

October 21, 2004

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

SUBJECT: Response to October 10, 2004 Event at Hope Creek Generating Station

Dear Mr. Bakken:

Thank you for your letter dated October 17, 2004, informing the Nuclear Regulatory Commission (NRC) of PSEG's planned actions in response to the steam leak and forced reactor shutdown that occurred at Hope Creek on October 10, 2004. The purpose of this letter is to acknowledge PSEG's planned actions and to inform you of NRC's plans for review of the event and your response.

NRC completed an initial risk assessment and, in accordance with our procedure for responding to events, initiated a special inspection to evaluate the circumstances of the event that occurred at Hope Creek on October 10, 2004. The event involved a forced shutdown of the reactor following a steam leak in the turbine building. The leak was subsequently determined to be due to failure of an 8-inch drain line between a moisture separator and the main condenser.

NRC's special inspection is evaluating PSEG's analysis of the cause(s) of the steam system piping failure, extent of condition and actions to prevent recurrence. We also plan to independently evaluate the equipment and human performance issues that complicated the response to this event. We understand that prior to restart, you plan to complete a root cause analysis and that your review will address both the equipment issues surrounding the event and the adequacy of operator response to the event. The NRC special inspection team was onsite the weeks of October 11 and October 18, 2004, conducting initial fact finding and personnel interviews. We plan to complete our inspection after you have conducted your review and identified corrective actions.

Due to the heightened stakeholder interest in the event and consistent with the NRC's openness strategic goal, we intend to publish the preliminary results of the special inspection and conduct a public meeting to review your actions and NRC findings prior to restart of the Hope Creek reactor.

In accordance with 10 CFR 2.390 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).

Mr. A. Christopher Bakken

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If you have any questions regarding NRC's special inspection, please contact Eugene Cobey of my staff at (610) 337-5171.

Sincerely,

/RA/

Samuel J. Collins
Regional Administrator

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

cc:

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