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

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

Dear Mr. Smith:

SUBJECT: SPECIAL INSPECTION 50-277/92-14 AND 50-278/92-14

This letter transmits the findings of a special sarety inspection conducted by Ms. M. G. Evans, and Messrs. F. P. Bonnett, F. J. Laughlin, J. H. Lusher and R. K. Mathew, from July 4 through July 11, 1992, to review the events surrounding the declaration of an Alert on July 4, 1992, at the Peach Bottom Atomic Power Station, Delta, Pennsylvania. The inspectors based these findings on observation of activities, interviews and document reviews, and discussed them with Messrs. J. W. Austin and D. R. Meyers of your staff on July 13, 1992.

On July 4, 1992, failure of the No. 1 auto transformer and disconnect in the North Substation occurred, resulting in the temporary loss of one of the two off-site power sources for Peach Bottom. In addition, power to one 4 kV emergency bus was lost because the bus did not automatically transfer to the second off-site power source due to a faulty breaker control switch. As a result, Unit 3 automatically scrammed on low condenser vacuum. Shift management declared an Alert due to the explosion of the No. 1 auto transformer.

We viewed this event as significant. We conducted this Special Inspection in order to review the circumstances surrounding this event, and to determine that you had appropriately evaluated these issues and taken adequate corrective action prior to restart of Unit 3.

The inspectors concluded that you had appropriately evaluated all issues, specifically those related to the availability of the off-site power source and the loss of power to the emergency bus. We found that station management took an active role in the review and resolution of all issues, and that your immediate and interim corrective actions were acceptable. We note that your longer term actions include conduct of root cause analyses of the control switch failure and the failures at the substation. We stress the importance of completing these analyses in a timely manner in order to ensure a full understanding of any potential generic implications.

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We appreciate your cooperation.

Sincercly,

ORIGINAL SIGNED BY EDWARD C. WENZINGER

E. Wenzinger, Chief Projects Branch 2 Division of Reactor Projects

Enclosure: NRC Region I Combined Inspection Report 50-277/92-14 and 50-278/92-14.

cc w/encl:

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R. N. Charles, Chairman, Nuclear Review Board

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A. A. Fulvio, Regulatory Engineer, Peach Bottom Atomic Power Station

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J. W. Durham, Sr., Senior Vice President and General Counsel

J. A. Isabella, Director, Generation Projects Department, Atlantic Electric

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R. McLean, Power Plant Siting, Nuclear Evaluations

D. Poulson, Secretary of Harford County Council

R. Ochs, Maryland Safe Energy Coalition

J. H. Walter, Chief Engineer, Public Service Commission of Maryland

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Local Public Document Room (LPDR)

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bcc w/encl:

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