



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

August 31, 2006

Mr. William Levis
Senior Vice President and Chief Nuclear Officer
PSEG Nuclear LLC - N09
P. O. Box 236
Hancocks Bridge, NJ 08038

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

Dear Mr. Levis:

On August 8, 2006, the NRC staff completed its safety performance review of the Hope Creek Nuclear Generating Station for the first half of the calendar year 2006 assessment cycle. Our technical staff reviewed 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 during this period and our plans for future inspections at your facility.

This safety performance review and enclosed inspection plan do not include physical protection information. A separate letter designated and marked as "Exempt from Public Disclosure in accordance with 10 CFR 2.390" will include the results of our physical protection review and resultant inspection plan.

Plant performance for the most recent quarter at Hope Creek 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).

In our annual assessment letter dated March 2, 2006, we advised you that a substantive cross-cutting issue in the area of safety conscious work environment (SCWE) continued. This was based on the results of our team inspection of SCWE completed in September 2005, which determined that while progress had been made, there remained some issues that required additional action. Our letter also stated that the NRC would evaluate the SCWE substantive cross-cutting issue for closure after you provided the results of an assessment that concluded that substantial, sustainable progress had been made in the work environment, and the NRC had completed a review which confirmed those results. During the first six months of 2006, we noted that you conducted a safety culture survey which indicated improvement in nearly all cultural metrics when compared to the results of a previous survey in 2005. Additionally, you completed a peer assessment of your work environment which concluded that substantial, sustainable progress had been made. The results of this assessment were provided to the NRC in a letter dated May 4, 2006. The NRC reviewed the assessment report, and in June 2006, completed a team inspection of SCWE. Our inspection report, dated July 31, 2006, documents our conclusion that you have made substantial progress in improving the SCWE, and that programs are in place to sustain this progress.

As part of our mid-year assessment, we reviewed the results of team inspections, the trend in quarterly SCWE metrics submitted to the NRC, the number and nature of allegations received during the assessment period, and the significance and characteristics of inspection findings to determine whether this information indicated improvement in the SCWE. Our reviews confirmed that there has been substantial and sustained progress in improving the SCWE at Hope Creek station. Based on these results, and your ongoing improvement actions, we have concluded that the substantive cross-cutting issue in the SCWE area is closed. We will continue to monitor your performance in this area during NRC baseline inspections. For example, the NRC plans to review actions from your Hope Creek Operations Excellence Plan, which are tracked in your corrective action program and are intended to further improve the work environment in the operations work group, through a baseline problem identification and resolution inspection sample.

Additionally, we have determined that the Reactor Oversight Process (ROP) Deviation Memorandum dated July 29, 2005, does not need to be renewed, and that Hope Creek should receive a normal level of NRC oversight, consistent with the ROP Action Matrix. We have determined that the criteria for closure of the Deviation Memorandum have been satisfied, specifically that substantial, sustainable improvements in the SCWE have been achieved. Therefore, we plan to conduct ROP baseline inspections at your facility, with some inspection samples focused on your specific actions to sustain improvements in SCWE.

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through March 31, 2008. In addition to the baseline inspection activities specified by the ROP, the enclosed plan includes inspections of the independent spent fuel storage installation. The inspection plan is provided to allow for the resolution of any scheduling conflicts and personnel availability issues well in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last nine months of the inspection plan are tentative and may be revised based on our end-of-cycle safety performance review.

For your information, during the evening of September 14, 2006, the NRC staff will be available to meet with members of the public at a location in the vicinity of the plant to discuss the process used to determine closure of the substantive cross-cutting issue in SCWE and return to normal NRC oversight. The time and location of this information session will be available on the NRC website, under "Public Meetings."

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).

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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 Mr. Mel Gray at 610-337-5209 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Samuel J. Collins
Regional Administrator

Docket Nos. 50-354
License Nos. NPF-57

Enclosure: Hope Creek Inspection/Activity Plan

cc w/encl:

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D. Benyak, Director - Regulatory Assurance
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Distribution w/encl:

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SISP Review Complete: ___BDW_____ (Reviewer's Initials)

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OFFICE	RI/DRP	RI/DRP	RI/DRP	RI/RA
NAME	BWelling	MGray/BDW	BHolian	SCollins
DATE	08/29/06	08/29/06	08/30/06	08/31/06

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Hope Creek
Inspection / Activity Plan
07/01/2006 - 03/31/2008

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	60853 - CONSTRUCTION OF AN ISFSI		3			
1	IP 60854.1	Preoperational Testing of Independent Spent Fuel Storage Facility Installation at Operating F		05/01/2006	12/31/2006	Other Routine
	ISFSI - ISFSI		2			
1	IP 60854.1	Preoperational Testing of Independent Spent Fuel Storage Facility Installation at Operating F		06/01/2006	12/31/2006	Other Routine
1	IP 60855.1	Operation of an Independent Spent Fuel Storage Installation at Operating Plants		06/01/2006	12/31/2006	Other Routine
	71121 - OCC RAD SAFETY		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		07/10/2006	07/14/2006	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		07/10/2006	07/14/2006	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		07/10/2006	07/14/2006	Baseline Inspections
	TRI FIRE - TRIENNIAL FIRE PROTECTION INSPECTION		3			
1	IP 7111105T	Fire Protection [Triennial]		08/28/2006	09/01/2006	Baseline Inspections
1	IP 7111105T	Fire Protection [Triennial]		09/11/2006	09/15/2006	Baseline Inspections
	7111111B - L.O. REQUAL PROG. + P/F REVIEW		3			
1	IP 7111111B	Licensed Operator Requalification Program		10/16/2006	10/20/2006	Baseline Inspections
1	IP 7111111B	Licensed Operator Requalification Program		10/23/2006	10/27/2006	Baseline Inspections
	71121 - OCC RAD SAFETY		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		09/25/2006	09/29/2006	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		09/25/2006	09/29/2006	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		09/25/2006	09/29/2006	Baseline Inspections
1	IP 71151	Performance Indicator Verification		09/25/2006	09/29/2006	Baseline Inspections
	7111121 - CDBI (COMPONENT DESIGN BASES INSPECTION)		6			
1	IP 7111121	Component Design Bases Inspection		10/30/2006	11/03/2006	Baseline Inspections
1	IP 7111121	Component Design Bases Inspection		11/13/2006	11/17/2006	Baseline Inspections
1	IP 7111121	Component Design Bases Inspection		11/27/2006	12/01/2006	Baseline Inspections
1	IP 7111121	Component Design Bases Inspection		12/04/2006	12/08/2006	Baseline Inspections
	7112201 - PUB RAD SAFETY - RETS		1			
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		11/13/2006	11/17/2006	Baseline Inspections
	71121 - OCC RAD SAFETY		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		01/08/2007	01/12/2007	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		01/08/2007	01/12/2007	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		01/08/2007	01/12/2007	Baseline Inspections
	71114 - EP PRGM INSP		1			
1	IP 7111402	Alert and Notification System Testing		04/02/2007	04/06/2007	Baseline Inspections
1	IP 7111403	Emergency Response Organization Augmentation Testing		04/02/2007	04/06/2007	Baseline Inspections
1	IP 7111404	Emergency Action Level and Emergency Plan Changes		04/02/2007	04/06/2007	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
07/01/2006 - 03/31/2008

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	71114	- EP PRGM INSP	1			
1	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		04/02/2007	04/06/2007	Baseline Inspections
1	IP 71151-EP01	Drill/Exercise Performance		04/02/2007	04/06/2007	Baseline Inspections
1	IP 71151-EP02	ERO Drill Participation		04/02/2007	04/06/2007	Baseline Inspections
1	IP 71151-EP03	Alert & Notification System		04/02/2007	04/06/2007	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		07/09/2007	07/13/2007	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		07/09/2007	07/13/2007	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		07/09/2007	07/13/2007	Baseline Inspections
	711117B	- MODS AND 50.59	3			
1	IP 7111102	Evaluation of Changes, Tests, or Experiments		07/16/2007	07/20/2007	Baseline Inspections
1	IP 711117B	Permanent Plant Modifications		07/16/2007	07/20/2007	Baseline Inspections
	9/24 EXM	- OPERATOR LICENSING INITIAL EXAMS	3			
1	U01661	FY07 - HOPE CREEK INITIAL OPERATOR LICENSING		08/27/2007	08/31/2007	Not Applicable
1	U01661	FY07 - HOPE CREEK INITIAL OPERATOR LICENSING		09/24/2007	10/05/2007	Not Applicable
	71152B	- PI&R	4			
1	IP 71152B	Identification and Resolution of Problems		09/10/2007	09/14/2007	Baseline Inspections
1	IP 71152B	Identification and Resolution of Problems		09/24/2007	09/28/2007	Baseline Inspections
	7112203	- PUB RAD SAFETY - REMP	1			
1	IP 7112203	Radiological Environmental Monitoring Program (REMP) And Radioactive Material Control Pr		09/17/2007	09/21/2007	Baseline Inspections
	71004	- POWER UPRATE	2			
1	IP 71004	Power Uprate		10/01/2007	12/31/2007	Other Routine
	ISI	- IN-SERVICE INSPECTION	1			
1	IP 7111108G	Inservice Inspection Activities - BWR		10/15/2007	10/18/2007	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		10/22/2007	10/26/2007	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		10/22/2007	10/26/2007	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		10/22/2007	10/26/2007	Baseline Inspections
1	IP 71151	Performance Indicator Verification		10/22/2007	10/26/2007	Baseline Inspections
	7112202	- PUB RAD SAFETY - RADWASTE	1			
1	IP 7112202	Radioactive Material Processing and Transportation		12/03/2007	12/14/2007	Baseline Inspections
	7112201	- PUB RAD SAFETY - RETS	1			
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		01/28/2008	02/01/2008	Baseline Inspections
	7111107B	- HEAT SINK INSP	1			
1	IP 7111107B	Heat Sink Performance		02/25/2008	02/29/2008	Baseline Inspections

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This report shows only on-site and announced inspection procedures.