

UNITED STATES NUCLEAR REGULATORY COMMISSION
ALL LICENSEES OF REACTORS WITH INSTALLED
THERMO-LAG FIRE BARRIER MATERIAL

ISSUANCE OF DIRECTOR'S DECISION UNDER 10 CFR 2.206

Notice is hereby given that the Director, Office of Nuclear Reactor Regulation, has acted on Petitions for action under 10 CFR 2.206 received by a letter dated September 26, 1994, from the Citizens for Fair Utility Regulation and the Nuclear Information and Resource Service; by a press release dated October 6, 1994, from the Maryland Safe Energy Coalition; by separate letters dated October 21, 1994, from the GE Stockholders' Alliance and Dr. D. K. Cinquemani; by a letter dated October 25, 1994, from the Toledo Coalition for Safe Energy; by a letter dated October 26, 1994, from R. Benjan; by a letter dated November 14, 1994, from B. DeBolt; and by a letter dated December 8, 1994, from the Nuclear Information and Resource Service and the Oyster Creek Nuclear Watch. The Petitioners requested that the U.S. Nuclear Regulatory Commission (NRC) take action with regard to the use of Thermo-Lag by reactor licensees and that their letters be treated as Petitions pursuant to Section 2.206 of Title 10 of the Code of Federal Regulations (10 CFR 2.206).

The Citizens for Fair Utility Regulation and the Nuclear Information and Resource Service requested (1) Texas Utilities Electric Company, the licensee of Comanche Peak Steam Electric Station, Unit 1, perform additional destructive analysis for Thermo-Lag configurations in proportion to the total installed amount to determine the degree of "dry joint" occurrence, (2) the licensee perform fire tests on upgraded "dry joint" Thermo-Lag configurations for conduit and cable trays to rate the barrier as a tested configuration in

compliance with fire protection regulations, and (3) the NRC immediately suspend the Comanche Peak Unit 1 license until the above listed corrective actions are taken. The Maryland Safe Energy Coalition requested immediate shutdown of both reactors at the Peach Bottom plant until the risk of fire near electrical control cables due to combustible insulation is corrected. Dr. Cinquemani and the Toledo Coalition for Safe Energy requested that the NRC immediately shut down all reactors where Thermo-Lag is used until it has been removed and replaced. The GE Stockholders' Alliance requested shutdown of all reactors where Thermo-Lag is used until it has been removed and replaced with fire-retardant material meeting NRC standards. R. Benjan requested immediate shutdown of all reactors where Thermo-Lag is used. B. DeBolt requested shutdown of all reactors in which Thermo-Lag is used until it has been removed and replaced. The Nuclear Information and Resource Service and the Oyster Creek Nuclear Watch requested that NRC immediately suspend GPU Nuclear Corporation's (GPUN's) operating license for Oyster Creek Nuclear Generating Station (OCNGS) until GPUN removes Thermo-Lag fire barrier material and replaces it with a competitive product that meets current NRC fire protection regulations.

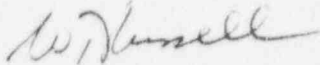
The Director of the Office of Nuclear Reactor Regulation has determined that these requests should be denied for the reasons stated in the "Director's Decision Under 10 CFR 2.206" (DD-96-03), the complete text of which follows this notice, and which is available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, N.W., Washington, D.C., and at the Local Public Document Room for the named facilities.

A copy of this Decision has been filed with the Secretary of the Commission for the Commission's review in accordance with 10 CFR 2.206(c) of

the Commission's regulations. As provided by this regulation, this Decision will constitute the final action of the Commission 25 days after the date of issuance unless the Commission, on its own motion, institutes review of the Decision within that time.

Dated at Rockville, Maryland, this 3rd day of April , 1996.

FOR THE NUCLEAR REGULATORY COMMISSION



William T. Russell, Director
Office of Nuclear Reactor Regulation




OFFICE OF THE
GENERAL COUNSEL

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555-0001

October 19, 1994

MEMORANDUM TO: William T. Russell, Director
Office of Nuclear Reactor Regulation

FROM:  Jack R. Goldberg
Deputy Assistant General Counsel
for Enforcement

SUBJECT: § 2.206 PETITION OF MARYLAND SAFE ENERGY COALITION REGARDING
PEACH BOTTOM ATOMIC POWER STATION

Attached is a copy of a "PRESS RELEASE" dated October 6, 1994, and submitted by the Maryland Safe Energy Coalition (Petitioner), requesting action with regard to the Peach Bottom Atomic Power Station. Attached to the press release is a copy of an article from the September 30, 1994, issue of the *Baltimore Sun* concerning the indictment of Thermal Science, Inc. and its President.

Petitioner requests that the NRC: (1) immediately shut down both reactors at Peach Bottom until the risk of fire near electrical control cables due to combustible insulation is corrected; (2) suspend the Peach Bottom license until an analysis of the synergistic effects of cracks in multiple parts is conducted; and (3) inspect all safety class component parts in both reactor vessels, including the cooling system, heat transfer system and the reactor core.

As the bases for its requests, Petitioner states that: the manufacturer of the flame retardant (Thermo-Lag insulation) was indicted on criminal charges (of falsifying tests of the effectiveness of the insulation as a fire barrier); fire near the electrical control cables, due to combustible (Thermo-Lag) insulation, could cause a catastrophic melt-down; cracks were discovered in the structural support (core shroud) for the reactor fuel in Reactor 3; the NRC discovered that on August 3, 1994, both reactors had no emergency cooling water for approximately one hour; and an NRC report dated August 16, 1994, found numerous chronic problems at Peach Bottom involving cooling tower leaks, coolant injection system vibration, injection valve failures, feedwater vibrations and leakage, fuel pool hot spots, incore probe failures, auxiliary boiler unreliability, valve failures, air solenoid failure, and hydraulic leaks and malfunctions.

CONTACT: Jenny Longo, OGC
504-3568

~~950303005A~~ 10PP

I have attached drafts of a letter of acknowledgement to the Petitioner and a Notice of Receipt of the Petition for publication the *Federal Register*. Since the Petitioner made requests for an immediate suspension of the operating license, substantive input from the staff is needed to address those requests in the acknowledgement letter.

Petitioner supports requests by Nuclear Information Resource Services (NIRS) to suspend the Peach Bottom license, pending an analysis of synergistic effects of cracks in multiple parts, and to inspect all safety class component parts in both reactor vessels. There are, however, no such outstanding requests by NIRS, to our knowledge.

Please inform Jenny Longo of my staff of the technical contact who will be involved in preparing a response to the Petition. Please ensure that I am provided copies of all correspondence related to the Petition and that I am asked to concur on all staff correspondence.

Attachments: 1. Copy of Petition
2. Draft of Letter to Petitioner
3. Draft *Federal Register* Notice

cc w/atts: M. Malsch, OGC
S. Burns, OGC
W. Olmstead, OGC
L. Chandler, OGC
T. Martin, RI

Mr. Richard Ochs
Maryland Safe Energy Coalition
P.O. Box 33111
Baltimore, Maryland 21218

Dear Mr. Ochs:

This letter is to acknowledge receipt of the "PRESS RELEASE" of the Maryland Safe Energy Coalition, dated October 6, 1994, requesting action with regard to the Peach Bottom Atomic Power Station of PECO Energy Company.

The press release requests that the NRC: (1) immediately shut down both reactors at Peach Bottom until the risk of fire near electrical control cables due to combustible insulation is corrected; (2) suspend the Peach Bottom license until an analysis of the synergistic effects of cracks in multiple parts is conducted; and (3) inspect all safety class component parts in both reactor vessels, including the cooling system, heat transfer system and the reactor core.

As the bases for these requests, the press release and attached copy of an article from the September 30, 1994, issue of the Baltimore Sun state that: the manufacturer of Thermo-Lag insulation was indicted on criminal charges of falsifying tests of the effectiveness of the insulation as a fire barrier; fire near the electrical control cables, due to combustible Thermo-Lag insulation, could cause a catastrophic melt-down; cracks were discovered in the structural support (core shroud) for the reactor fuel in Reactor 3; the NRC discovered that on August 3, 1994, both reactors had no emergency cooling water for approximately one hour; and an NRC report dated August 16, 1994, found numerous chronic problems at Peach Bottom involving cooling tower leaks, coolant injection system vibration, injection valve failures, feedwater vibrations and leakage, fuel pool hot spots, incore probe failures, auxiliary boiler unreliability, valve failures, air solenoid failure, and hydraulic leaks and malfunctions.

Your request for an immediate shut-down of both reactors pending correction of the fire risk, and for suspension of the Peach Bottom license pending performance of an analysis of the synergistic effects of cracks in multiple parts is _____ because _____. [NRR to provide reasons for grant or denial of requests for immediate relief]

Your Petition has been referred to me pursuant to 10 C.F.R. § 2.206 of the Commission's regulations. As provided by Section 2.206, action will be taken on your requests within a reasonable time. I have enclosed for your

R. Ochs

-2-

information a copy of the notice that is being filed with the Office of the Federal Register for publication.

Sincerely,

William T. Russell, Director
Office of Nuclear Reactor Regulation

Enclosure: As stated

cc w/enclosure: PECO Energy Company

U.S. NUCLEAR REGULATORY COMMISSION

Docket No. ____

PECO ENERGY COMPANY

(Peach Bottom Atomic Power Station)

(License No. ____)

RECEIPT OF PETITION FOR DIRECTOR'S DECISION UNDER 10 C.F.R. § 2.206

Notice is hereby give that by a "PRESS RELEASE" dated October 6, 1994, the Maryland Safe Energy Coalition requests that the Nuclear Regulatory Commission take action with regard to the Peach Bottom Atomic Power Station of PECO Energy Company.

The Petition requests that the NRC: (1) immediately shut down both reactors at Peach Bottom until the risk of fire near electrical control cables due to combustible insulation is corrected; (2) suspend the Peach Bottom license until an analysis of the synergistic effects of cracks in multiple parts is conducted; and (3) inspect all safety class component parts in both reactor vessels, including the cooling system, heat transfer system and the reactor core.

As the bases for its requests, Petitioner states that: the manufacturer of the flame retardant (Thermo-Lag insulation) was indicted on criminal charges (of falsifying tests of the effectiveness of the insulation as a fire barrier); fire near the electrical control cables, due to combustible Thermo-Lag insulatio could cause a catastrophic melt-down; cracks were discovered in the structural support (core shroud) for the reactor fuel in Reactor 3; the

NRC discovered that on August 3, 1994, both reactors had no emergency cooling water for approximately one hour; and an NRC report dated August 16, 1994, found numerous chronic problems at Peach Bottom involving cooling tower leaks, coolant injection system vibration, injection valve failures, feedwater vibrations and leakage, fuel pool hot spots, incore probe failures, auxiliary boiler unreliability, valve failures, air solenoid failure, and hydraulic leaks and malfunctions.

The Petition is being treated pursuant to 10 C.F.R. § 2.206 of the Commission's regulations. The Petition has been referred to the Director of Nuclear Reactor Regulation (NRR). As provided by Section 2.206, appropriate action will be taken on this Petition within a reasonable time. By letter dated ____, the Director [granted or denied] Petitioner's requests for an immediate shut-down of Peach Bottom and for an immediate suspension of the Peach Bottom license.

A copy of the Petition is available for inspection at the Commission's Public Document Room at 2120 L Street, N.W., Washington, D.C. 20555.

FOR THE NUCLEAR REGULATORY COMMISSION

William T. Russell, Director
Office of Nuclear Reactor Regulation

Dated at Rockville, Maryland
this ____ day of ____ 1994

ACTION

EDO Principal Correspondence Control

FROM: DUE: 11/15/94

EDO CONTROL: 0010547
DOC DT: Undated/
FINAL REPLY:

Dan Holody
Maryland Safe Energy Coalition

TO:

Dan Holody, RI

FOR SIGNATURE OF :

** GRN **

CRC NO:

DESC:

2.206 PETITION - PRESS RELEASE REQUEST FOR
IMMEDIATE SHUT DOWN OF BOTH NUCLEAR REACTORS AT
PEACH BOTTOM

ROUTING:

Taylor
Milhoan
Thompson
Blaha
TMMartin, RI
Russell, NRR
Lieberman, OE

DATE: 10/14/94

ASSIGNED TO:

CONTACT:

OGC

Cyr

SPECIAL INSTRUCTIONS OR REMARKS:

NRR RECEIVED: OCTOBER 21, 1994
NRR ACTION: DRPE:VARGA

9404946

NRR ROUTING:
RUSSELL
MIRAGLIA
ZIMMERMAN
THADANI
BOHRER
CRUTCHFIELD

<u>ACTION</u>
DUE TO NRR DIRECTOR'S OFFICE
BY <u>Jan. 9, '94</u>

Maryland Safe Energy Coalition
P.O. Box 33111
Baltimore, MD 21218
410-243-2077
FAX 235-5325
ro0001@epfl2.epflbalto.org

TO: DAN HOLOPY
NRC

FAX 610-337-5241

FROM: RICHARD OCHS

2 PAGES FOLLOWING

MESSAGE: SEVERAL OF OUR MEMBERS WOULD
LIKE TO ATTEND THE NRC ENFORCEMENT
CONFERENCE ON OCT. 3 CONCERNING
SAFETY INSPECTION 50-277/94-24
AND 50-278/94-24.

Maryland Safe Energy Coalition

P.O. Box 33111

Baltimore, MD 21218

410-243-2077

FAX 235-5325

ro0001@epfl2.epflbalto.org

PRESS RELEASE

October 6, 1994

THE MARYLAND SAFE ENERGY COALITION CALLS FOR THE IMMEDIATE SHUT DOWN OF BOTH NUCLEAR REACTORS AT THE PEACH BOTTOM ATOMIC POWER STATION IN DELTA, PENNSYLVANIA. THE RISK OF A FIRE NEAR THE ELECTRICAL CONTROL CABLES DUE TO COMBUSTIBLE INSULATION, WHICH COULD CAUSE A CATASTROPHIC MELT DOWN, IS UNACCEPTABLE. AS REPORTED ON THE FRONT PAGE OF THE BALTIMORE SUN (SEPT. 30), THIS SAFETY VIOLATION WAS SO SERIOUS THAT THE MANUFACTURER OF THE FLAME RETARDANT WAS INDICTED ON CRIMINAL CHARGES.

WHILE THIS HAZARD EXISTS IN AT LEAST 60 OTHER U.S. REACTORS, THE SAFETY CONDITION AT PEACH BOTTOM IS FURTHER HEIGHTENED BY SEVERAL OTHER SERIOUS VIOLATIONS. WE DEMAND THAT THE REACTORS AT PEACH BOTTOM BE KEPT SHUT DOWN UNTIL THE ABOVE AND FOLLOWING CONDITIONS ARE CORRECTED.

IN ADDITION TO THE ABOVE HAZARD, CRACKS WERE DISCOVERED IN THE STRUCTURAL SUPPORT (CORE SHROUD) OF THE REACTOR FUEL IN REACTOR 3, INDICATING POSSIBLE CRACKS IN OTHER PARTS OF THE REACTOR VESSEL. WE SUPPORT THE DEMAND OF THE NUCLEAR INFORMATION RESOURCE SERVICE (NIRS)* THAT ALL SAFETY CLASS COMPONENT PARTS IN BOTH REACTOR VESSELS BE INSPECTED. THIS INCLUDES THE COOLING SYSTEM, HEAT TRANSFER SYSTEM AND THE CORE ITSELF, WHERE SHIFTING PARTS COULD CAUSE THE RODS TO STICK (16 PARTS IN EACH REACTOR).

WE ALSO SUPPORT THE DEMAND BY NIRS THAT THE PEACH BOTTOM LICENSE BE SUSPENDED UNTIL AN ANALYSIS OF THE SYNERGISTIC EFFECTS OF CRACKS IN MULTIPLE PARTS IS CONDUCTED.

IN ADDITION, THE NUCLEAR REGULATORY COMMISSION (NRC) DISCOVERED THAT BOTH REACTORS HAD NO EMERGENCY COOLING WATER FOR ABOUT AN HOUR ON AUGUST 3, 1994, WHICH MEANS THAT THE REACTORS COULD HAVE MELTED DOWN IF THEY OVERHEATED.

ACCORDING TO AN NRC REPORT (AUG. 16, 1994), OTHER CHRONIC PROBLEMS AT PEACH BOTTOM INCLUDE: COOLING TOWER LEAKS, COOLANT INJECTION SYSTEM VIBRATION, INJECTION VALVE FAILURES, FEEDWATER VIBRATIONS AND LEAKAGE, FUEL POOL HOT SPOTS, INCORE PROBE FAILURES, AUXILIARY BOILER UNRELIABILITY, VALVE FAILURES, AIR SOLENOID FAILURE, AND HYDRAULIC LEAKS AND MALFUNCTIONS.

* Contact MSEC (above) or NIRS at 1424 16th St., N.W., Suite 601, Washington, DC 20036. Phone 202-328-0002.



SUN.

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BALTIMORE, MARYLAND

Nuclear plant wiring at risk of fire

Manufacturer of defective flame retardant is indicted on charges of falsifying tests

By Sarah Myers
Sun Staff Writer

A fire retardant widely used in the nation's nuclear plants and houses to be defective by the Federal Regulatory Commission for years in at the center of a federal indictment issued yesterday in which the manufacturer or was accused of falsifying tests on its effectiveness.

The retardant, called Therman-Lag 324, was developed in the wake of one of the nation's worst fires at an atomic power plant in Browns Ferry, Ala., in 1975. DuPont ordered in 1967 that one safety questioner be able to prevent the approval of fire.

Following yesterday's indictment, nuclear industry critics asked the NRC to immediately require the inclusion from more than 80 power plants developed with it. The report's chief plants are in southern Penn-

sylvania and in Virginia. The Therman-Lag was used at the Oblique Offshore plant in Kentucky.

Four plants in the self-administered region, all in Pennsylvania, have the retardant: Peach Bottom in York near the Federal Chandy line; Limerick outside Philadelphia; Susquehanna in Berwick; and Three Mile Island south of Harrisburg.

Officials of the nuclear industry say that although the risk of a fire is small, the results could be catastrophic if the retardant is not replaced.

"It is there to protect the cables that run the reactor in vital parts of the plant," said James Ricketts, chief attorney for Public Citizen in Washington, D.C.

In the event of a fire, this stuff is not going to work. It's a mistake."

Tests showed that Therman-Lag's jacket can weaken and separate, making the cables vulnerable. The retardant also failed tests to resist the fire the required three hours. Oklahoma also say that the retardant — which binds the dry wall and is placed together to cover any electrical cables — can cause cables to overheat and be combustible.

The NRC denied that and said that the retardant has led to no fires or other accidents.

Officials with the NRC and the Nuclear Energy Institute say that safety seminars at the plants have been required to correct the problems. Many plants — including those at

Peach Bottom — have questioned the results, with employees performing tests where the retardant is installed.

Some rely on statements the other two and suppliers, and others have installed more Therman-Lag, using new screwing techniques approved by the NRC.

Therman-Lag is being installed at a new plant in Tennessee and in two plants in Texas that are being upgraded. Of the plants affected, 15 have taken corrective steps according to the NRC.

Because of these seminars, it's unlikely that a fire would challenge the fire barrier," said John Koppert, an NRC spokesman.

The seven-year indictment returned yesterday charges Therman Science Inc. of St. Louis, Mo., and its president, Ralston Pedersen, in a 10-

See FRONT PAGE

INDICT: Defective fire retardant was sold for use in nuclear power plants

From Page 1A

your company to study laboratory reports and document industrial operations.

Beginning in 1982, Mr. Pedersen persuaded officials to purchase Therman-Lag as part of ongoing requirements following the Browns Ferry fire, which caused a temporary loss of control of the reactor.

Instead of independent testing, TSI hired a Missouri laboratory whose president signed test reports

that had been written by TSI, according to prosecutors.

TSI made approximately 900 sales in the state of Tennessee-Lag, U.S. Attorney for Maryland Ignace A. Buttrighi said in announcing the indictment yesterday.

The probe by the NRC's office of inspection general and the NRC office of investigations began two years ago.

The laboratory that signed off on the tests, Industrial Testing Laboratories Inc., and the company president

test plants guilty last spring. The laboratory was fined \$150,000.

In a memo, Allen Siegel agreed to cooperate with the investigation and has not been arrested.

"We emphatically deny that either TSI or Ralston Pedersen signed in any capacity whatsoever, and advised in plant not guilty and vigorously contest the charges in court," the company said yesterday in a press release.

Although prosecutors announced that safety seminars taken by the

NRC adequately protect the public, critics yesterday accused the agency of being more concerned with protecting the industry.

"I can assure you that this stuff out," said Mr. Ricketts of Public Citizen, who estimated the cost at about \$110 million per reactor. "Yesterday, the NRC's entire Zeigler for the past 10 to 12 years is to try to cause the least amount of exposure on the industry as possible."

"The fact this should be the case out of every reactor I can, and every in-

ter find a fire barrier that works."

Another group, the Firestone Information and Insurance Service in Washington, D.C., also called for removal of the retardant.

"There you have the manufacturer under indictment, with one arm of the government prosecuting and another arm of the government backing the manufacturer," said Paul Denton, director of the group's nuclear watchdog project.

The NRC, he said, is violating its own regulations which prohibit

evaluation of a combustible material in a fire case.

Steven West, the NRC's public spokesman on Therman-Lag, said the matter was being evaluated by regulators.

There are certain limitations to the plant, principally inside the containment area, where the regulators say the fire barriers should be non-combustible," he said. "There are limited exceptions where they do have this material in the containment, but we are working that out and dealing

FRONT, SEPTEMBER 24, 1984



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20545-0001

December 2, 1994

Handwritten notes:
SC
File
mg
P.C. - Peach Bottom

Mr. Richard Ochs
Maryland Safe Energy Coalition
P.O. Box 33111
Baltimore, MD 21218

Dear Mr. Ochs:

I have received the press release dated October 6, 1994, in which the Maryland Safe Energy Coalition requests action with regard to the Peach Bottom Atomic Power Station of PECO Energy Company (PECO). This request is being treated as a petition in accordance with 10 CFR 2.206 of the U.S. Nuclear Regulatory Commission's (NRC) regulations.

As stated in the press release, the Coalition requests that the NRC (1) immediately shut down both reactors at Peach Bottom until the risk of fire near electrical control cables due to combustible insulation is corrected; (2) suspend the Peach Bottom license until an analysis of the synergistic effects of cracks in multiple parts is conducted; (3) immediately shut down both reactors at Peach Bottom until all safety class component parts in both reactor vessels, including the cooling system, the heat transfer system and the reactor core, are inspected; and (4) immediately shut down both reactors at Peach Bottom pending correction of numerous equipment problems identified in recent NRC inspection reports.

As the bases for these requests, the press release and an article from the September 30, 1994, issue of the Baltimore Sun state that the manufacturer of Thermo-Lag insulation was indicted on criminal charges of falsifying tests of the effectiveness of the insulation as a fire barrier; fire near the electrical control cables, due to combustible Thermo-Lag insulation, could cause a catastrophic meltdown; cracks were discovered in the structural support (core shroud) for the reactor fuel in Reactor 3; the NRC discovered that on August 3, 1994, both reactors had no emergency cooling water for approximately 1 hour; and according to an NRC report dated August 16, 1994, numerous chronic problems exist at Peach Bottom including cooling tower leaks, coolant injection system vibration, injection valve failures, feedwater vibrations and leakage, fuel pool hot spots, incore probe failures, auxiliary boiler unreliability, valve failures, air solenoid failure, and hydraulic leaks and malfunctions.

Your request for an immediate shutdown of both reactors pending correction of the fire risk is denied. The NRC staff is addressing deficiencies in fire barriers constructed with Thermo-Lag material as part of a Commission-approved action plan, and has issued several Bulletins and a Generic Letter to the nuclear industry to provide information and guidance. PECO has identified those fire barrier systems constructed with Thermo-Lag 330 and has declared those fire barriers inoperable. In keeping with the Peach Bottom Technical Specifications, PECO has instituted compensatory measures (fire watches) as approved by the NRC. Accordingly, the staff concludes that PECO has taken

appropriate measures to reduce the fire risk and that immediate suspension of the license is not warranted.

Your request for an immediate suspension of the Peach Bottom license pending completion of analyses of the "synergistic effects" of cracks in multiple reactor components is denied. In addition, your request for an immediate shutdown of both reactors until all safety class component parts in both reactor vessels, including the cooling system, the heat transfer system and the reactor core, are inspected is denied. The nuclear industry and the staff are aware of the potential for cracking in reactor pressure vessel internal components. PECO conducts an inservice inspection program for reactor pressure vessel internal components, as prescribed by the American Society of Mechanical Engineers Boiler and Pressure Vessel Code. PECO also inspects certain internal components as part of an augmented inspection program that is not specifically required by the Code. Specific components included in Peach Bottom's inspection program include core spray spargers, shroud access hole covers, jet pump components, top guides and in-core instrumentation. The NRC staff performs routine inspections of licensee-implemented inservice inspection programs, including the program at Peach Bottom.

The Boiling Water Reactor Owners Group has addressed the issue of cracking in the reactor pressure vessel internal components by recommending that BWR licensees perform inspections of such components pursuant to vendor recommendations of the General Electric Company. PECO has conducted enhanced visual inspection of the Peach Bottom Unit 3 core shroud, and based on the results of that inspection, the staff concluded that the observed crack indications did not render unsafe the continued operation of Unit 3 during the remainder of the current operating cycle. The staff reviewed the licensee's analysis and determined that it is acceptable. The licensee has committed to conduct additional inspections during the refueling outage scheduled to begin in September 1995. Based on preliminary results of PECO's ultrasonic inspections of the Unit 2 core shroud, conducted in September 1994, which showed fewer crack indications than were observed on Unit 3, the licensee and the NRC staff concluded that continued operation for the next operating cycle is safe. Accordingly, the staff concludes that PECO has taken appropriate actions to address the reliability of reactor vessel internal components and that neither an immediate suspension of the license nor an immediate shutdown of the plant is warranted.

Your request for an immediate shutdown of both reactors pending correction of numerous equipment problems identified in recent NRC inspection reports is denied. Despite the August 3, 1994, degraded condition of the Emergency Service Water System (ESW), emergency service water was available to both units and the safety impact of the event was minimal. The ESW system was restored to a fully operable status on August 3, 1994, and there is no safety concern with regard to the operability of safety systems cooled by the ESW system. The August 16, 1994, NRC Inspection Report No. 94-17 listed system and component reliability issues being tracked by PECO for resolution, and the November 4, 1994, NRC Inspection Report 94-21 concluded that although those safety-related equipment problems represent long-term reliability issues, they

do not represent immediate operability concerns or impair the safe operation of either unit. Therefore, your request for an immediate shutdown of both reactors based on ESW operability or equipment reliability issues identified in the August 16, 1994, inspection report is denied.

Your petition has been referred to me pursuant to 10 CFR 2.206 of the Commission's regulations. As provided by Section 2.206, action will be taken on your requests within a reasonable time. I have enclosed for your information a copy of the notice that is being filed with the Office of the Federal Register for publication *and a copy of the 2206*
spacing

Sincerely,
 Original signed by
 Frank J. Mitchell, Director
 Office of Nuclear Reactor Regulation

Enclosure: As stated

cc w/encl:
 See next page

*Previous Concurrence

OFFICE	<i>W-1</i>	<i>FDI-2/PW</i>	<i>FDI-2/PD</i>	ENCB/BC *	SPLB/BC *	R-IDRP/SC *
NAME	<i>W-1</i>	<i>JShoe</i>	<i>JStolz</i>	JStroenider	CMcCracken	CAnderson
DATE	<i>11/28/94</i>	<i>11/28/94</i>	<i>11/28/94</i>	11/10/94	11/04/94	11/18/94
TECH ED *	OGC *	DRPE/D *	AOP *	<i>DR/D</i>		
<i>MHejac</i>	<i>GLongo</i>	<i>SVerge</i>	<i>RZimmerman</i>	<i>Russell</i>		
11/16/94	11/22/94	11/23/94	11/23/94	<i>11/23/94</i>		

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