

January 6, 2003

Mr. Harold W. Keiser
Chief Nuclear Officer & President
PSEG Nuclear LLC
Post Office Box 236
Hancocks Bridge, NJ 08036

SUBJECT: INSPECTION OF NUCLEAR REACTOR SAFEGUARDS INTERIM
COMPENSATORY MEASURES, TEMPORARY INSTRUCTION 2515/148,
REVISION 1, INSPECTION REPORT NOS. 50-272/02-011, 50-311/02-011,
50-354/02-008

Dear Mr. Keiser:

On November 21, 2002, the U.S. Nuclear Regulatory Commission (USNRC) completed a special inspection at the Salem/Hope Creek Generating Stations, in accordance with Temporary Instruction 2515/148, Revision 1, "Inspection of Nuclear Reactor Safeguards Interim Compensatory Measures." The enclosed report documents the inspection findings which were discussed on November 21, 2002, with Mr. Theodore Straub, Manager of Security, and other members of your staff.

This inspection examined activities conducted under your license as they relate to safety and to compliance with the Commission's rules and regulations, and with the conditions of your license. The specific purpose of this inspection was to verify that PSEG Nuclear (PSEG) effectively implemented the interim compensatory measures (ICMs) imposed by the Order Modifying License issued February 25, 2002; and that the ICMs were successfully incorporated into your site physical protection strategy and security program. Additionally, the objective of the inspection was to ensure that relevant procedures were developed and implemented, and that interface agreements with offsite organizations were developed and coordinated, as required. The inspectors reviewed selected procedures and records, observed activities, and interviewed personnel.

Based on the results of this inspection, no findings of significance were identified. The inspection team verified and confirmed that PSEG had effectively implemented the specifications of the Order Modifying License issued February 25, 2002.

Mr. Harold W. Keiser

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Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,

/RA/

Wayne D. Lanning, Director
Division of Reactor Safety

Docket Nos. 50-272, 50-311, 50-354
License Nos. DPR-70, DPR-75, NPF-57

Enclosure: NRC Inspection Report Nos. 50-272/02-011, 50-311/02-011, 50-354/02-008
(CONTAINS SAFEGUARDS INFORMATION (SGI))

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