

October 23, 1990

Mr. Thomas T. Martin
Administrator, Region I
U.S. Regulatory Commission
475 Allendale Road
King Of Prussia, PA 19406

Dear Mr. Martin:

My name is Drew C. Smith and I am writing to you as a private citizen, not on behalf of my employer, Philadelphia Electric Company.

I was the superintendent of Operations at the Peach Bottom Atomic Power Station on March 31, 1987 when it was shut down by the USNRC due to operator inattention. Subsequently, I was named in an order modifying the license of the Peach Bottom Atomic Power Station issued by the USNRC on August 10, 1988.

Specifically, this order prohibits me (and two other individuals) from holding any position of line authority for any 10CFR50 APP B activities at either the Peach Bottom Atomic Power Station or the Limerick Generating Station without prior NRC approval.

This order also states that "The Regional Administrator Region I, may relax or terminate in writing any of the preceding provisions for good cause shown."

Therefore, I respectfully request that August 10, 1988 order modifying the Peach Bottom license be relaxed to remove my name from restrictions holding any positions at any nuclear power plant.

I am making this request so that I may be eligible for any position within the nuclear power industry for which my experience qualifies me. I have made an irrevocable commitment to leave the Philadelphia Electric Company, most likely by the end of this year.

I am actively searching for other employment within the nuclear industry and I have found that my restrictions at Peach Bottom and Limerick have a chilling effect on my employability outside the Philadelphia Electric Company. This not only restricts my ability to earn a living, but it also prevents the country's nuclear industry from using my 24 years of valuable experience in operations, maintenance, and refueling outage management.

To justify my request, I would like to offer the following information:

- o I recognize my responsibility and my accountability for the control room activities leading up to the shutdown of the Peach Bottom Atomic Power Station.
- o Since March 31, 1987, there has been a significant shift of the Philadelphia Electric Nuclear Group's culture to one of high performance and continuous improvement. Management, from the Chairman of the Board (CEO), and the President (COO) down to department and division management (and beyond)

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are clearly committed to achieving and maintaining excellence in Philadelphia Electric's nuclear activities. The corporate chain of command also expects from each employee the accountability for his or her performance in support of individual work group's performance goals in a high quality and timely manner. Each employee is also expected to report problems or deficiencies in a timely manner.

I wholeheartedly subscribe to the new culture as highlighted above. I also fully embrace the published Nuclear Group values that address safety, quality, dynamic business focus, teamwork, people, and integrity.

I am absolutely convinced that if this cultural change had occurred a few years earlier than it did, there would have been no Peach Bottom shutdown with all its attendant problems.

o My personal rehabilitation has included disciplinary actions, as well as several significant training programs. The training includes:

- Management Work Conference in Interpersonal Competence. This NTL Institute residential program was specifically requested and approved for me by C. A. McNeill, Jr., the (then) Executive Vice President-Nuclear.
- Interaction Management. This program includes improving employee performance, improving work habits, maintaining improved performance, utilizing effective follow-up, utilizing effective disciplinary/corrective action, coaching for success, and reinforcing effective performance.
- "MARC" Supervisory Training which addresses labor-management relationships, role of the supervisor, HR specialist, job performance, counseling, disciplinary action, termination, handling grievances, PECO disciplinary guidelines and privacy issues.
- Conflict Management included extensive exercise and practice in role plays of conflict situations with videotape feedback. Format included a fair amount of self-examination and introspection.
- Managing Organizational Change focused on the context of change, communications, resistance, strategies for implementation, pain management, and advocacy of change.
- Other training programs successfully completed during the past two years include:

- Communications
- Task Force Leadership
- Problem Solving
- Personal Goals and Performance Management

I feel that these training programs, as well as my frequent contact with the new management team of the P.E. Company Nuclear Group, have had a profound impact on my attitude towards the need for, and the techniques available for attaining excellence in all phases of nuclear plant design, construction, operation, and maintenance.


As evidence of my rehabilitation, the following individuals have offered to vouch for my demonstration of the principles I have just mentioned:

- G. A. Hunger, Jr., Director of Licensing, my supervisor from October 1988 to September 1990.
- E. P. Fogarty, formerly Director of the Nuclear Support Division, my supervisor from November 1987 to October 1988.
- J. F. Franz, Jr., Plant Manager, Peach Bottom Atomic Power Station.
- D. R. Helwig, Vice President, Nuclear Engineering and Services Department.
- G. M. Leitch, Vice President, Limerick Generating Station.
- D. M. Smith, Senior Vice President, Nuclear Group (also my direct supervisor from May 1987 through October 1987).

The bottom line is that I feel I can make a positive contribution to the energy stability of our country by utilizing my many years of nuclear plant experience. I can also state with confidence that I have learned well the lessons of the Peach Bottom shutdown and that I fully support the changes that have occurred since that shutdown.

For these reasons, I am requesting the Order Modifying the Peach Bottom License dated August 10, 1988 be changed to remove my name.

Sincerely,


Drew C. Smith
673 Heatherton Lane
West Chester, PA 19380

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UNITED STATES
NUCLEAR REGULATORY COMMISSION

~~ATTACHMENT 2~~

In the Matter of

Philadelphia Electric Company
(Peach Bottom Atomic Power Station
Units 2 and 3 and Limerick
Generating Company Units 1 & 2)

Docket Nos. 50-277, 50-278;
50-352, and 50-353
License Nos. DPR-44, DPR-56, and
NPF-39
Construction Permit CPPR-107
EA 88-04

ORDER MODIFYING LICENSES

I

Philadelphia Electric Company (PECo) is the holder of Operating License Nos. DPR-44 and DPR-56 issued by the Nuclear Regulatory Commission (NRC/Commission) on December 14, 1973 and July 2, 1974. The licenses authorize the licensee to operate Peach Bottom Atomic Power Station, Units 2 and 3, in accordance with conditions specified therein. Additionally, the licensee is the holder of Operating License No. NPF-39 and Construction Permit CPPR-107 for Limerick Generating Station Units 1 & 2 respectively, issued by the NRC on August 8, 1975 and June 19, 1974.

II

On March 31, 1987, the NRC issued an Order to PECo suspending operation of the Peach Bottom reactors after validating information received by the Commission that control room operators had, at times, left the control room unattended, and at other times, had been observed sleeping while on duty in the control room, reading materials not directly job related, and/or being otherwise inattentive to the obligations of their licenses. Further investigation revealed that operations management at Peach Bottom at the time of the shutdown, specifically, Stephen R. Roberts, the then Operations Engineer, and Drew C. Smith, the then Superintendent of Operations, clearly knew of these problems, and the

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then Plant Manager, Richard Fleischmann, clearly should have known about these problems, yet action was not taken to correct this situation.

In particular, when the Operations Engineer was directly notified of the problems in December 1986, he took no action to correct them. Furthermore, he did not notify his supervisor, the Superintendent of Operations, until a meeting in February 1987, after having again been informed of the problems in late January 1987. Although the Superintendent of Operations, during the February 1987 meeting, instructed the Operations Engineer to look into the problems and report back to him, the Operations Engineer did not pursue correction of the problems nor did the Superintendent of Operations follow up with the Operations Engineer concerning this matter. Further, the Plant Manager apparently was not informed of these problems, and was not aggressively involved in monitoring site activities so as to otherwise detect such conditions.

III

The lack of aggressive actions on the part of the then Operations Engineer and the then Superintendent of Operations to correct the licensed operator inattentiveness problem that existed at Peach Bottom raises serious questions concerning their abilities to supervise licensed activities, and to effect appropriate corrective measures when such activities are not being conducted in accordance with the facility license. Furthermore, given the widespread nature of this problem at Peach Bottom, and the extended period of time during which this condition existed, the failure by the then Plant Manager to be aware of this condition raises serious questions about his ability to ensure his

subordinates kept him informed of serious problems impacting plant safety to assure licensed activities are effectively managed. Therefore, although the licensee has removed these three individuals from the Peach Bottom site, I have determined that public health and safety requires that the former Operations Engineer, the former Superintendent of Operations, and the former Plant Manager be prohibited from being employed in any responsible site supervisory position or in any corporate position providing oversight of operations, without prior Commission approval. Because these individuals remain in the employment of PECO it is reasonable to assume that they could at some time be employed at the Limerick Generating Station. Given the nature of their failures, I have also determined that the restrictions outlined should apply to Limerick as well as Peach Bottom and certain corporate positions.

IV

Accordingly, in view of the foregoing, and pursuant to Section 103, 161b, 1611, 161o, and 182 of the Atomic Energy Act of 1954, as amended, and the Commission's regulations in 10 CFR 2.204 and 10 CFR Part 50, IT IS HEREBY ORDERED THAT:

License Nos. DPR-44, DPR-56, NPF-39, and Construction Permit No. CPPR-107 be modified to provide that Stephen R. Roberts (former Operations Engineer at Peach Bottom), Drew C. Smith (former Superintendent of Operations at Peach Bottom), and Richard Fleischmann (former Plant Manager at Peach Bottom) shall not be employed in a site supervisory position responsible

for controlling 10 CFR Part 50 activities nor shall they be employed in any corporate operational position, without prior NRC approval by the Regional Administrator.

"Operational Position" as used here, indicates any position directly involved with operation of the plant, the direction or supervision of NRC licensed operators, or independent oversight of operators.

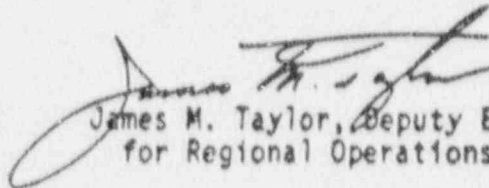
The Regional Administrator, Region I, may relax or terminate in writing any of the proceeding provisions for good cause shown.

V

The licensee or any person adversely affected by this Order may request a hearing within 30 days of the date of this Order. A request for hearing should be clearly marked as a "Request for Hearing" and shall be addressed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555, with copies to the Assistant General Counsel for Enforcement at the same address, the Regional Administrator, Region I, and the NRC Resident Inspectors, at Peach Bottom Atomic Power Station and Limerick Generating Station. If a person other than the licensee requests a hearing, that person shall set forth with particularity the manner in which the petitioner's interest is adversely affected by this Order and should address the criteria set forth in 10 CFR 2.714(d).

If a hearing is requested, the Commission will issue an Order designating the time and place of the hearing. If a hearing is held, the issue to be considered shall be whether this Order should be sustained. Upon the failure to answer or request a hearing within the specified time, this Order shall be final without further proceedings.

FOR THE NUCLEAR REGULATORY COMMISSION



James M. Taylor, Deputy Executive Director
for Regional Operations

Dated this 10th day of August 1988.