

9805260395

May 19, 1998

Mr. Garrett D. Edwards
Director-Licensing, MC 62A-1
PECO Energy Company
Nuclear Group Headquarters
P.O. Box No. 195
Wayne, PA 19077

SUBJECT: CONFIRMATORY ORDER MODIFYING LICENSES

Dear Mr. Edwards:

The Commission has issued the enclosed Confirmatory Order Modifying Licenses (Order) for the PECO Energy Company's (licensee's) Peach Bottom Atomic Power Station, Units 2 and 3. This Order confirms the licensee's commitment, as stated in the licensee's letter dated August 2, 1995, to complete implementation of Thermo-Lag 330-1 fire barriers corrective actions at both units prior to restart from 3R12 refueling outage of Peach Bottom Atomic Power Station, Unit 3, scheduled for October 1999. This commitment was set out in your letter of consent dated April 27, 1998.

You should proceed with implementation of these corrective actions in accordance with your proposed schedule.

A copy of this Order is being filed with the Office of the Federal Register for publication.

Sincerely,

/s/

Mohan C. Thadani, Senior Project Manager
Project Directorate I-2
Division of Reactor Projects - VII
Office of Nuclear Reactor Regulation

Docket Nos. 50-277 and 50-278

Enclosure: Order

cc w/end: See next page

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BBoger	BMcCabe
JZwolinski	CAnderson
RCapra	MThadani
MO'Brien	SWest
AKugler	JLieberman
MTschiltz (Thermo-Lag)	

*See previous concurrence

Document Name: A:\BTHLAG.ORD

OFC	PM:PDI-2	LA:PDIC	PD:PDI-2	(A)D:DRPE	OGC*
NAME	MThadani:mw	MO'Brien	RCapra	JZwolinski	RHoefling
DATE	5/14/98	5/14/98	5/14/98	5/15/98	05/14/98

OFC	ADPR(A)	DNRR
NAME	BBoger	SCollins
DATE	5/18/98	5/19/98

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UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

May 19, 1998

Mr. Garrett D. Edwards
Director-Licensing, MC 62A-1
PECO Energy Company
Nuclear Group Headquarters
P.O. Box No. 195
Wayne, PA 19087

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Sincerely,

A handwritten signature in cursive script, appearing to read "Mohan C. Thadani".

Mohan C. Thadani, Senior Project Manager
Project Directorate I-2
Division of Reactor Projects - I/II
Office of Nuclear Reactor Regulation

Docket Nos. 50-277 and 50-278

Enclosure: Order

cc w/enc: See next page

Mr. Garrett D. Edwards
PECO Energy Company

Peach Bottom Atomic Power Station,
Units 2 and 3

cc:

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Sr. V.P. & General Counsel
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Philadelphia, PA 19101

Chief-Division of Nuclear Safety
PA Dept. of
Environmental Resources
P.O. Box 8469
Harrisburg, PA 17105-8469

PECO Energy Company
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Peach Bottom Atomic Power Station
1848 Lay Road
Delta, PA 17314

Board of Supervisors
Peach Bottom Township
R. D. #1
Delta, PA 17314

PECO Energy Company
ATTN: Regulatory Engineer, A4-5S
Peach Bottom Atomic Power Station
1848 Lay Road
Delta, PA 17314

Public Service Commission of Maryland
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Chief Engineer
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Baltimore, MD 21202-6806

Resident Inspector
U.S. Nuclear Regulatory Commission
Peach Bottom Atomic Power Station
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Review Division
Department of Natural Resources
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Annapolis, MD 21401

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Manager-Financial Control & Co-Owner
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External Operations - Nuclear
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PECO Energy Company
Nuclear Group Headquarters
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P.O. Box No. 195
Wayne, PA 19087-0195

PECO Energy Company
Plant Manager
Peach Bottom Atomic Power Station
1848 Lay Road
Delta, PA 17314

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of

PECO Energy Company

Peach Bottom Atomic Power Station, Units 2 & 3

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Docket Nos. 50-277
and 50-278

CONFIRMATORY ORDER MODIFYING LICENSES
EFFECTIVE IMMEDIATELY

I.

PECO Energy Company, (PECO or the Licensee) is the holder of Facility Operating Licenses Nos. DPR-44 and DPR-56, which authorize operation of Peach Bottom Atomic Power Station, Units 2 and 3, located in York County, Pennsylvania.

II.

The staff of the U.S. Nuclear Regulatory Commission (NRC) has been concerned that Thermo-Lag 330-1 fire barrier systems installed by licensees may not provide the level of fire endurance intended and that licensees that use Thermo-Lag 330-1 fire barriers may not be meeting regulatory requirements. During the 1992 to 1994 time frame, the NRC staff issued Generic Letter (GL) 92-08, "Thermo-Lag 330-1 Fire Barriers" and subsequent requests for additional information that requested licensees to submit plans and schedules for resolving the Thermo-Lag issue. The NRC staff has obtained and reviewed all licensees' corrective plans and implementation schedules. The staff is concerned that some licensees may not be making adequate progress toward resolving the plant-specific issues, and that some implementation schedules may be either too tenuous or too protracted. For example, several licensees informed the NRC staff that their completion dates had slipped by 6 months to as much as 3 years. For

plants that have completion action scheduled beyond 1997, the NRC staff has met with the licensees to discuss the progress of the licensees' corrective actions and the extent of licensee management attention regarding completion of Thermo-Lag corrective actions.

PECO Energy Company was one of the licensees with which the NRC staff held meetings. At these meetings, the NRC staff reviewed with PECO Energy Company the schedule of Thermo-Lag corrective actions described in the PECO Energy Company's submittals to the NRC dated April 16 and December 29, 1993; February 4 and December 19, 1994; March 29 and August 2, 1995; May 2, 1996; March 24, 1997; and January 14, 1998. Based on the information submitted by PECO Energy Company, the NRC staff has concluded that the schedules presented by PECO Energy Company are reasonable. This conclusion is based on the (1) amount of installed Thermo-Lag, (2) the complexity of the plant-specific fire barrier configurations and issues, and (3) the need to perform certain plant modifications during outages as opposed to those that can be performed while the plant is at power. In order to remove compensatory measures such as fire watches, it has been determined that resolution of the Thermo-Lag corrective actions by PECO Energy Company must be completed in accordance with current PECO Energy Company's schedules. By letter dated April 16, 1998, the NRC staff notified PECO Energy Company of its plan to incorporate PECO Energy Company's schedule commitment into a requirement by issuance of an Order and requested consent from the Licensee. By letter dated April 27, 1998, the Licensee provided its consent to issuance of a Confirmatory Order.

III.

The Licensee's commitment as set forth in its letter of April 27, 1998, is acceptable and is necessary for the NRC to conclude that public health and safety are reasonably assured. To preclude any schedule slippage and to assure public health and safety, the NRC staff has

determined that the Licensee's commitment in its April 27, 1998, letter be confirmed by this Order. The Licensee has agreed to this action. Based on the above, and the Licensee's consent, this Order is immediately effective upon issuance.

IV.

Accordingly, pursuant to sections 103, 161b, 161i, 161o, 162, and 166 of the Atomic Energy Act of 1954, as amended, and the Commission's regulations in 10 CFR 2.202 and 10 CFR Part 50, IT IS HEREBY ORDERED, effective immediately, that:

PECO Energy Company shall complete final implementation of Thermo-Lag 330-1 fire barrier corrective actions at Peach Bottom Atomic Power Station, Units 2 and 3, described in the PECO Energy Company's submittals to the NRC dated April 16 and December 29, 1993; February 4 and December 19, 1994; March 29 and August 2, 1995; May 2, 1996; March 24, 1997; and January 14, 1998, prior to restart from 3R12 refueling outage of Peach Bottom Atomic Power Station, Unit 3, scheduled for October 1999.

The Director, Office of Nuclear Reactor Regulation, may relax or rescind, in writing, any provisions of this Confirmatory Order upon a showing by the Licensee of good cause.

V.

Any person adversely affected by this Confirmatory Order, other than the Licensee, may request a hearing within 20 days of its issuance. Where good cause is shown, consideration will be given to extending the time to request a hearing. A request for extension of time must be made in writing to the Director, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, and include a statement of good cause for the extension.

Any request for a hearing shall be submitted to the Secretary, U.S. Nuclear Regulatory Commission, Attention: Chief, Rulemaking and Adjudications Staff, Washington, D.C. 20555. Copies of the hearing request shall also be sent to the Director, Office of Nuclear Reactor Regulation, U. S. Nuclear Regulatory Commission, Washington, D. C. 20555, to the Deputy Assistant General Counsel for Enforcement at the same address, to the Regional Administrator, NRC Region I, 475 Allendale Road, King of Prussia, Pennsylvania 19406-1415 and to the Licensee. If such a person requests a hearing, that person shall set forth with particularity the manner in which his/her interest is adversely affected by this Order and shall address criteria set forth in 10 CFR 2.714(d).

If a hearing is requested by a person whose interest is adversely affected, the Commission will issue an Order designating the time and place of any such hearing. If a hearing is held, the issue to be considered at such hearing shall be whether this Confirmatory Order should be sustained.

In the absence of any request for hearing, or written approval of an extension of time in which to request a hearing, the provisions specified in Section IV above shall be final 20 days from the date of this Order without further order or proceedings. If an extension of time for requesting a hearing has been approved, the provisions specified in Section IV shall be final when the extension expires if a hearing request has not been received. An answer or a request for hearing shall not stay the immediate effectiveness of this Order.

FOR THE NUCLEAR REGULATORY COMMISSION

¹⁵¹
Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

Dated at Rockville, Maryland
this 19 day of May 1998.

*See previous concurrence

OFC	FM:PDI-2	LA:PDI-2	PD:PDI-2 aw	(A)D:DRPE	OGC
NAME	MThadani:mw	MO'Brien	RCapra roc	JZwptnskd	RHoefling
DATE	5/14/98	5/14/98	5/14/98	5/15/98	05/14/98

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NAME	BBoger	SCollins
DATE	5/18/98	5/19/98

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FOR THE NUCLEAR REGULATORY COMMISSION


Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

Dated at Rockville, Maryland
this 19 day of May 1998.