

NOTICE OF VIOLATION  
AND  
PROPOSED IMPOSITION OF CIVIL PENALTIES

Philadelphia Electric Company  
Peach Bottom Units 2 and 3  
Delta, Pennsylvania

Docket Nos. 50-277 and 50-278  
License Nos. DPR-44 and DPR-56  
EA 92-001

During an NRC inspection conducted on November 5 through December 13, 1991, violations of NRC requirements were identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (1991), the Nuclear Regulatory Commission proposes to impose civil penalties pursuant to Section 234 of the Atomic Energy Act of 1954, as amended (Act), 42 U.S.C. 2282, and 10 CFR 2.205. The particular violations and associated civil penalties are set forth below:

- A. Unit 3 Technical Specification Limiting Condition for Operation (LCO) 3.5.E.1 requires that the Automatic Depressurization Subsystem be operable whenever there is irradiated fuel in the reactor vessel and the reactor pressure is greater than 105 psig and prior to a startup from a Cold Condition, except as specified in 3.5.E.2 below.

Unit 3 Technical Specification LCO 3.5.E.2 requires that from and after the date that one valve in the Automatic Depressurization Subsystem is made or found to be inoperable for any reason, continued reactor operation is permissible only during the succeeding seven days, unless such valve is sooner made operable, provided that during such seven days the HPCI subsystem is operable.

Unit 3 Technical Specification LCO 3.5.E.3 requires that if the requirements of 3.5.E cannot be met, an orderly shutdown shall be initiated and the reactor pressure shall be reduced to at least 105 psig within 24 hours.

Contrary to the above, between December 7, 1989 (shortly after plant startup from a refueling outage) and September 14, 1991 (when the plant was shutdown for another refueling outage), during which time the reactor was operating and reactor pressure was greater than 105 psig, the Automatic Depressurization Subsystem (ADS) was inoperable. During that time, the HPCI subsystem was also inoperable for a total of 510 hours, and the reactor was not shutdown and reactor pressure was not reduced to at least 105 psig. The ADS was inoperable due to incorrectly installed thermal insulation around the ADS safety relief valves, resulting in significant degradation of the associated solenoid operated valves, cables, and splices, and in the ability of the ADS valves to perform their intended safety function.

This is a Severity Level II violation (Supplement I).  
Civil Penalty - \$160,000.

OFFICIAL RECORD COPY

PEACH BOTTOM REV 2/19/92 - 0007.0.0  
02/19/92

9202280039 920221  
PDR ADOCK 05000277  
0 PDR

- B. 10 CFR Part 50, Appendix B, Criterion XVI, Corrective Action, requires, in part, that measures shall be established to assure that conditions adverse to quality and nonconformances are promptly identified and corrected. In the case of significant conditions adverse to quality, the cause of the condition shall be determined and documented, and corrective action shall be documented and taken to preclude repetition.

Contrary to the above, although a significant condition adverse to quality was identified in September 1991, involving the degradation of all five of the Unit 3 ADS valves because of improper insulation, adequate corrective actions were not taken to assure that a similar significant condition adverse to quality did not also exist at Unit 2 and to correct such condition if it existed. Specifically, although the licensee performed a visual inspection of the Unit 2 SRVs on October 17, 1991 to verify correct insulation, this inspection was inadequate in that it did not identify that insulation for the "C" SRV (an ADS valve) was improperly installed. As a result, the unit was returned to power operations without correcting this condition adverse to quality.

This is a Severity Level III Violation (Supplement I).  
Civil Penalty - \$125,000.

Pursuant to the provisions of 10 CFR 2.201, Philadelphia Electric Company (Licensee) is hereby required to submit a written statement or explanation to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, within 30 days of the date of this Notice of Violation and Proposed Imposition of Civil Penalties (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each alleged violation: (1) admission or denial of the alleged violation, (2) the reasons for the violation if admitted, and if denied, the reasons why, (3) the corrective steps that have been taken and the results achieved, (4) the corrective steps that will be taken to avoid further violations, and (5) the date when full compliance will be achieved. If an adequate reply is not received within the time specified in this Notice, an order or a demand for information may be issued as to why the license should not be modified, suspended, or revoked or why such other action as may be proper should not be taken. Consideration may be given to extending the response time for good cause shown. Under the authority of Section 182 of the Act, 42 U.S.C. 2232, this response shall be submitted under oath or affirmation.

Within the same time as provided for the response required above under 10 CFR 2.201, the Licensee may pay the civil penalties by letter addressed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, with a check, draft, money order, or electronic transfer payable to the Treasurer of the United States in the amount of the civil penalties proposed above, or may protest imposition of the civil penalties in whole or in part, by a written answer addressed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission. Should the Licensee fail to answer within the time specified, an order imposing the civil penalties will be issued. Should the Licensee elect to file an answer in accordance with 10 CFR 2.205 protesting the civil penalties, in whole or in part, such answer should be clearly marked as an "Answer to a

Notice of Violation" and may: (1) deny the violations listed in this Notice, in whole or in part, (2) demonstrate extenuating circumstances, (3) show error in this Notice, or (4) show other reasons why the penalties should not be imposed. In addition to protesting the civil penalties in whole or in part, such answer may request remission or mitigation of the penalties.

In requesting mitigation of the proposed penalties, the factors addressed in Section V.B of 10 CFR Part 2, Appendix C (1992), should be addressed. Any written answer in accordance with 10 CFR 2.205 should be set forth separately from the statement or explanation in reply pursuant to 10 CFR 2.201, but may incorporate parts of the 10 CFR 2.201 reply by specific reference (e.g., citing page and paragraph numbers) to avoid repetition. The attention of the licensee is directed to the other provisions of 10 CFR 2.205, regarding the procedure for imposing civil penalties.

Upon failure to pay any civil penalty due which subsequently has been determined in accordance with the applicable provisions of 10 CFR 2.205, this matter may be referred to the Attorney General, and the penalties, unless compromised, remitted, or mitigated, may be collected by civil action pursuant to Section 234c of the Act, 42 U.S.C. 2282c.

The response noted above (Reply to Notice of Violation, letter with payment of civil penalties, and Answer to a Notice of Violation) should be addressed to: Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555 with a copy to the Regional Administrator, U.S. Nuclear Regulatory Commission, Region I, 475 Allendale Road, King of Prussia, Pennsylvania 19406 and a copy to the Senior Resident Inspector, Peach Bottom.

FOR THE NUCLEAR REGULATORY COMMISSION

ORIGINAL SIGNED BY  
WILLIAM F. KANE

Thomas T. Martin  
Regional Administrator

Dated at King of Prussia, Pennsylvania  
this 21 day of February 1992