

JUL 09 1986

Docket No. 50-354

License No. NPF-50

Public Service Electric & Gas Company
ATTN: Mr. C. A. McNeill, Jr.
Vice President - Nuclear
Post Office Box 236
Hancocks Bridge, New Jersey 08038

Gentlemen:

Subject: Inspection Report No. 50-354/86-27

This refers to the routine safety inspection conducted by Mr. D. Florek of this office on May 19-30, 1986, at the Hope Creek Generating Station, Unit 1, Hancocks Bridge, New Jersey, of activities authorized by NRC License No. NPF-50 and to the discussions of our findings held by Mr. L. Wink with Mr. S. LaBruna at the conclusion of the inspection.

Areas examined during this inspection are described in the NRC Region I Inspection Report which is enclosed with this letter. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspector.

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 has been categorized by severity level in accordance with the revised NRC Enforcement Policy (10 CFR 2, Appendix C) published in the Federal Register Notice (49 FR 8583) dated March 8, 1984. You are required to respond to this letter and in preparing your response, you should follow the instructions in Appendix A. This violation pertained to the use of on-the-spot changes in a manner that was in conflict with the Hope Creek Final Safety Analysis Report and the Technical Specifications. We note that this practice was established in a memorandum from one of your department managers. Also, a Corrective Action Report issued against this practice by your Quality Assurance organization did not result in a timely termination of this practice. Consequently, in your reply you should describe, in particular, those actions taken or planned to improve the timeliness of your staff's quality assurance corrective actions.

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 in this matter is appreciated.

Sincerely,

Original Signed By:

Lee H. Bettenhausen

for

Stewart D. Ebnetter, Director
Division of Reactor Safety

Enclosures:

1. Appendix A, Notice of Violation
2. NRC Region I Inspection Report Number 50-354/86-27

cc w/encls:

P. R. H. Landrieu, Vice President - Engineering (Newark)
R. S. Salvesen, General Manager, Hope Creek Operations
A. E. Giardino, Manager, Station Quality Assurance
R. L. Mittl, General Manager, Nuclear Assurance and Regulation
W. H. Hirst, Manager, Joint Generation Projects Department,
Atlantic Electric Company
L. A. Reiter, General Manager - Licensing and Reliability
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/encls:

Region I Docket Room (with concurrences)
Management Assistant, DRMA (w/o encl)
DRP Section Chief

RI:DRS

Florek/mm/gcb

6/16/86

RI:DRS

Eselgroth

6/24/86

RI:DRS

Bettenhausen

7/9/86

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