January 27, 1997

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

SUBJECT: NRC INTEGRATED INSPECTION REPORT 50-354/96-10
NOTICE OF VIOLATION

Dear Mr. Eliason:

On December 21, 1996, the NRC completed an inspection at your Hope Creek reactor facility. The enclosed report presents the results of that inspection.

During the 6-week period covered by this inspection, your conduct of activities at the Hope Creek facility was generally characterized by safety-conscious operations, sound engineering and maintenance practices, and careful radiological work controls. However, certain activities involving weak procedure adherence were observed throughout the period in operations, maintenance and plant support. On-the-other-hand, a positive finding regarding procedure use was made during a region-based inspection of the license requalification examination program. The region-based inspector noted improvements in the operators' use of procedures, communications, and directing shift operations during that review in comparison to earlier observations in the spring of 1996.

We are concerned, however, about two violations of NRC requirements that were identified. In the first instance, NRC inspectors identified that certain Technical Specification Surveillance Requirements and associated implementing procedures were not being maintained current. In the second instance, NRC inspectors identified that certain security program requirements were not followed at the combined Salem and Hope Creek facilities. Because that violation applies to both sites, the attached Notice of Violation references all three docket numbers.

These violations are cited in the enclosed Notice of Violation, and the circumstances surrounding the violations are described in detail in the enclosed report. Please note that you are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. We note that you have provided a Licensee Event Report (LER 50-354/96-21) that describes one of the examples of the above violations. The corrective actions described in that report are considered acceptable for that example and you need not provide a response for that violation except where you believe additional or new information is relevant to your overall response. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

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PDR ADOCK 05000272
Q PDR

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be placed in the NRC Public Document Room (PDR).

Sincerely,

ORIGINAL SIGNED BY:

Larry E. Nicholson, Chief
Projects Branch 3
Division of Reactor Projects

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

Enclosures: Notice of Violation
Inspection Report 50-354/96-10

cc w/encl:
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. Bezilla, 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. E. Selover, 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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