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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

JUN 18 1984

Docket Nos. 50-277
50-278
EA 84-39

Philadelphia Electric Company
ATTN: Mr. V. Boyer
Senior Vice President - Nuclear
2301 Market Street
Philadelphia, Pennsylvania 19101

Gentlemen:

- Subjects: 1. Order Modifying License Effective Immediately
- 2. Notice of Violation and Proposed Imposition of Civil Penalties

On April 12, 1984, an Enforcement Conference was held by Dr. Thomas E. Murley, Regional Administrator, Region I with you and members of your staff at the NRC Region I Office to review the circumstances associated with apparent violations of NRC requirements which occurred at the Peach Bottom Atomic Power Station, Units 2 and 3. Two of the violations were identified by the NRC during an NRC inspection conducted January 5-20, 1984. The report of this inspection was sent to you on February 29, 1984. (Reference: NRC Inspection Report Nos. 50-277/84-01; 50-278/84-01.) Three other violations, which were identified by members of your staff, were reviewed during an NRC inspection conducted on January 13 - February 29, 1984. The report of this inspection was forwarded to you on March 19, 1984. (Reference NRC Inspection Report Nos. 50-277/84-03; 50-278/84-03.) At the Enforcement Conference, the causes of these violations and your corrective actions were discussed.

The violations are described in the enclosures. The first violation, which is described in the enclosed Order Modifying License Effective Immediately, involved a change to a plant operating procedure for plant shutdown and a change to the shutdown sequence described in the FSAR, without having performed an adequate evaluation to ensure that the changes did not violate technical specifications or result in an unreviewed safety question. As a result of the changes, rods were scrambled individually, during shutdowns of the reactor from 1977 to late 1983, effectively bypassing the safety functions of the Rod Worth Minimizer (RWM) and the Rod Sequence Control System (RSCS). These systems ensure adherence to approved control rod sequences and were required by the technical specifications to be operable at the time.

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In addition, as described in the enclosed Notice of Violation and Proposed Imposition of Civil Penalties, three other violations occurred which involved failures to adhere to facility technical specification limiting conditions for operation. The first violation involved two occurrences during startup of both Unit 2 and Unit 3 in which the reactor heatup rates exceeded the limits specified in the technical specifications. The first instance occurred because reactor operator license trainees working in the control room did not properly use recorded data to obtain heatup rates. In the second instance, the violation occurred because an operator was withdrawing control rods too quickly. In both instances, adequate supervision and oversight of startup activities was not provided.

In the second violation, an unplanned reactor pressurization, above atmospheric pressure, occurred with the reactor at 110°F. At that temperature, reactor pressurization is prohibited by the technical specifications. This violation was caused by a failure to provide sufficient detail in a procedure regarding checks of valve positioning, thereby resulting in failure to recognize that valves were not properly positioned.

In the third violation, although a control rod was inoperable, as indicated by a slow response time during a reactor scram on November 17, 1983, this condition was not recognized until the rod again exhibited a slow response time during another scram of the reactor on January 14, 1984. Although the scram response times were reviewed in November 1983 by a junior technical assistant, technical assistant, shift supervisor, and supervisory engineer, the slow response time of the particular control rod was not identified.

These violations demonstrate the need for improvements at Peach Bottom to assure that the plant is operated in accordance with the technical specifications. To emphasize the need for improvements in the process for reviewing changes to the plant and procedures, I am issuing the enclosed Order Modifying License Effective Immediately to require an appraisal of your review process and certain plant procedures. To emphasize the need for improved procedures, improved adherence to procedures, and improved supervisory performance and oversight of plant activities, I am issuing the enclosed Notice of Violation and Proposed Imposition of Civil Penalties in the amount of \$30,000 for the violations described in Section I of the Notice. The violations described in Section I of the Notice involve the failure to adhere to technical specification limiting conditions for operation. Although if considered individually these violations are of low safety significance, collectively they reflect a significant problem with adherence to technical specifications and, accordingly, have been categorized in the aggregate as a Severity Level III problem. The base civil penalty amount for a Severity Level III violation or problem is \$40,000. The civil penalty has been mitigated to \$30,000 because of the unusually prompt and extensive corrective actions taken for violation I.C.

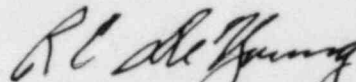
Section II of the enclosed Notice of Violation contains three examples of failures to follow procedures. The failures to follow procedures concern maintenance and surveillance activities involving the RWM and RSCS. These examples further illustrate the licensee's problems regarding the inoperability of systems. This violation is classified as Severity Level IV. A civil penalty is not proposed for this violation.

You are required to respond to the enclosed Order and Notice and you should follow the instructions specified therein when preparing your response. In your response, you should address the specific actions taken and planned to ensure adequate safety reviews, attention to detail in routine plant operations and testing, and improved supervisory performance and oversight of plant activities. Your response to this letter and Notice will be used in determining whether further enforcement action is warranted.

In accordance with Section 2.790 of the NRC's "Rules and Practice," 10 CFR Part 2, a copy of this letter and its enclosure will be placed in the NRC Public Document Room.

The responses directed by this letter and the enclosed Notice are not subject to the clearance procedures of the Office of Management and Budget, otherwise required by the Paperwork Reduction Act of 1980, PL 96-511.

Sincerely,



Richard C. DeYoung, Director
Office of Inspection and Enforcement

Enclosures:

1. Order Modifying License Effective Immediately
2. Notice of Violation and Proposed Imposition of Civil Penalties

cc w/encls:

R. S. Fleischmann, Station Superintendent
Troy B. Conner, Jr., Esquire
Eugene J. Bradley, Esquire, Assistant General Counsel
Raymond L. Hovis, Esquire
Michael J. Scibinico, II, Assistant Attorney General
Public Document Room (PDR)
Local Public Document Room (LPDR)
Nuclear Safety Information Center (NSIC)
NRC Resident Inspector
Commonwealth of Pennsylvania

Philadelphia Electric Company

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 R. DeYoung, IE
 J. Taylor, IE
 J. Axelrad, IE
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 T. Murley, RI
 J. Lieberman, ELD
 V. Stello, DED/ROGR
 Enforcement Coordinators
 RI, RII, RIII, RIV, RV
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 G. Messenger, OIA
 B. Hayes, OI
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 JLieberman
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