



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
REGION I
2100 RENAISSANCE BOULEVARD, SUITE 100
KING OF PRUSSIA, PA 19406-2713

December 11, 2018

EA-18-107

Mr. Bryan Hanson
Senior Vice President, Exelon Generation Company, LLC
President and Chief Nuclear Officer, Exelon Nuclear
4300 Winfield Rd.
Warrenville, IL 60555

**SUBJECT: PEACH BOTTOM ATOMIC POWER STATION – FINAL SIGNIFICANCE
DETERMINATION FOR A WHITE FINDING WITH ASSESSMENT FOLLOW-UP
AND NOTICE OF VIOLATION - INSPECTION REPORT 05000277/2018013
AND 05000278/2018013**

Dear Mr. Hanson:

This letter provides you the final significance determination for the preliminary White finding discussed in the U.S. Nuclear Regulatory Commission (NRC) letter dated November 13, 2018, which included NRC Inspection Report Number 05000277/2018003 and 05000278/2018003 (ML18317A003).¹ The finding involved a failure by Exelon Generation Company, LLC (Exelon) staff at the Peach Bottom Atomic Power Station (Peach Bottom) to establish measures to assure that conditions adverse to quality associated with the E-3 Emergency Diesel Generator (EDG) scavenging air check valve were promptly identified and corrected which resulted in a failure of the E-3 EDG on June 13, 2018. As documented in the report, this finding involved an apparent violation of Title 10 of the Code of Federal Regulations Part 50, Appendix B, Criterion XVI, "Corrective Action." Additionally, as a consequence of the failed E-3 EDG, Exelon also violated Peach Bottom Units 2 and 3 Technical Specification (TS) 3.8.1, "Electrical Power Systems - AC Sources - Operating" since the E-3 EDG was determined to be inoperable for a period greater than the TS allowed outage time.

In a telephone conversation with Mr. Jonathan Greives of the NRC Region I office on November 19, 2018, Mr. Matt Herr and Mr. Matt Retzer of your staff indicated that Exelon did not contest the characterization of the risk significance of the finding and declined the opportunity to discuss the issue at a regulatory conference or to provide a written response. Therefore, after careful consideration of the information developed during the inspection, the NRC has concluded that the finding is appropriately characterized as White, a finding of low to moderate safety significance.

¹ Designation in parentheses refers to an Agency-wide Documents Access and Management System (ADAMS) accession number. Documents referenced in this letter are publicly-available using the accession number in ADAMS.

The finding and the associated violations are cited in the enclosed Notice of Violation (Notice). In accordance with the NRC Enforcement Policy, the Notice is considered an escalated enforcement action because it is associated with a White finding. The NRC has concluded that the information regarding the reason for the violation, the corrective actions taken and planned to correct the violation and prevent recurrence, and the date when full compliance was achieved is already adequately addressed on the docket in NRC Inspection Report Number 05000277/2018003 and 05000278/2018003. Therefore, you are not required to respond to this letter unless the description therein does not accurately reflect your corrective actions or your position.

As a result of this White finding in the Mitigating Systems Cornerstone, the NRC has assessed Peach Bottom Units 2 and 3 to be in the Regulatory Response column of the NRC's Reactor Oversight Process Action Matrix described in Inspection Manual Chapter 0305, "Operating Reactor Assessment Program," retroactive to the third calendar quarter of 2018. The NRC plans to conduct a supplemental inspection for this finding in accordance with Inspection Procedure 95001, "Supplemental Inspection Response to Action Matrix Column 2 Inputs," following Exelon's notification of readiness for this inspection. This inspection is conducted to provide assurance that the root causes and contributing causes of any performance issues are understood, the extent of condition is identified, and the corrective actions are sufficient to prevent recurrence.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice and Procedure," a copy of this letter, its enclosure, and your response, if you choose to provide one, will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction. Should you have any questions regarding this matter, please contact Mr. Jonathan Greives, Chief, Projects Branch 4, Division of Reactor Projects in Region I, at (610) 337-5337.

Sincerely,

*(/RA/ Original Signed by
David C. Lew)*

David C. Lew
Regional Administrator

Docket Nos. 50-277 and 50-278
License Nos. DPR-44 and DPR-56

Enclosure: Notice of Violation

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SUBJECT: PEACH BOTTOM ATOMIC POWER STATION – FINAL SIGNIFICANCE DETERMINATION FOR A WHITE FINDING WITH ASSESSMENT FOLLOW-UP AND NOTICE OF VIOLATION - INSPECTION REPORT 05000277/2018013 AND 05000278/2018013 DATED DECEMBER 11, 2018

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Region I OE Files (with concurrences)

ENCLOSURE

NOTICE OF VIOLATION

Exelon Generation Company, LLC
Peach Bottom Atomic Power Station

Docket Nos. 50-277 and 50-278
License Nos. DPR-44 and DPR-56
EA-18-107

During an NRC inspection conducted from July 1, 2018, through September 30, 2018, and for which an inspection exit meeting was conducted on October 23, 2018, a violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

10 CFR 50, Appendix B, Criterion XVI requires that measures shall be established to assure conditions adverse to quality are promptly identified and corrected.

Peach Bottom Units 2 and 3 Technical Specification (TS) 3.8.1 requires all four Emergency Diesel Generators (EDGs) to be operable in Mode 1, and if any one EDG is determined to be inoperable, it shall be returned to an operable status within 14 days or the unit shall be shut down and in Mode 3 within 12 hours.

Contrary to the above, from April 1, 2017, to June 13, 2018, Exelon did not establish measures to assure that conditions adverse to quality associated with the E-3 EDG scavenging air check valve were promptly identified and corrected. Specifically, after identifying on April 1, 2017, that the E-3 EDG scavenging air check valve assembly was loose due to wear around the interference fit pin, and identifying on September 20, 2017, that there was an oil leak on the scavenging air check valve dashpot assembly, Exelon did not take adequate corrective actions to address these adverse conditions. As a result, on June 13, 2018, during a quarterly surveillance test, the scavenging air check valve interference fit pin dislodged from the shaft and entered/damaged the suction side of the aluminum turbo charger compressor blades. Consequently, the E-3 EDG was rendered inoperable prior to June 13, 2018, for a period longer than its TS allowed outage time, and the unit had not been shut down and placed in Mode 3.

This violation is associated with a White Significance Determination Process finding. The NRC has concluded that information regarding the reason for the violation, the corrective actions taken and planned to correct the violation and prevent recurrence, and the date when full compliance was achieved is already adequately addressed on the docket in NRC Inspection Report Number 05000277/2018003 and 05000278/2018003. However, you are required to submit a written statement or explanation pursuant to 10 CFR 2.201 if the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to respond, clearly mark your response as a "Reply to a Notice of Violation; EA-18-107," and send it to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001 with a copy to the Regional Administrator, Region I, 2100 Renaissance Boulevard, Suite 100, King of Prussia, PA 19406, and a copy to the NRC Resident Inspectors at Peach Bottom Atomic Power Station, within 30 days of the date of the letter transmitting this Notice of Violation (Notice).

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.

If you choose to respond, your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. Therefore, to the extent possible, the response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction.

Dated this 11th day of December, 2018.