April 18, 1997

EA No. 97-144

Mr. Leon R. Eliason
Chief Nuclear Officer and President
Nuclear Business Unit
Public Services Electric and Gas Company
P.O. Box 236
Hancocks Bridge, New Jersey 08038

SUBJECT: NRC MAINTENANCE RULE TEAM INSPECTION REPORT NO. 50-354/97-80

Dear Mr. Eliason:

This refers to the team inspection conducted on February 24-28, 1997 at the Hope Creek Generating Station. The purpose of the inspection was to review the implementation of Hope Creek's maintenance rule program under 10 CFR 50.65. The enclosed report presents the results of this inspection.

The team judged the maintenance rule program for Hope Creek to be weak. We were disappointed with the number of areas in which the program fell short of the regulatory and NUMARC 93-01 guidance. Nevertheless, there was a reasonably sound approach to meeting the rule and evidence of considerable progress in the months prior to the inspection.

Based on the results of this inspection, two apparent violations were identified and are being considered for escalated enforcement action in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), NUREG-1600. One apparent violation involved the failure to establish adequate performance criteria commensurate with safety for a number of systems, components and functions. The second apparent violation involved the failure to include appropriate systems, components and functions within the scope of the rule. A Notice of Violation is not presently being issued for these inspection findings. In addition, please be advised that the number and characterization of the apparent violations described in the enclosed inspection report may change as a result of further NRC review.

However, based on our understanding that the same maintenance rule programmatic approach is being applied at Salem, we have decided to defer having a predecisional enforcement conference until after the completion of the Salem maintenance rule baseline team inspection, presently scheduled for late August 1997. During that inspection, we intend to review your implemented corrective actions at Hope Creek. The purpose of this schedule is to enable you to apply the resources that would routinely be applied to the Hope Creek predecisional enforcement conference to be applied to effective maintenance rule implementation at both Hope Creek and Salem. Further, this approach recognizes the NRC's interests that you continue efforts to improve overall performance at Salem and Hope Creek.

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PDR ADOCK 05000354
Q PDR

We note that your recent self-assessment effort should significantly enhance your maintenance rule program. However, successful completion of your corrective actions associated with the self-assessment effort is crucial to effectively meeting all aspects of the maintenance rule.

No response regarding the apparent violations is required at this time.

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

Sincerely,

ORIGINAL SIGNED BY:

James T. Wiggins, Director
Division of Reactor Safety

Docket No. 50-354

Enclosure: NRC Inspection Report No. 50-354/97-80

cc w/encl:
L. Storz, Senior Vice President - Nuclear Operations
E. Simpson, Senior Vice President - Nuclear Engineering
E. Salowitz, Director - Nuclear Business Support
A. F. Kirby, III, External Operations - Nuclear, Delmarva Power & Light Co.
J. A. Isabella, 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
Jeffrey J. Keenan, 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

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Correia, NRR reviewed & provided comments

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DATE	04/17/97		04/17/97		04/18/97		04/18/97		04/18/97	

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* not required per Holody. Safavian, OE did not disagree w/ cover letter