December 5, 1995

Mr. D. M. Smith Senior Vice President-Nuclear PECO Energy Company Nuclear Group Headquarters Correspondence Control Desk P.O. Box 195 Wayne, PA 19087-0195

Dear Mr. Smith:

SUBJECT: SYSTEMATIC ASSESSMENT OF LICENSEE PERFORMANCE (SALP) REPORT NOS. 50-277/95-99 AND 50-278/95-99

This letter forwards the Peach Bottom Atomic Power Station Unit 2 and 3 SALP report for the period May 1, 1994, to October 14, 1995 (Enclosure 1). This SALP was conducted under the revised process that was implemented by the Nuclear Regulatory Commission (NRC) on July 19, 1993. The 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 excellent performance at your facility during the period. Station management oversight, effective use of the Performance Enhancement Program at all levels of the organization, and other measures used in identifying and evaluating issues contributed to continued strong performance. There was an improved questioning attitude exhibited by management and the station staff.

During the period, the NRC noted performance improvements in all the functional areas, particularly in maintenance and plant support. However, early in the period issues involving poor human performance concerned the NRC staff. Your staff recognized these concerns and through effective management involvement improved human performance during the latter part of the period. Notwithstanding this improvement, your management should continue to address isolated human performance issues as they occur.

Performance in the Operations area continued to be superior. Operator performance was outstanding in responding to events and planned evolutions. Management provided effective and safe oversight of plant activities. Operator training effectiveness declined this period. Oversight organizations, including the Plant Operations Review Committee, Nuclear Review Board, and Independent Safety Engineering Group continued to provide effective reviews of station safety performance and contributed to improving plant reliability and safety.

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Site management's aggressive attention to maintenance and surveillance activities continued and contributed to excellent performance. Noted strengths included planning and execution of corrective maintenance, equipment outages, and on-line maintenance. Control of work, proper use of procedures, communications, as skills of the craft have become strengths during surveillance testing activities.

Excellent performance was often displayed in the engineering area. Management involvement and organizational self-assessments were beneficial. Good engineering work and direct support to the plant operating staff resulted in permanent improvement to the plant, as well as good resolutions of emerging issues and equipment problems. However, errors in modification work, in addition to some other lapses, indicated inconsistent engineering performance.

Overall improved performance was achieved in the plant support area. Radiation protection programs were strengthened, and worker support for radiation protection controls improved, although some procedure adherence problems remained. The security, radiological effluents control, and radiological environment monitoring programs remained strong. The emergency planning program was effective, but experienced some lapses in plan and procedure revisions, as well as training for corporate responders.

We will schedule a management meeting, open to public observation at the Peach Bottom site to discuss our assessment. At the meeting, you are encouraged to candidly discuss any comments you may have regarding the report as well as to discuss any initiatives or areas where further improvements could be realized, as mentioned in our evaluation. Enclosure 2 provides the schedule of NRC inspections of your facility planned for the next year. We will inform you of any changes. The routine resident inspection effort is not included in this schedule.

We appreciate your cooperation.

Sincerely,

Original Signed by: Thomas T. Martin

Thomas T. Martin Regional Administrator

Docket Nos. 50-277; 50-278

Enclosures:

1. SALP Report No. 50-277/95-99 and 50-278/95-99

2. Inspection Schedule

Mr. D. M. Smith

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cc w/encl: G. A. Hunger, Jr., Chairman, Nuclear Review Board and Director, Licensing G. Rainey, Vice President, Peach Bottom Atomic Power Station D. B. Fetters, Vice President, Nuclear Station Support J. Cotton, Director, Nuclear Engineering Division C. D. Schaefer, External Operations - Delmarva Power & Light Co. G. Edwards, Plant Manager, Peach Bottom Atomic Power Station A. J. Wasong, Manager, Experience Assessment J. W. Durham, Sr., Senior Vice President and General Counsel P. MacFarland Goelz, Manager, Joint Generation, 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 L. Jacobson, Peach Bottom Alliance Commonwealth of Pennsylvania TMI - Alert (TMIA) Chairman Jackson **Commissioner Rogers** Institute for Nuclear Power Operations D. Screnci, PAO (30)

## Mr. D. M. Smith

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