

May 18, 2000

Mr. Harold W. Keiser
President and Chief Nuclear Officer
Nuclear Business Unit
Public Service Electric & Gas Company
Post Office Box 236
Hancocks Bridge, NJ 08038

SUBJECT: ANNUAL ASSESSMENT LETTER - HOPE CREEK NUCLEAR PLANT
(Report 05000354/2000-008)

Dear Mr. Keiser:

On May 1, 2000, the NRC staff completed its end-of-cycle plant performance assessment of the Hope Creek Nuclear Plant, in which numerous NRC organizations evaluated the performance indicators (PIs) and inspection results for the period from May 30, 1999, to April 1, 2000. The purpose of this letter is to inform you of our assessment of your safety performance during this period.

Overall, Hope Creek was operated in a manner that preserved public health and safety. Plant performance for the most recent quarter was within the Licensee Response Column of the NRC's Action Matrix, based on all inspection findings being classified as having very low safety significance (Green) and all PIs indicating performance at a level requiring no additional NRC oversight (Green). Hope Creek met all cornerstone objectives.

During the assessment period there were some PIs which were other than Green, but the issues have been resolved and no additional inspection is planned. Specifically, in the second and third quarters of 1999, a White PI existed for Safety System Unavailability, Heat Removal System. This White PI was based on a reactor core isolation cooling (RCIC) system performance problem which occurred in 1996 and had been previously reviewed by NRC. In addition, a White PI on the Protected Area Security Equipment Performance Index from the second quarter of 1999 has been retroactively categorized as Green based on recent changes in PI thresholds. Because these PIs are presently Green and the issues have been resolved, no additional inspection beyond the baseline inspection program is planned.

On June 15 we plan to present this assessment to you and your staff in a meeting at the Hope Creek site with public observation.

This letter advises you of our planned inspection effort resulting from the Hope Creek end-of-cycle review. The enclosed inspection plan details the scheduled inspections for the period from April 2, 2000 to March 31, 2001. The inspection plan is provided to minimize the resource impact on your staff and to allow for scheduling conflicts and personnel availability to be resolved in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The last six months of the inspection plan are tentative and may be revised in early December following the mid-cycle review meeting.

Mr. Harold W. Keiser

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In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be placed in the NRC Public Document Room (PDR). More detailed information that provides the basis for this assessment is available at the following NRC website:

<http://www.nrc.gov/NRR/OVERSIGHT/ASSESS/index.html>

If circumstances arise which cause us to change this inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at (610) 337-5211 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Glenn W. Meyer, Chief
Projects Branch 3
Division of Reactor Projects

Docket No. 50-354
Licensee No. NPF-57

Enclosure: Hope Creek Inspection/Activity Plan

cc: w/enclosure

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Mr. Harold W. Keiser

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