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July 13, 1987

Richard T. Dewling, Ph.D., P.E. Commissioner Department of Environmental Protection 401 East State Street CN 402 Trenton, New Jersey 08625

Dear Commissioner Dewling:

This letter is to confirm the general agreement reached as the result of our meetings with Dr. Berkowitz and his staff regarding the surveillance of the nuclear power plants operating in New Jersey. During those meetings we agreed that there was a need to have a more formal way of coordinating NRC and State activities related to plant operations and that the Department of Environmental Protection's Bureau of Nuclear Engineering (BNE) will be the interface with the NRC on a day-to-day basis.

The areas addressed by this letter are:

- 1. State attendance at NRC meetings with licensees relative to licensee performance, including; enforcement conferences, plant inspections and licensing actions.
- NRC and BNE exchanges of information regarding plant conditions or events that have the potential for or are of safety significance.

We agree that New Jersey officials may attend, as observers, NRC enforcement conferences and NRC meetings with licensees, including Systematic Assessment of Licensee Performance (SALP) reviews, with respect to nuclear power plants operating in New Jersey (PSE&G, GPUN). We shall give timely notification to the BNE of such meetings, including the issues expected to be addressed. Although I do not expect such cases to arise frequently, we must reserve the right to close any enforcement conference that deals with highly sensitive safeguards material or information that is the subject of an ongoing investigation by the NRC Office of Investigation (OI), where the premature disclosure of information could jeopardize effective regulatory action. In such cases, we would brief you or your staff after the enforcement conference and would expect the State to maintain the confidentiality of the briefing.

With regard to NRC inspections at nuclear power plants in New Jersey, we agree that the BNE staff may accompany NRC inspectors to observe inspections. To the extent practicable, NRC will advise the State sufficiently in advance of our inspections such that State inspectors can make arrangements to attend. In order to assure that those inspections are effective and meet our mutual needs, I suggest the following guidelines:

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- 1. The State of New Jersey will make arrangements with the licensee to have New Jersey participants in NRC inspections trained and badged at each nuclear plant for unescorted access in accordance with utility requirements.
- The State will give NRC adequate prior notification when planning to accompany NRC inspectors on inspections.
- 3. Prior to the release of NRC inspection reports, the State will exercise discretion in disclosing to the public its observations during inspections. When the conclusions or observations made by the New Jersey participants are substantially different from those of the NRC inspectors, New Jersey will make their observations available in writing to the NRC and the licensee. It is understood that these communications will become publicly available along with the NRC inspection reports.

With regard to communications, we agree to the following:

- 1. The NRC shall transmit technical information to BNE relative to plants within New Jersey concerning operations, design, external events, etc.; for issues that either have the potential for or are of safety significance,
- 2. The NRC shall transmit all Preliminary Notifications related to nuclear plant operations for New Jersey facilities to the BNE routinely.
- 3. The BNE shall communicate to the NRC any concern or question regarding plant conditions or events, and any State information about nuclear power plants.

Please let me know if these agreements are satisfactory to you.

Sincerely,

Original Signed By WILLIAM T. RUSSELL

William T. Russell Regional Administrator