

JUN 19 1989

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Docket Nos. 50-272 and 50-311
License Nos. NPF-70 and NPF-75
EA 88-238

Public Service Electric and Gas Company
ATTN: Mr. Steven E. Miltenberger
Vice President and Chief Nuclear Officer
Post Office Box 236
Hancocks Bridge, New Jersey 08038

Gentlemen:

This will acknowledge receipt of your letter dated May 22, 1989 and your check for \$50,000 in payment for the civil penalties proposed by NRC in a letter dated April 21, 1989. Your corrective actions will be examined during future inspections. We note that you do not agree with the Limitorque gear case grease relief example of the violation not assessed a civil penalty. Region I will review the information you provided concerning this issue and respond separately.

Sincerely,

**Original Signed By
James Lieberman**

James Lieberman, Director
Office of Enforcement

cc: W. T. Russell, RI

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