

September 29, 2006

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

SUBJECT: HOPE CREEK GENERATING STATION- NRC MATERIAL CONTROL AND
ACCOUNTING PROGRAM INSPECTION - REPORT 05000354/2006201

Dear Mr. Levis:

On August 31, 2006, the U.S. Nuclear Regulatory Commission (NRC) completed a material control and accounting (MC&A) safeguards program inspection at your Hope Creek Generating Station. The enclosed inspection report documents the inspection findings, which were discussed during an exit meeting on that date with Mr. Mike Massaro, Hope Creek Plant Manager, and other members of your staff.

The inspection examined activities conducted under your license as they relate to safety, security and compliance with the Commission's rules and regulations and with the conditions of your license. The inspectors reviewed selected procedures and records, observed storage of special nuclear material in the spent fuel pool, and interviewed personnel. Areas examined during the inspection included physical inventory and accounting records.

Based on the results of this inspection, no findings of significance were identified.

When separated from the Enclosure, this document is DECONTROLLED.

W. Levis

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In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, will be available electronically for public inspection in the NRC Public Document Room or from the Public Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Website at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

However, because of the security-related concerns contained in the enclosure, and in accordance with 10 CFR 2.390, this letter's enclosure will not be available for public inspection.

Should you have any questions concerning this report, please contact Martha Williams at (301) 415-7878, Chris Graves at (301) 415-6525, or Dori Votolato at (301) 415-7633.

Sincerely,

/RA/

Jeffrey Cruz, Chief
Material Security Oversight Branch
Division of Security Operations
Office of Nuclear Security and Incident Response

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

Enclosure: MC&A Inspection Report 05000354/2006201
w/Attachment: Supplemental Information

cc w/enclosure: G. Barnes, Site Vice President
M. Massaro, Plant Manager
M. Jesse, Hope Creek Regulatory Assurance Manager

cc w/o enclosure: Paul Baldauf, Assistant Director
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