



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

APR 21 1992

Docket/License No. 50-277/DPR-44
50-278/DPR-56
EA 92-001

Mr. D. M. Smith
Senior Vice President-Nuclear
Philadelphia Electric Company
Correspondence Control Desk
P. O. Box 195
Wayne, PA 19087-0195

Dear Mr. Smith:

SUBJECT: PHILADELPHIA ELECTRIC COMPANY REPLY TO A NOTICE OF VIOLATION AND
PROPOSED IMPOSITION OF CIVIL PENALTIES (NOTICE) - NRC INSPECTION
REPORT NOS. 50-277 AND 50-278/91-33

This letter will acknowledge receipt of your letter, dated March 20, 1992, and your check for \$285,000 in payment of the civil penalty proposed by the NRC in its letter dated February 21, 1992. The violations that were the subject of the penalty were discussed with you during an Enforcement Conference in the NRC Region I offices on January 17, 1992. The purpose of the Conference was to discuss 1) your discovery of degraded Unit 3 automatic depressurization system (ADS) components, and 2) your failure to take adequate short-term corrective action in that you did not promptly identify or correct a similar condition on one Unit 2 ADS valve.

In your response, and at the conference, you identified several causal factors that contributed to the incorrect installation of the Unit 3 ADS valve insulation, and that allowed the error to remain undetected for an extended period. These factors included poor maintenance planning, lack of sensitivity to the importance of insulation, inadequate training, inattention to detail, and lack of a questioning attitude. The multiple weaknesses evident in this event represent breakdowns in the technical and operational barriers that form the defense-in-depth approach to assuring nuclear safety. The corrective actions outlined in your letter appear responsive to the weaknesses. We encourage you to continue to aggressively reinforce these actions.

In preparing for the Enforcement Conference the NRC staff completed a technical assessment of the Unit 3 ADS component degradation, and its effect on the facility accident analysis as reflected in the current licensing basis for Peach Bottom. We considered the information contained in the Technical Specifications, the Updated Final Safety Analysis Report, and other docketed correspondence. We reviewed the scope and results of your post-discovery testing of the damaged ADS solenoid operated valves, cables and splices; and considered the information provided by your staff at the Conference. We concluded that reliable operation of the minimum number of ADS valves,

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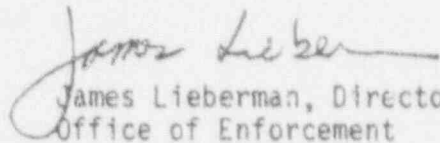
required by the current licensing basis to cope with the spectrum of accidents, could not be assured. Therefore, for periods of power operation when the High Pressure Coolant Injection (HPCI) system was not available, we considered the safety function to have been lost. We transmitted this conclusion to you in our February 21, 1992, letter. In your response you disagreed with our position. We have reviewed the basis for your contention. We continue to believe that our position that the event resulted in a loss of safety function is consistent with the current licensing basis for Peach Bottom. We continue to view this incident as a significant degradation in the ability of the plant to cope with certain accident sequences. Therefore, with respect to the first violation, the Severity Level II classification of the violation will remain as stated in the Notice.

The second violation involved your failure to plan and implement adequate short-term corrective action after identifying the Unit 3 ADS problem. As a result, you did not detect and evaluate an improperly insulated Unit 2 ADS valve, until pointed out by the NRC inspector. Analysis showed that the insulation deficiency did not cause the valve to be inoperable.

However, the weakness in corrective action quality is a recurring problem, and is of significant concern to the NRC. We recognize that during the past year you have dedicated significant resources to improving your root cause analysis and corrective action process. Recent NRC inspections, including the Integrated Performance Assessment Team Inspection, confirm that these efforts are having a positive effect on performance. The recent occurrence of an incident like that which resulted in the subject violation, indicates the importance of your focus on improving this area.

In conclusion, your written response to these items indicates a clear understanding of the NRC concerns, and outlines reasonable corrective actions. In the future we will conduct detailed inspection follow-up to assess your implementation of the corrective actions and their effectiveness. No additional response is required at this time. We appreciate your prompt attention and cooperation in this matter.

Sincerely,


James Lieberman, Director
Office of Enforcement

Philadelphia Electric Company

cc:

D. B. Miller, Vice President, Peach Bottom Atomic Power Station
D. R. Helwig, Vice President, Nuclear Engineering and Services
K. P. Powers, Plant Manager, Peach Bottom Atomic Power Station
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Nuclear Safety Information Center (NSIC)
NRC Resident Inspector
Commonwealth of Pennsylvania
TMI - Alert

Philadelphia Electric Company

bcc:

Region I Docket Room (with concurrences)
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CONCURRENCES:

OE *Wm T*
WTroskoski
4/20/92

RI *Wm T/for*
TMartin
4/15/92
per memo.

~~OE:J~~
JLieberman
4/21/92