28 JAN 1988

Docket No. 50-354

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. 50-354/87-29

This letter transmits the report of the routine resident safety inspection by Mr. R. Borchardt, Mr. D. Allsopp, and others conducted from December 1, 1987 to January 4, 1988 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 herewith as Appendix A. This violation involves inadequate restoration of safety related equipment to service following maintenance due to personnel failure to follow approved procedures. Although you identified this problem, we have issued the enclosed Notice because similar personnel errors have been identified in NRC Inspections 50-354/87-23 and 87-24. You are required to respond to this letter and in preparing your response, you should follow the instructions in Appendix A.

This letter also acknowledges receipt of your response dated December 21, 1987, to the violations cited in Inspection Report 50-354/87-22. Your response and the corrective actions taken will be reviewed during a future inspection.

A new item appears in the attached inspection report, (See Detail 6) covering the subject of assurance of quality. Assurance of quality is an area of evaluation NRC has recently added to the SALP process. Activities at all levels of a licensee's organization are needed to assure quality. We will be evaluating those activities in all functional areas. Inspection findings applicable to the assurance of quality may be found in various details of inspection reports. Noteworthy findings, both strengths and weaknesses, will be included in a separate detail item, when appropriate, as it is done in the attached report. I have provided guidance to our inspectors in this area. They will be glad to discuss it with you or your staff.

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.

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Your cooperation with us is appreciated.

Sincerely,

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

Enclosures:

1. Appendix A. Notice of Violation

2. NRC Inspection Report No. 50-354/87-29

cc w/encl:

S. E. Miltenberger, Vice President - Nuclear Operations

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 Frojects 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

RI:DRP R.Borchardt RI:DRP P.Swetland RENETZINGER 1/29 11M