

August 22, 2001

EA-01-148

Mr. Oliver D. Kingsley, President
Exelon Nuclear
Exelon Generation Company, LLC
200 Exelon Way, KSA 3-E
Kennett Square, PA 19348

SUBJECT: FINAL SIGNIFICANCE DETERMINATION FOR A WHITE FINDING AND
NOTICE OF VIOLATION AT PEACH BOTTOM ATOMIC POWER STATION,
UNITS 2 & 3 (NRC Inspection Report 50-277/01-11, 50-278/01-11)

Dear Mr. Kingsley:

The purpose of this letter is to provide Exelon Generation Company, LLC with the final results of our significance determination of the preliminary White finding identified during an NRC inspection conducted between June 21 and July 10, 2001, at Peach Bottom. The results of this inspection were discussed in an exit meeting with members of your staff on July 10, 2001. The inspection finding was assessed using the significance determination process and was preliminarily characterized as White, an issue with low to moderate safety significance that may require additional NRC inspections.

This preliminary White finding, which was described in the subject NRC inspection report, dated August 3, 2001, concerned several occasions when the public address (PA) and evacuation alarm (EA) system was not maintained or did not function properly in accordance with your Emergency Plan and Implementing Procedures. While this condition was identified by your staff during surveillance testing in April 2001, our examination of this case revealed a failure to adequately address degraded conditions observed in previous tests. As noted in our August 3, 2001, letter, the issue has low to moderate safety significance because a failed or degraded PA/EA system could result in not properly notifying onsite personnel of protective actions and delaying a site evacuation.

The NRC letter transmitting the inspection report provided you an opportunity to either request a Regulatory Conference to discuss this issue or to explain your position in a written response. In a letter dated August 13, 2001, from Mr. Michael P. Gallagher, Director of Licensing, you indicated that Exelon did not contest the characterization of the risk significance of this finding as White, and you declined a Regulatory Conference. After consideration of the information developed during the inspection, as well as your response, the NRC has concluded that the inspection finding is appropriately characterized as White. You have 10 business days from the date of this letter to appeal the staff's determination of significance for the identified White finding. Such appeals will be considered to have merit only if they meet the criteria given in NRC Inspection Manual Chapter (IMC) 0609, Attachment 2.

Per the Action Matrix associated with the NRC's Assessment Process (IMC 0305), any single White issue, such as this finding, places Peach Bottom Atomic Power Station Units 2 and 3 in the Regulatory Response Band. Therefore, we will use the NRC Action Matrix to determine the most appropriate NRC response. We will notify you by separate correspondence of that determination, including any adjustments to the NRC inspection plan. The NRC has also determined that Exelon violated the requirements of 10 CFR 50.54(q), 50.47(b)(8) and Appendix E, Section IV.E.9, as cited in the enclosed Notice of Violation (Notice). Details regarding the circumstances surrounding this violation were discussed in the subject inspection report. In accordance with the NRC Enforcement Policy, NUREG-1600, the Notice is considered escalated enforcement action because it is associated with a White finding.

This problem with the PA and EA system addressed in this letter is just one of a number of Emergency Preparedness (EP) related problems that have surfaced in the past several months at Peach Bottom and Limerick. You contacted me by telephone on August 17, 2001, to discuss your concern with those problems. You informed me that you have initiated actions to resolve these problems and strengthen EP performance in the Exelon MidAtlantic regional operating group. We will continue to follow these efforts and look forward to a meeting in the near future, proposed by your staff, to discuss progress being made.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Electronic Reading Room).

Sincerely,

/RA/

Hubert J. Miller
Regional Administrator

Docket Nos. 50-277, 50-278
License Nos: DPR-44, DPR-56

Enclosure: Notice of Violation

cc w/encl: J. Hagan, Senior Vice President, Exelon Generation Company, LLC
J. Cotton, Senior Vice President, Operations Support
W. Bohlke, Senior Vice President, Nuclear Services
J. Skolds, Chief Operating Officer
J. Doering, Vice President, Peach Bottom Atomic Power Station
G. Johnston, Plant Manager, Peach Bottom Atomic Power Station
J. A. Benjamin, Vice President - Licensing and Regulatory Affairs
M. Gallagher, Director, Licensing, Exelon Generation Company, LLC
G. Hunger, Chairman, Nuclear Review Board
P. Chabot, Director, Nuclear Oversight
A. F. Kirby, III, External Operations - Delmarva Power & Light Co.
A. A. Winter, Manager, Experience Assessment
J. W. Durham, Sr., Senior Vice President and General Counsel
H. C. Kresge, Manager, External Operations, Connectiv
N. J. Sproul, Manager, Financial Control & Co-Owner Affairs, Connectiv
R. McLean, Power Plant Siting, Nuclear Evaluations
D. Levin, Acting Secretary of Harford County Council
R. Ochs, Maryland Safe Energy Coalition
J. H. Walter, Chief Engineer, Public Service Commission of Maryland
Mr. & Mrs. Dennis Hiebert, Peach Bottom Alliance
Mr. & Mrs. Kip Adams
Chief, Division of Nuclear Safety
E. Cullen, Vice President, General Counsel
Correspondence Control Desk
Commonwealth of Pennsylvania
State of Maryland
TMI - Alert (TMIA)

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DATE	08/16/01	08/16/01	08/16/01	08/16/01	08/16/01

OFFICE	RI/RC	OE	RI/RA
NAME	Jfewell (JBF)	Fcongell (RJu for)*	Hmiller (HJM)
DATE	08/16/01	08/17* & 22**/01	08/22/01

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* Per phone call to Holody on 8/17 from Dixon-Herrity/Nelson

** Informed Congel of additional sentence in cover letter, 2nd para, 2nd sentence

NOTICE OF VIOLATION

Exelon Generation Company, LLC
Peach Bottom Units 2 and 3

Docket Nos. 50-277; 50-278
License Nos. DPR-44; DPR-56
EA-01-148

During an NRC inspection conducted between June 21 and July 10, 2001, for which an exit meeting was held on July 10, 2001, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," NUREG 1600, the violation is listed below:

10 CFR 50.54(q) requires, in part, that a licensee authorized to possess and operate a nuclear power reactor shall follow and maintain in effect emergency plans that meet the standards in 10 CFR 50.47(b) and the requirements in 10 CFR 50, Appendix B.

10 CFR 50.47(b)(8) requires that adequate emergency facilities and equipment to support an emergency response are provided and maintained.

10 CFR 50 Appendix E, Section IV.E.9, requires, in part, that the onsite communication system have a backup power source.

The Nuclear Emergency Plan for the Peach Bottom Atomic Power Station and Limerick Generating Station, Section 4.4.1.2, Notifications, states that the plant Public Address (PA) System and the evacuation alarm/siren (EA) are the means to notify personnel of the protective actions required. Emergency Response Procedure (ERP) 130, Site Evacuation, provides the sequence for informing and alerting personnel of hazards warranting evacuation.

Contrary to the above, for various periods, as set forth below, adequate emergency facilities and equipment to support an emergency response were not maintained in that the plant PA/EA system would not function to inform and alert personnel, in the sequence provided by ERP 130, of hazards in the power block. Specifically,

1. From 1992 to December 19, 2000, approximately 47% of the PA system's speakers were either inaudible or degraded to the point that personnel were not able to clearly hear instructions.
2. From January 19, 2001 to February 13, 2001, and again from March 20, 2001 to April 17, 2001, the plant PA system was operated only on the backup power breaker, which would have tripped after about 49 seconds of evacuation alarm actuation on the first sequence. (The primary breaker had tripped following the monthly test the beginning of each period.)
3. On February 13 and April 17, 2001, the plant PA/EA system would not properly function in that both the primary and the backup breakers were tripped for periods of 4.5 hours and 1.5 hours resulting in no system capability to provide instruction or sound the evacuation alarm.

This violation is associated with a WHITE Significance Determination Process finding.

Pursuant to the provisions of 10 CFR 2.201, Exelon Generation Company, LLC is hereby required to submit a written statement or explanation 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). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for the violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation or its significance, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

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.

Because your response will be made available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS), to the extent possible, it should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction. ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Electronic Reading Room). If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.790(b) to support a request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days.

Dated this 22nd day of August 2001