14 JAN 1988

Public Service Electric and Gas Company ATTN: Mr. C. A. McNeill, Jr. Senior Vice President - Nuclear P. O. Box 236 Hancocks Bridge, NJ 08038

Gentlemen:

Subject: Inspection No. 50-354/87-23

This letter transmits the report of the routine resident safety inspection by Mr. R. Borchardt, Mr. D. Allsopp, and others conducted from October 27, 1987 to November 30, 1987 at the Hope Creek Nuclear Generating Station, Hancocks Bridge, New Jersey. The inspection consisted of observation of activities, document reviews and interviews. The findings were discussed with Mr. S. LaBruna of your staff.

Based on the results of this inspection, it appears that one of your activities was not conducted in full compliance with NRC requirements, as set forth in the Notice of Violation, enclosed as A pendix A. This violation involves the installation of temporary modifications in the source range monitoring and control room annunciator circuits without completing the required review and approval process. You are required to respond to this letter and in preparing your response, you should follow the instructions in Appendix A.

The responses directed by this letter and the accompanying Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

Your cooperation with us is appreciated.

Sincerely,

Original Signed By:

Edward C. Wenzinger, Chief Projects Branch No. 2 Division of Reactor Projects

Enclosures:

1. Appendix A, Notice of Violation

2. NRC Inspection Report No. 50-354/87-23

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cc w/encl:

S. E. Miltenberger, Vice President - Nuclear Operation;

S. LaBruna, General Manager, Hope Creek Operations

B. A. Preston, Manager, Licensing and Regulation M. J. Wetterhahn, Esquire

R. Fryling, Esquire

W. H. Hirst, Manager, Joint Generation Projects Department, Atlantic Electric

Rebecca A. Green, Bureau of Radiation Protection Public Document Room (PDR) Local Public Document Room (LPDR) Nuclear Safety Information Center (NSIC)

NRC Resident Inspector State of New Jersey

bcc w/encl: Region I Docket Room (with concurrences) Management Assistant, DRMA (w/o encl) DRP Section Chief Robert J. Bores, DRSS George Rivenbark, NRR Project Manager B. Clayton, EDO

DRP No. 2