



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
631 PARK AVENUE
KING OF PRUSSIA, PENNSYLVANIA 19406

14 JUL 1980

Docket Nos. 50-277
50-278

Philadelphia Electric Company
ATTN: Mr. S. L. Daltroff
Vice President
Electric Production
2301 Market Street
Philadelphia, Pennsylvania 19101

Gentlemen:

Subject: Inspection Nos. 50-277/80-15
50-278/80-13

This refers to the inspection conducted by Mr. G. C. Smith of this office on May 19-23 and May 29, 1980 at Peach Bottom Atomic Power Station, Delta, Pennsylvania, Units 2 and 3, of activities authorized by NRC License Nos. DPR-44 and DPR-56 and to the discussions of our findings held by Mr. Smith with Mr. W. T. Ullrich of your staff at the conclusion of the inspection.

Areas examined during this inspection are described in the Office of Inspection and Enforcement Inspection Report which is enclosed with this letter. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspector.

Our inspector also verified the steps you have taken to correct the items of noncompliance brought to your attention in letters dated August 11, 1978, August 17, 1978, September 27, 1979, October 12, 1979, and November 25, 1979. We have no further questions regarding your action at this time.

Based on the results of this inspection, it appears that certain of your activities were not conducted in full compliance with NRC requirements, as set forth in the Notice of Violation, enclosed herewith as Appendix A. These items of noncompliance have been categorized into the levels as described in our correspondence to you dated December 31, 1974. This notice is sent to you pursuant to the provisions of Section 2.201 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations. Section 2.201 requires you to submit to this office, within twenty (20) days of your receipt of this notice, a written statement or explanation in reply including: (1) corrective steps which have been taken by you and the results achieved; (2) corrective steps which will be taken to avoid further items of noncompliance; and (3) the date when full compliance will be achieved. In addition to the need for corrective action regarding these specific items of noncompliance, we are concerned about the implementation of your management control systems that permitted them to occur. Consequently, in your reply, you should describe in particular, those actions taken or planned to improve the effectiveness of your management control systems.

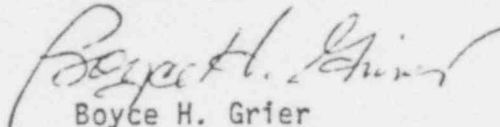
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Additionally, and in accordance with Section 2.790 (d) of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, documentation of findings of your control and accounting procedures for safeguarding special nuclear materials and your facility security procedures are exempt from disclosure; therefore, the pertinent section of the inspection report and Appendix A, will not be placed in the Public Document Room and will receive limited distribution.

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

Sincerely,



Boyce H. Grier
Director

Enclosures:

1. Appendix A, Notice of Violation (Contains 2.790(d) Information)
2. Appendix B, Notice of Violation
3. Office of Inspection and Enforcement Inspection
Report Numbers 50-277/80-15 and 50-278/80-13 (Contains 2.790(d) Information)

cc: (with Appendix B and report cover sheet only)
W. T. Ullrich, Station Superintendent
J. D. McGoldrick, Manager, Claims Division, Legal Department
Troy B. Conner, Jr., Esquire
Eugene J. Bradley, Esquire
Raymond L. Hovis, Esquire
Warren Rich, Esquire