Docket Nos. 50-354 50-355

> Public Service Electric & Gas Company ATTN: Mr. T. J. Martin Vice President Engineering and Construction 80 Park Plaza - 17C

Newark, New Jersey 07101

Gentlemen:

Subject: Combined Inspection 50-354/81-07 and 50-355/81-07

This refers to your letter dated July 16, 1981 in response to our letter dated June 29, 1981 which forwarded Combined Inspection Reports 50-354/81-07 and 50-355/81-07.

We have reviewed your comments related to the Supplier Quality Program as contained in Report Details, Paragraph 8, pages 14-15. The comments contained therein resulted from discussions held by our Resident Inspector with your employees and Bechtel personnel and, as such, are their opinions which do not constitute a finding by the inspector. We regret that such an inference could be drawn. Our review of problems with the Supplier Quality Program and actions you have undertaken to correct the problems will continue.

Should you have any further questions concerning this inspection, please call.

Sincerely,

original signed by F. R. Keining

R. R. Keimig, Chief Projects Branch #2, Division of Resident and Project Inspection

J. Boettger, General Manager, Corporate QA Public Document Room (PDR) Local Public Document Room (LPDR) Nuclear Safety Information Center (NSIC) State of New Jersey

bcc: Region I Docket Room (w/concurrence) NRC Resident Inspector

RI: DRPI Greenman/jm

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