

October 2, 1998

Mr. Harold W. Keiser  
Executive Vice President  
Nuclear Business Unit  
Public Service Electric & Gas Company  
Post Office Box 236  
Hancocks Bridge, New Jersey 08038

SUBJECT: NRC INSPECTION REPORT 50-354/98-09

Dear Mr. Keiser:

This refers to the engineering inspection conducted on August 17 to 26, 1998, and September 8, 1998, at the Hopc Creek Generating Station. The inspection included an assessment of the current fuel reload core design and effectiveness of the engineering functions in this area; a review of the current level of engineering backlogs and ongoing efforts to reduce it; and an evaluation of the adequacy of the actions to address previously identified issues. The enclosed report presents the results of that inspection. The results were discussed onsite with Mr. B. Simpson, and other members of your staff, on September 8, 1998.

The inspectors determined that the reactor engineering staff maintained acceptable control over fuel reload core design. The inspectors also found the actions to address nine previously identified violations and unresolved items acceptable and the issues were closed. The current level of backlogged engineering activities continued to be high, but improvements were noted in this area.

We appreciate your cooperation with us in this matter. 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). If you have any questions or comments, please call me at (610) 337-5376.

Sincerely,

ORIGINAL SIGNED BY:

William H. Ruland, Chief  
Electrical Engineering Branch  
Division of Reactor Safety

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

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Mr. Harold W. Keiser

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Enclosure: Inspection Report 50-354/98-09

cc w/encl:

L. Storz, Senior Vice President - Nuclear Operations

E. Simpson, Senior Vice President - Nuclear Engineering

E. Salowitz, Director - Nuclear Business Support

A. F. Kirby, III,, External Operations - Nuclear, Delmarva Power & Light Co.

J. A. Isabella, Manager, Joint Generation

Atlantic Electric

M. Bezilla, General Manager - Hope Creek Operations

J. McMahon, Director - QA/Nuclear Training/Emergency Preparedness

D. Powell, Director - Licensing/Regulation & Fuels

R. Kankus, Joint Owner Affairs

A. C. Tapert, Program Administrator

Jeffrey J. Keenan, 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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