JUN 29 1994

Docket Nos. 50-277 50-278

Mr. D. M. Smith Senior Vice President-Nuclear PECO Energy Company Nuclear Group Headquarters Correspondence Control Desk P.O. Box 195 Wayne, PA 19807-0195

Dear Mr. Smith:

SUBJECT: SYSTEMATIC ASSESSMENT OF LICENSEE PERFORMANCE (SALP)
REPORT NOS. 50-277/92-99 AND 50-278/92-99

This letter forwards the Peach Bottom Atomic Power Station, Unit 2 and 3, SALP report for the period November 1, 1992, to April 30, 1994. This SALP was conducted under the revised process that was implemented by the Nuclear Regulatory Commission (NRC) on July 19, 1993. The revised SALP process rates licensees in four functional areas: Operations, Engineering, Maintenance, and Plant Support. The Plant Support functional area includes: radiological controls, security, emergency preparedness, fire protection, chemistry, and housekeeping.

Overall, the NRC observed continued improvement in performance at your facility during the period. Enhancement in problem identification and resolution through the Performance Enhancement Program (PEP), good control of refuelings and outages, and excellent oversight by piant management of day-to-day activities in a manner that ensured safe operation of the units contributed to this improvement. Self-assessments performed by the Independent Safety Engineering Group, the Plant Operations Review Committee, and the Nuclear Review Board, contributed to a well developed and effective self-assessment program, which enhanced plant safety.

Despite the overall improvement, some areas require continued management attention. While the PEP has been effective at resolving problems entered into the system, PECO management needs to continue to encourage plant personnel at all levels to identify and enter existing, and sometimes longstanding, problems into the system so that priorities can be set, and effective corrective actions implemented. Also, multiple instances of personnel inattention to detail and failure to follow procedures, noted in several of the functional areas, warranted additional management attention.

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Operations was rated Category 1 and was characterized by strong management oversight of daily plant operations and excellent response to events as exemplified by appropriate safety decisions to shut down Unit 2 or 3 for various operating problems. Operator performance continued to be a strength as demonstrated by their response to several challenging operating transients and in their control of normal plant startups and shutdowns. Outstanding operator performance was also observed during initial license and requalification examinations. Isolated operator performance problems, caused by inattention to detail, were noted. Although they were of minor safety significance, heightened attention on the part of operators and operations management in preventing such errors is warranted.

Engineering was rated Category 2. Performance in the engineering area improved and oversight and control by site engineering were very good. Performance was further enhanced by movement of most engineering functions to the site. Engineering strengths included the quality of modification packages and post-modification acceptance tests, response to emergent technical issues, and self-assessment programs. Some noteworthy weaknesses were identified such as the poor design and implementation of the control room radiation monitoring system modification and untimely resolution of problems with the high pressure coolant injection system motor starting relays.

While performance in the Maintenance functional area was good, this area was again rated Category 2. Aggressive management oversight of maintenance activities was apparent and major maintenance and surveillance activities were well planned and executed. The Plant Information and Management System was a positive factor in planning and scheduling maintenance tasks. Noted strengths included troubleshooting, root cause analysis, and the surveillance program's effectiveness in identifying degraded conditions in plant equipment; however, errors by maintenance personnel resulted in two plant shutdowns late in the period. Also, there were several instances noted of workers failing to follow procedures, or of inadequate procedures, which indicate that management's efforts to bring about improvement in this area have not been fully effective.

Plant Support was rated Category 2 with performance in this area generally quite strong, particularly in the emergency planning, security, and environmental programs. Site management attention and support in this area continued, leading to improvements in the health physics instrumentation and "as low as reasonably achievable" (ALARA) programs, the emergency response program (noluding response facilities and equipment), the security program, and station housekeeping practices and plant cleanliness. While the radiological controls program implementation by health physics personnel was assessed as excellent, three incidents midway in the SALP period of radiation workers not complying with radiological procedures indicated that implementation of radiological control practices by radiation workers had not reached the same level of excellence as had been achieved by the radiological controls technicians. While the programs in this area were assessed as excellent, the issue of radiation worker and chemistry technician procedure adherence is of significant continuing concern to us.

We will schedule a management meeting, open to public observation at the Peach Bottom site, on a mutually agreeable date in late July or early August 1994, to present our assessment. At the meeting, you should be prepared to discuss our assessment, and your plans to finally resolve longstanding problems with personnel adherence to management expectations and procedures.

We appreciate your cooperation.

Sincerely,

Original Signed By: Thomas T. Martin

Thomas T. Martin Regional Administrator

Enclosure: Systematic Assessment of Licensee Performance (SALP) Report Nos.

50-277/92-99 AND 50-278/92-99

cc w/encl:

- J. Doering, Chairman, Nuclear Review Board
- G. Rainey, Vice President, Peach Bottom Atomic Power Station
- W. H. Smith, Vice President, Nuclear Services Department
- D. Fetters, General Manager, Nuclear Engineering Division
- C. Schaefer, External Operations Nuclear, Delmarva Power & Light Co.
- G. Edwards, Plant Manager, Peach Bottom Atomic Power Station
- A. J. Wasong, Manager, Experience Assessment
- G. A. Hunger, Jr., Manager, Licensing Section
- J. W. Durham, Sr., Senior Vice President and General Counsel
- J. A. Isabella, Director, Generation Projects Department, Atlantic Electric
- B. W. Gorman, Manager, External Affairs
- R. McLean, Power Plant Siting, Nuclear Evaluations
- D. Poulsen, Secretary of Harford County Council
- R. Ochs, Maryland Safe Energy Coalition
- J. H. Walter, Chief Engineer, Public Service Commission of Maryland

The Chairman

Commissioner Rogers

Commissioner Remick

Commissioner de Planque

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Institute for Nuclear Power Operations (INPO)

K. Abraham, PAO (30 copies)

NRC Resident Inspector

Commonwealth of Pennsylvania

TMI - Alert (TMIA)

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