APPENDIX A

NOTICE OF VIOLATION

Public Service Electric and Gas Company Hope Creek Generating Station

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

During an NRC inspection conducted between August 9, 1998, through September 19, 1998, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions, "NUREG-1600, Revision 1, the violation is listed below:

10 CFR 50, Appendix B, Criterion XVI, *Corrective Action*, requires in part that conditions adverse to quality be promptly identified and corrected.

Contrary to the above, on August 31, 1998, PSE&G did not promptly correct a condition adverse to quality in that the 'C' residual heat removal pump was rendered inoperable when its associated minimum flow motor-operated valve failed as a result of nearby steam leaks in the torus room. PSE&G identified the steam leaks from a non-safety-related portion of the high pressure coolant injection and reactor core isolation cooling systems on August 3, 1998, but failed to correct the steam leaks before the water intrusion resulted in the inoperability of the safety-related residual heat removal subsystem on August 31, 1998.

This is a Severity Level IV violation (Supplement I).

The NRC has concluded that information regarding the reason for the violation, the corrective actions taken and planned to correct the violation and prevent recurrence and the date when full compliance will be achieved is already adequately addressed on the docket in the enclosed Inspection Report No. 50-354/98-08, dated October 9, 1998. However, you are required to submit a written statement or explanation pursuant to 10 CFR 2.201 if the description there does not accurately reflect your corrective actions or your position. In that case, or if you choose to respond, clearly mark your response as a "Reply to a Notice of Violation," and send it to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555 with a copy to the Regional Administrator, Region I, and a copy to the NRC Resident Inspector at the facility that is the subject of this Notice, within 30 days of the date of the letter transmitting this Notice of Violation (Notice).

If you contest this enforcement action, you should also provide a copy of your response, with the basis for your denial, to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

If you choose to respond, your response will be placed in the NRC Public Document Room (PDR). Therefore, to the extent possible, the response should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR without redaction.

9810160024 981009 PDR ADDCK 05000354 G PDR In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days.

Dated at King of Prussia, PA this 9th day of October 1998.