Mr. Leon R. Eliason Chief Nuclear Officer and President Nuclear Business Unit Public Service Electric and Gas Company P.O. Box 236 Hancocks Bridge, NJ 08038

SUBJECT: HOPE CREEK RESIDENT INSPECTION NO. 50-354/95-11

Dear Mr. Eliason:

The enclosed report documents an inspection for public health and safety, conducted by Mr. R. Summers, Senior Resident Inspector and other members of the NRC resident and regional staff at the Hope Creek Nuclear Generating Station for the period between July 9, 1995 and August 11, 1995. The purpose of the inspection was to determine whether activities authorized by the license were conducted safely and in accordance with NRC requirements. Following the performance of this inspection, the inspectors discussed the findings with Mr. Mark Reddemann of your staff.

Areas examined during the inspection are identified in the report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observation of accivities in progress. During this inspection period, you identified to the NRC resident inspectors that on July 8 and 9, 1995, operators mispositioned the reactor recirculation water pump discharge valves used to effect shutdown cooling. Consequently, the performance of the residual heat removal system, then in service to maintain the reactor in a cold shutdown operating condition, was significantly degraded. Upon being advised of the condition on July 28, 1995, we requested a management meeting with your staff on July 31, 1995, to discuss the details associated with this condition. Subsequently, on August 7, 1995, the NRC dispatched a special team to conduct an independent evaluation of the event, including an assessment of the your staff's actions. The results of the NRC's independent investigation will be documented in NRC Inspection Report 50-354/95-81.

During this period, several operator errors occurred involving misoperation of plant equipment or inadequate control of work, including: erroneous securing of the primary condensate pump during the plant shutdown on July 7; misoperation of the reactor recirculation water pump discharge valves which adversely affected plant shutdown cooling on July 8; erroneous release of safety tags from the extraction steam system while work was still in progress on July 11; inadvertent pressurization of a recirculation water pump seal package due to erroneous valve operation on July 12; failure of operators to assure positive control of the refueling floor polar crane (as required by technical specifications) during a condition when all emergency diesel generators were technically inoperable on July 13; and inadvertently rendering an entire service water loop technically inoperable when the wrong service water pump traveling screen was inadvertently tagged out for maintenance on

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July 15. While other aspects of your program involving maintenance and planning; engineering support; radiological controls; and quality assurance appeared to be acceptably implemented, poor performance continues to be exhibited relative to the conduct of operations and configuration and work control.

Further, from the results of this inspection, it appears that certain of your activities were not conducted in full compliance with NRC requirements, as set forth in the enclosed Notice of Violation. The violations were relative to missed required surveillance activities for important-to-safety equipment at the Hope Creek station. Although the missed surveillance activities resulted in the associated equipment being inoperable, once the surveillance test was accomplished, operability of the affected equipment was successfully demonstrated. The NRC is nonetheless concerned that these and other recent similar activities may indicate a weakness in your controls for establishing and implementing appropriate test procedures.

The NRC has concluded that a Notice of Violation is warranted due to the multiple examples of the deficiencies and, in part, due to the weak corrective actions program at PSE&G. Recent performance at Hope Creek has resulted in a significant number of Licensee Event Reports relative to missed surveillance activities. Each of these reports has described corrective actions taken or planned, to resolve the deficiency. Since the NRC is interested in understanding the comprehensiveness and timeliness of your overall corrective actions, we request that you respond to the enclosed Notice by providing a comprehensive description of your completed, or planned, corrective actions for this type of issue.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosure(s), and your response will be placed in the NRC Public Document Room (PDR). To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDP without redaction.

The responses directed by this letter and the enclosed Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, Pub. L. No. 96.511.

Your cooperation with us is appreciated.

Sincerely,

ORIGINAL SIGNED BY:

John R. White, Chief Reactor Projects Section 2A Division of Reactor Projects Notice of Violation

NRC Inspection Report No. 50-354/95-11 2.

cc w/encls:

L. Storz, Senior Vice President - Nuclear Operations E. Simpson, Senior Vice President - Nuclear Engineering

J. Hagan, Vice President - Business Support

C. Schaefer, External Operations - Nuclear, Delmarva Power & Light Co.

P. MaFarland Goelz, Manager, Joint Generation Atlantic Electric

R. Burricelli, Director - External Affairs

M. Reddemann, General Manager - Hope Creek Operations

J. Benjamin, General Manager - Quality Assurance & Nuclear Safety Review

F. Thomson, Manager - Licensing and Regulation R. Kankus, Joint Owner Affairs

A. C. Tapert, Program Administrator

R. Fryling, Jr., Esquire M. J. Wetterhahn, Esquire

Consumer Advocate, Office of Consumer Advocate

William Conklin, Public Safety Consultant, Lower Alloways Creek Township

State of New Jersey

State of Delaware

Mr. Leon R. Eliason

Distribution w/encls:
Region I Docket Room (with concurrences)
K. Gallagher
D. Screnci, PAO (2)
Nuclear Safety information Center (NSIC)
NRC Resident Inspector
PUBLIC

Distribution w/encls: (Via E-Mail) W. Dean, OEDO

D. Moran, Project Manager, NRR

J. Stolz, PDI-2, NRR

Inspection Program Branch, NRR (IPAS)

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