

December 18, 1996

Mr. D. M. Smith, President
PECO Nuclear
Nuclear Group Headquarters
Correspondence Control Desk
P. O. Box 195
Wayne, Pennsylvania 19087-0195

SUBJECT: ROUTINE INTEGRATED INSPECTION 50-277/96-08 AND 50-278/96-08

Dear Mr. Smith:

This refers to the inspection conducted from September 8, 1996, through November 9, 1996, at the Peach Bottom Atomic Power Station, Delta, Pennsylvania. The purpose of the inspection was to determine whether activities authorized by the licensee were conducted safely, in accordance with NRC requirements. At the conclusion of the inspection, Mr. W. L. Schmidt discussed the findings with Mr. M. Warner of your staff. The inspectors based these findings on independent observation of activities, interviews, and document reviews.

Your staff continued to operate both units safely. Plant management responded well to resolve several emergent equipment issues identified during the power ascension following the Unit 2 refueling outage. Refueling operations were performed safely. Observed maintenance activities were performed well. The in-service inspection program was implemented in accordance with NRC requirements. Your engineering staff continued to provide generally good support for plant operations as evidenced by the appropriate resolution of Unit 2 core spray in-vessel inspection issues, a conservative approach to controlling the Unit 2 spent fuel pool heat load during the refueling outage, and a good justification for use of an alternate method for testing the control rods following a specific maintenance activity. Radiological controls were strong throughout the Unit 2 refueling outage.

Despite the generally good performance, the NRC identified two violations of NRC requirements. The first issue involved the failure to maintain an adequate contractor qualification program, to ensure the qualification of contractor personnel performing independent safety-related work activities. The second issue involved the failure of engineering and operations personnel to identify and prevent the calibration of average power range monitors outside of technical specification limits. This resulted in a failure to enter a technical specification required shutdown action statement for inoperable average power range monitors.

These violations are cited in the enclosed Notice of Violation, and the circumstances are described in detail in the enclosed inspection report. Please note that you are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

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In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be placed in the NRC Public Document Room.

We appreciate your cooperation.

Sincerely,

ORIGINAL SIGNED BY:

Walter J. Pasciak, Chief
Projects Branch 4
Division of Reactor Projects

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

Enclosure:

1. Appendix A, Notice of Violation
2. NRC Inspection Report 50-277/96-08 and 50-278/96-08

cc w/encl:

G. A. Hunger, Jr., Chairman, Nuclear Review Board and Director, Licensing
G. Rainey, Senior Vice President, Nuclear Operations
T. Mitchell, Vice President, Peach Bottom Atomic Power Station
D. B. Fetters, Vice President, Nuclear Station Support
T. Neissen, Director, Nuclear Quality Assurance
C. D. Schaeffer, External Operations - Delmarva Power & Light Co.
G. Edwards, Plant Manager, Peach Bottom Atomic Power Station
G. J. Lengyel, Manager, Experience Assessment
J. W. Durham, Sr., Senior Vice President and General Counsel
P. MacFarland Goelz, Joint Generation, Atlantic Electric
B. W. Gorman, Manager, External Affairs
R. McLean, Power Plant Siting, Nuclear Evaluations
J. Vannoy, Acting 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
State of Maryland
TMI - Alert (TMIA)

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