

January 29, 2004
EN 04-004

OFFICE OF ENFORCEMENT
NOTIFICATION OF SIGNIFICANT ENFORCEMENT ACTION

Licensee: Exelon Generation Company, LLC (EA-03-224)
Peach Bottom Units 2 and 3
Docket Nos 50-277 and 50-278

Subject: ISSUANCE OF FINAL SIGNIFICANCE DETERMINATION AND NOTICE OF VIOLATION

This is to inform the Commission that a White Significance Determination Process (SDP) finding and associated Notice of Violation will be issued on or around February 3, 2004, to Exelon Generation Company, LLC, as a result of inspections at the Peach Bottom facility. This White finding, an issue with low to moderate importance to safety that may require additional NRC inspections, involved issues related to the E2 emergency diesel generator (EDG), one of four EDGs that constitute the highly risk important standby emergency AC power system. Specifically, implementation of a deficient maintenance procedure during installation of EDG cylinder liner adaptor gaskets in 1992 eventually allowed combustion gas to leak into the jacket water cooling system over time. This condition ultimately led to a low jacket water pressure condition and an automatic trip of the EDG on September 15, 2003. In addition, corrective actions taken when low jacket water pressure conditions were observed on the E2 EDG in March and April 2003, were inadequate because an action request was closed without resolving the low jacket water pressure condition, which was indicative of a continuing EDG performance problem.

The Notice of Violation was based on two violations. The first, a violation of Technical Specifications, involved an inadequate maintenance procedure that did not incorporate adequate guidance to ensure proper sealing of the adaptor gaskets. The second, a violation of 10 CFR Part 50, Appendix B, Criterion XVI, involved the failure to take adequate corrective actions to correct the condition when opportunities existed to do so in March and April 2003. These violations are associated with a white significance determination process finding for Unit 2 and a green significance determination process finding for Unit 3. The inspection finding for Unit 3 is Green, an issue of very low safety significance, because there are fewer safety-related electrical loads powered by the E2 EDG on Unit 3.

It should be noted that the licensee has not been specifically informed of the enforcement action. The schedule of issuance and notification is:

Mailing of Final Significance Determination	February 3, 2004
Telephone Notification of Licensee	February 3, 2004

The Commonwealth of Pennsylvania and State of Maryland will be notified.

The licensee has days from the date of the letter in which to respond.

Contacts: Leigh Trocine, OE, 415-2319 James Luehman, Deputy Director, 415-2741

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**PRELIMINARY INFORMATION - NOT FOR PUBLIC DISCLOSURE UNTIL
VERIFICATION THAT LICENSEE HAS RECEIVED ACTION**