE CREEK NUCLEAR GENERATING
STATION (Report 50-354/2003-001)

Dear Mr. Keiser:

On February 6, 2003, the NRC staff completed its end-of-cycle plant performance assessment of Hope Creek. The end-of-cycle review for Hope Creek involved the participation of all technical divisions in evaluating performance indicators (PIs) for the most recent quarter and inspection results for the period from January 1 through December 31, 2002. The purpose of this letter is to inform you of our assessment of your safety performance during this period and our plans for future inspections at your facility so that you will have an opportunity to prepare for these inspections and to inform us of any planned inspections that may conflict with your plant activities.

Overall, Hope Creek operated in a manner that preserved public health and safety and met all cornerstone objectives. Plant performance for the most recent quarter and during the previous three quarters was within the Licensee Response Column of the NRC's Action Matrix, based on all inspection findings being classified as having very low safety significance (Green) and all PIs indicating performance at a level requiring no additional NRC oversight (Green). Therefore, we plan to conduct only baseline inspections at your facility through March 31, 2004.

Additionally, the staff has identified a substantive cross-cutting issue in the area of problem identification and resolution (PI&R), particularly regarding ineffective problem evaluations and untimely, ineffective corrective actions. Numerous inspection findings documented shortcomings within the problem identification and resolution area, and these shortcomings enabled problems to recur and longstanding problems to go uncorrected. The most noteworthy examples included an inservice test failure of a standby liquid control (SLC) pump in October 2002, which represented a repetition of a similar test failure of the other SLC pump in March 2002, and a February 2002 incident on the standby service water (SW) pump, which represented a recurrence of a similar February 2001 standby SW pump event. Further, there were multiple occasions in which problems were not promptly identified.

We also note that the same overall corrective action program is concurrently implemented at both Hope Creek and Salem, and that both stations have experienced an adverse PI&R trend. This appears to indicate that program improvements to address these trends will need to be broadly based and site-wide to improve PI&R performance at Hope Creek, as well as at Salem Units 1 and 2. We plan to closely monitor your performance in the PI&R area.

The enclosed inspection plan details the inspections scheduled through March 31, 2004. The inspection plan is provided to minimize the resource impact on your staff and to allow for scheduling conflicts and personnel availability to be resolved in advance of inspector arrival on-site. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last six months of the inspection plan are tentative and may be revised at the mid-cycle review meeting.

As you are aware, since the terrorist attacks on September 11, 2001, the NRC has issued several Orders and threat advisories to enhance security capabilities and improve guard force readiness. We have conducted inspections to review your implementation of these requirements and have monitored your actions in response to changing threat conditions. For calendar year 2003, we plan to continue these inspections, conduct portions of the security baseline inspection program, as well as perform additional inspections to evaluate your compliance with new requirements that may be ordered. Based on our final determinations in this regard, we will notify you of any inspection plan changes.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be made available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

If circumstances arise which cause us to change this inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at 610-337-5211 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Glenn Meyer, Chief
Projects Branch 3
Division of Reactor Projects

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

Enclosure: Hope Creek Inspection/ Activity Plan

Mr. Harold W. Keiser

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cc w/encl:

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N. Cohen, Coordinator - Unplug Salem Campaign

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Mr. Harold W. Keiser

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NAME	SBarber /GSB/		JSchoppy /GSB for/		GMeyer /GWM/	ABlough /ARB/	
DATE	02/28/03		02/28/03		02/28/03	02/28/03	

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Hope Creek
Inspection / Activity Plan
12/29/2002 - 03/27/2004

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		01/06/2003	01/10/2003	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		01/06/2003	01/10/2003	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		01/06/2003	01/10/2003	Baseline Inspections
	711117B	- MODS	3			
1	IP 7111102	Evaluation of Changes, Tests, or Experiments		01/13/2003	01/17/2003	Baseline Inspections
1	IP 711117B	Permanent Plant Modifications		01/13/2003	01/17/2003	Baseline Inspections
	3/17 EXM	- OPERATOR LICENSING LSRO INTIAL EXAMS	3			
1	U01494	HOPE CREEK LSRO INITIAL EXAM (3/17/03)		02/02/2003	02/07/2003	Not Applicable
1	U01494	HOPE CREEK LSRO INITIAL EXAM (3/17/03)		03/17/2003	03/21/2003	Not Applicable
	7112203	- PUB RAD SAFETY - REMP	1			
1	IP 7112203	Radiological Environmental Monitoring Program		02/10/2003	02/14/2003	Baseline Inspections
	711111B	- L.O. REQUALIFICAITON PROGRAM (LSRO)	2			
1	IP 711111B	Licensed Operator Requalification		02/03/2003	02/06/2003	Baseline Inspections
1	IP 711111B	Licensed Operator Requalification		11/11/2003	11/13/2003	Baseline Inspections
	7111108	- INSERVICE INSPECTION	1			
1	IP 7111108G	Inservice Inspection Activities - BWR		04/21/2003	04/25/2003	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		04/21/2003	04/25/2003	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		04/21/2003	04/25/2003	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		04/21/2003	04/25/2003	Baseline Inspections
	6/16 EXM	- OPERATOR LICENSING INITIAL EXAMS	4			
1	U01499	HOPE CREEK INITIAL EXAM (6/17/03)		05/19/2003	05/23/2003	Not Applicable
1	U01499	HOPE CREEK INITIAL EXAM (6/17/03)		06/16/2003	06/20/2003	Not Applicable
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		08/18/2003	08/22/2003	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		08/18/2003	08/22/2003	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		08/18/2003	08/22/2003	Baseline Inspections
1	IP 71151	Performance Indicator Verification		08/18/2003	08/22/2003	Baseline Inspections
	7113003	- RESPONSE TO CONTINGENCIES	2			
1	IP 7113003	Response to Contingency Events (Protective Strategy and Implementation of Protective Strategie		09/08/2003	09/12/2003	Baseline Inspections
	71152B	- PROBLEM IDENTIFICATION AND RESOLUTION	4			
1	IP 71152B	Identification and Resolution of Problems		11/17/2003	11/21/2003	Baseline Inspections
1	IP 71152B	Identification and Resolution of Problems		12/08/2003	12/12/2003	Baseline Inspections

This report does not include INPO and OUTAGE activities.
This report shows only on-site and announced inspection procedures.

Hope Creek
Inspection / Activity Plan
12/29/2002 - 03/27/2004

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	711111B	- L.O. REQUALIFICATION PROGRAM	1			
1	IP 711111B	Licensed Operator Requalification		11/11/2003	11/12/2003	Baseline Inspections
	7112201	- PUB RAD SAFETY - RETS	1			
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		11/17/2003	11/21/2003	Baseline Inspections
	71114	- EP PROGRAM INSP & PI VERIFICATION	1			
1	IP 7111402	Alert and Notification System Testing		12/07/2003	12/11/2003	Baseline Inspections
1	IP 7111403	Emergency Response Organization Augmentation Testing		12/07/2003	12/11/2003	Baseline Inspections
1	IP 7111404	Emergency Action Level and Emergency Plan Changes		12/07/2003	12/11/2003	Baseline Inspections
1	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		12/07/2003	12/11/2003	Baseline Inspections
1	IP 71151	Performance Indicator Verification		12/07/2003	12/11/2003	Baseline Inspections
	71122.02	- RADWASTE	1			
1	IP 7112202	Radioactive Material Processing and Transportation		12/15/2003	12/19/2003	Baseline Inspections
	711112B	- MAINTENANCE RULE	1			
1	IP 711112B	Maintenance Effectiveness		01/12/2004	01/16/2004	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		02/23/2004	02/27/2004	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		02/23/2004	02/27/2004	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		02/23/2004	02/27/2004	Baseline Inspections
	7111107B	- HEAT SINK	1			
1	IP 7111107B	Heat Sink Performance		03/01/2004	03/05/2004	Baseline Inspections