UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PA 19406-1415

August 27, 2003

Mr. Roy A. Anderson
Chief Nuclear Officer and President
PSEG Nuclear LLC - N09
P. O. Box 236
Hancocks Bridge, NJ 08038

SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN - HOPE CREEK GENERATING STATION

Dear Mr. Anderson:

On July 29, 2003, the NRC staff completed its mid-cycle plant performance review of the Hope Creek Generating Station. The mid-cycle review for Hope Creek involved the participation of all technical divisions in evaluating the performance for the first half of the calendar year 2003 assessment cycle. The process included a review of performance indicators (PIs) for the most recent quarter and inspection results over the previous twelve months. The purpose of this letter is to inform you of our assessment of your safety performance 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.

Plant performance for the most recent quarter 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 performance indicators (PIs) indicating performance at a level requiring no additional NRC oversight (Green). Therefore, we plan to conduct only baseline inspections at your facility through September 30, 2004.

Additionally, in the annual assessment letter dated March 3, 2003, the staff identified a substantive cross-cutting issue in the area of problem identification and resolution (PI&R), particularly regarding instances of ineffective problem evaluations and untimely, ineffective corrective actions. In the recent mid-cycle assessment, we determined that this substantive cross-cutting issue continued to apply, based on the continuation of inspection findings and documented shortcomings within the PI&R area. These shortcomings continued to enable problems to recur and longstanding problems to go uncorrected. In a number of cases, poor implementation of maintenance work, insufficient coordination and work control, equipment reliability weaknesses, and engineering's deficient determinations of root causes were involved. The most noteworthy recent examples included a repetitive seal leak on an emergency diesel generator intercooler pump that resulted in a technical specification-required shutdown in June, a low power excursion during a reactor shutdown in March with an incorrect problem evaluation, and a recurring lubrication oil low pressure condition on the high pressure coolant injection (HPCI) pump in March.

We also note that the same overall corrective action program is concurrently implemented at both Hope Creek and Salem, and that both stations have continued to experience similar, continued adverse PI&R trends. This appears to indicate that any program improvement attempts have not yet been effective and that broadly based, site-wide improvements are still needed regarding PI&R performance at Hope Creek, as well as at Salem Units 1 and 2. We are aware that a site-wide reorganization is currently underway, in part, to improve organizational performance in this area. We plan to continue closely monitoring your performance in the PI&R area.

The enclosed inspection plan details the inspections scheduled through September 30, 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 onsite. 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 end-of-cycle review meeting.

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 Electronic Reading Room).

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

Sincerely,

/RA/

A. Randolph Blough, Director
Division of Reactor Projects

Docket No. 05000354
Licensee No. NPF-57

Enclosure: Hope Creek Inspection/Activity Plan

cc w/encl:
M. Friedlander, Director - Business Support
J. Carlin, Vice President - Engineering
D. Garchow, Vice President - Projects and Licensing
G. Salamon, Manager - Licensing
T. O'Connor, Vice President - Operations
R. Kankus, Joint Owner Affairs
J. J. Keenan, Esquire
Consumer Advocate, Office of Consumer Advocate
F. Pompper, Chief of Police and Emergency Management Coordinator
M. Wetterhahn, Esquire
N. Cohen, Coordinator - Unplug Salem Campaign
E. Gbur, Coordinator - Jersey Shore Nuclear Watch
E. Zobian, Coordinator - Jersey Shore Anti Nuclear Alliance
State of New Jersey
State of Delaware
Institute of Nuclear Power Operations (INPO)

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DATE	08/27/03		08/27/03		08/27/03			

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Hope Creek
Inspection / Activity Plan
06/29/2003 - 10/02/2004

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	71121 - OCC RAD SAFETY		**1**			
1	IP 7112101	Access Control to Radiologically Significant Areas		08/25/2003	08/29/2003	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		08/25/2003	08/29/2003	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		08/25/2003	08/29/2003	Baseline Inspections
1	IP 71151	Performance Indicator Verification		08/25/2003	08/29/2003	Baseline Inspections
	71130 - SECURITY		**2**			
1	IP 7113002	Access Control (Search of Personnel, Packages, and Vehicles: Identification and Authorizatior		09/08/2003	09/12/2003	Baseline Inspections
1	IP 7113003	Response to Contingency Events (Protective Strategy and Implementation of Protective Strate(		09/08/2003	09/12/2003	Baseline Inspections
	7112201 - PUB RAD SAFETY - RETS		**1**			
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		11/03/2003	11/07/2003	Baseline Inspections
	71152B - PROBLEM IDENTIFICATION AND RESOLUTION		**7**			
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
	7111111B - LSRO REQUALIFICATION PROGRAM		**1**			
1	IP 7111111B	Licensed Operator Requalification		11/11/2003	11/12/2003	Baseline Inspections
	71114 - EP PROGRAM INSP & PI VERIFICATION		**1**			
1	IP 7111402	Alert and Notification System Testing		12/08/2003	12/12/2003	Baseline Inspections
1	IP 7111403	Emergency Response Organization Augmentation Testing		12/08/2003	12/12/2003	Baseline Inspections
1	IP 7111404	Emergency Action Level and Emergency Plan Changes		12/08/2003	12/12/2003	Baseline Inspections
1	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		12/08/2003	12/12/2003	Baseline Inspections
1	IP 71151	Performance Indicator Verification		12/08/2003	12/12/2003	Baseline Inspections
	71122.02 - PUB RAD SAFETY - RADWASTE		**1**			
1	IP 7112202	Radioactive Material Processing and Transportation		12/15/2003	12/19/2003	Baseline Inspections
1	IP 71151	Performance Indicator Verification		12/15/2003	12/19/2003	Baseline Inspections
	7111112B - MAINTENANCE RULE		**1**			
1	IP 7111112B	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
	71121 - OCC RAD SAFETY		**1**			
1	IP 7112101	Access Control to Radiologically Significant Areas		05/17/2004	05/21/2004	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
06/29/2003 - 10/02/2004

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	71121 - OCC RAD SAFETY		**1**			
1	IP 7112102	ALARA Planning and Controls		05/17/2004	05/21/2004	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		05/17/2004	05/21/2004	Baseline Inspections
1	IP 71151	Performance Indicator Verification		05/17/2004	05/21/2004	Baseline Inspections
	7111121 - SSDI		**6**			
1	IP 7111121	Safety System Design and Performance Capability		07/12/2004	07/16/2004	Baseline Inspections
1	IP 7111121	Safety System Design and Performance Capability		07/26/2004	07/30/2004	Baseline Inspections
	9/13+EXM - OPERATOR LICENSING INITIAL EXAMS		**3**			
1	U01526	HOPE CREEK INITIAL EXAM (8/30-9/5/04)		08/16/2004	08/20/2004	Not Applicable
1	U01526	HOPE CREEK INITIAL EXAM (8/30-9/5/04)		09/13/2004	09/24/2004	Not Applicable
	7111111B - LO REQUALIFICATION PROGRAM		**2**			
1	IP 7111111B	Licensed Operator Requalification		08/30/2004	09/03/2004	Baseline Inspections

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