

April 24, 1996

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

SUBJECT: READINESS ASSESSMENT TEAM INSPECTION (RATI) 50-354/96-80
AND NOTICE OF VIOLATION

Dear Mr. Eliason:

This letter transmits the report of the U.S. Nuclear Regulatory Commission (NRC) Readiness Assessment Team Inspection (RATI), conducted from February 12 - 28, 1996. This team reviewed activities authorized by NRC operating license DPR-57, at your Hope Creek facility, prior to restart from the sixth refueling outage. The team was accompanied through portions of its activities by a representative from the State of New Jersey, in accordance with the memorandum of understanding between the NRC and the State of New Jersey. At the conclusion of the inspection, the team leader Mr. J. Linville discussed the team findings with you and members of your staff, at an inspection exit meeting, that was open for observation by members of the public, on March 1, 1996.

As discussed in the enclosed report, the NRC determined that actions taken as described in the Hope Creek Outage Completion Plan were adequate to support outage completion and safe restart. Further, based on the findings, your staff had adequate measures in place to ensure that issues that needed to be addressed prior to unit restart were identified and addressed and that adequate corrective action had been taken to address previously known problems. The team identified three restart issues in addition to those identified by you involving correction of recurrent service water strainer failures, improper installation of backdraft isolation dampers and physical verification of manual containment isolation valves. These issues collectively were an unresolved item and needed resolution prior to plant restart. Although the RATI did not subsequently inspect the adequacy of your response to and closure of this item, the resident inspectors did so prior to the restart of the unit. Thus, closure of this item will be documented in a separate NRC inspection report.

Although the team concluded that conditions at the facility were adequate to support a safe restart and continued operation, continuing organizational and staffing changes and program evolution need to be stabilized to support safe long term operation. Examples include completion of changes to the operating experience feedback and maintenance programs, replacement of interim managers with permanently assigned individuals for the Safety Review Group and Operations Department, and completion of the transition from system engineers

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to systems and maintenance engineers. While we encourage continuous improvement, changes must be appropriately limited and controlled to prevent unnecessary challenges to safety performance of staff and equipment.

Based on the results of this inspection, the NRC has determined that a violation of NRC requirements occurred. The violation is cited in the enclosed Notice of Violation and the circumstances surrounding it are described in detail in this inspection report. While the team found that plant personnel generally followed procedures, maintenance personnel failed to follow procedures and make necessary changes during repairs to the safety-related service water strainers. The failures to follow procedures during this safety-related work and the lack of management knowledge that it was ongoing were significant because the procedures did not provide adequate information for component assembly or disassembly, thus resulting in multiple recurring equipment failures. Furthermore, these failures were significant in light of the significant actions you had taken to improve the plant staff's understanding of the expectations for procedure use.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. In your response would you also discuss why previous actions taken to ensure that procedures were followed had not been effective in this instance. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosures, and your response will be placed in the NRC Public Document Room. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR 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.

We appreciate your cooperation.

Sincerely,

ORIGINAL SIGNED BY:

Richard W. Cooper, II, Director
Division of Reactor Projects

Mr. L. Eliason

3

Enclosures:

1. Notice of Violation
2. NRC Region I Team Inspection Report 50-354/96-80
3. State of New Jersey, Department of Environmental Protection, Bureau of Nuclear Engineering letter dated April 12, 1996

cc w/encls:

- L. Storz, Senior Vice President - Nuclear Operations
- E. Simpson, Senior Vice President - Nuclear Engineering
- E. Salowitz, Director - Nuclear Business Support
- C. Schaefer, External Operations - Nuclear, Delmarva Power & Light Co.
- P. MacFarland Goelz, Manager, Joint Generation
Atlantic Electric
- M. Reddemann, General Manager - Hope Creek Operations
- J. Benjamin, Director - Quality Assurance & Nuclear Safety Review
- D. Powell, 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

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3

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Consumer Advocate, Office of Consumer Advocate
- William Conklin, Public Safety Consultant, Lower Alloways Creek Township
State of New Jersey
State of Delaware

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NRC Resident Inspector
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