

24 DEC 1987

Docket Nos. 50-277  
50-278

Philadelphia Electric Company  
ATTN: Mr. J. H. Austin  
President  
2301 Market Street  
Philadelphia, Pennsylvania 19101

Gentlemen:

Subject: Plan for Restart of Peach Bottom Atomic Power Station, Section I,  
Corporate Action

On November 25, 1987 we received your "Plan for Restart of Peach Bottom Atomic Power Station, Section I, Corporate Action." Our preliminary review indicates that your proposed actions are responsive to the Order issued March 31, 1987 and the concerns expressed in my October 8, 1987 letter.

Specifically, the corporate action plan now acknowledges the failure of corporate management to recognize the severity of the problems at Peach Bottom. The corporate plan further described the connection between the problems that led to the Commission's shutdown order of March 31, 1987, the root causes, and the corrective actions that you consider necessary to address the problems.

On December 18, 1987 the staff issued a Temporary Waiver of Compliance based upon proposed changes to both corporate and plant organizational structures which you submitted on November 19, 1987. Based upon our preliminary review of your corporate plan and our Temporary Waiver of Compliance you should proceed with implementation of your November 25, 1987 corporate plan.

Our conclusions regarding the corporate plan are preliminary until we have assessed the effectiveness of the revised corporate structure and have completed action on your proposed amendment requests. We understand that Sections II through IV of the plan related to actions at the plant will be submitted in January 1988. Our review of Sections II through IV of your plan will be the subject of future correspondence.

Sincerely,

Original Signed By  
WILLIAM T. RUSSELL

William T. Russell  
Regional Administrator

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PLAN FOR RESTART OF PB - 0001.0.0  
12/23/87

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24 DEC 1987

cc w/encl:

- J. W. Gallagher, Vice President, Nuclear Operations
- Dickinson M. Smith, Manager, Peach Bottom Atomic Power Station
- John S. Kemper, Senior Vice President, Engineering and Production
- Thomas S. Shaw, Jr., Vice President, Production
- Troy B. Conner, Jr., Esquire
- W. H. Hirst, Director, Joint Generation Projects Department,  
Atlantic Electric
- G. Leitch, Nuclear Generation Manager
- Eugene J. Bradley, Esquire, Assistant General Counsel (Without Report)
- Raymond L. Hovis, Esquire
- Thomas Magette, Power Plant Siting, Nuclear Evaluations
- W. M. Alden, Engineer in Charge, Licensing Section
- Doris Poulsen, Secretary of Harford County Council  
Public Document Room (PDR)  
Local Public Document Room (LPDR)  
Nuclear Safety Information Center (NSIC)  
NRC Resident Inspector  
Commonwealth of Pennsylvania

bcc w/encl:

- Region I Docket Room (with concurrences)
- Management Assistant, DRMA (w/o encl)
- Section Chief, DRP
- Robert J. Bores, DRSS

RI:DRP  
Williams/rhl

12/18/87

RI:DRP  
Linville

12/18/87

RI:DRP  
Weisinger Collins

12/18/87 12/18/87

RI:DRP  
Kane

12/18/87

RI:DRMA  
Allan

12/21/87

RI:RA  
Russell

12/18/87

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PLAN FOR RESTART OF PB - 0002.0.0  
12/18/87