

APR 15 1988

Docket Nos. 50-277 & 50-278

Philadelphia Electric Company
ATTN: Mr. C. A. McNeill
Executive Vice President
Nuclear
2301 Market Street
Philadelphia, Pennsylvania 19101

Gentlemen:

Subject: Inspection Nos. 50-277/87-23 and 50-278/87-23

This refers to your letter dated February 1, 1988, which provided additional corrective measures to those described in your November 30, 1987 response to our letter dated October 28, 1987.

Thank you for informing us of the complete corrective and preventive actions you have or intend to take. These actions will be examined during a future inspection of your licensed program.

Your cooperation with us is appreciated.

Sincerely,

ROBERT M. GALLO

Robert M. Gallo, Chief
Operations Branch
Division of Reactor Safety

cc:

John S. Kemper, Sr., Senior Vice President-Nuclear
J. W. Gallagher, Vice President, Nuclear Services
E. C. Kistner, Chairman, Nuclear Review Board
Dickinson M. Smith, Vice President, Peach Bottom Atomic Power Station
Jack Urban, General Manager, Fuels Department, Delmarva Power & Light Co.
John F. Franz, Plant Manager, Peach Bottom Atomic Power Station
Troy B. Conner, Jr., Esquire
W. H. Hirst, Director, Joint Generation Projects Department, Atlantic Electric
Bryan W. Gorman, Manager, External Affairs
Eugene J. Bradley, Esquire, Assistant General Counsel (Without Report)
Raymond L. Hovis, Esquire
Thomas Magette, Power Plant Siting, Nuclear Evaluations
W. M. Alden, Director, 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


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bcc w/encl:
Region I Docket room (with concurrences)
Management Assistant, DRMA (w/o encl)
Section Chief, DRP
Robert J. Bores, DRSS
Public Document Room (PDR)
Nuclear Safety Information Center (NSIC)

RT:DRS
Napuda
RD
4/15/88


RT:DRS
Gallo
4/13/88

PHILADELPHIA ELECTRIC COMPANY

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JOSEPH W. GALLAGHER
VICE PRESIDENT
NUCLEAR OPERATIONS

February 1, 1988

Docket Nos. 50-277
50-278

Mr. William V. Johnston, Acting Director
Division of Reactor Safety
Region I
U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D.C. 20555

SUBJECT: Supplemental Response to Peach Bottom Inspection
Report No. 50-277/87-23; 50-278/87-23

Reference: November 30, 1987 letter from J. W. Gallagher,
(PECo) to W. V. Johnston, (USNRC)

Dear Mr. Johnston:

This letter completes Philadelphia Electric Company's response to your letter dated October 28, 1987 which transmitted a Notice of Violation and Inspection Report No. 50-277/87-23; 50-278/87-23. The referenced letter provided the Company's initial response, and stated that a complete response would be submitted by January 22, 1988. The need for a one week delay of our submittal was discussed with Jacque P. Durr of your staff by W. M. Alden, and was found acceptable.

The initial response stated (on page 3) that a review to identify items that had been received from the date of the inspection to the date of the letter would be performed by December 8, 1987. That review was performed and was expanded to include all storeroom Quality coded items. Safety-related items procured as commercial grade without a supporting engineering evaluation or procured from suppliers without invoking an approved QA program (not on Evaluated Suppliers List (ESL)) without an engineering evaluation were identified. Approximately 1,300 such items were identified and require formal engineering evaluation. Approximately one-third of these items are installed in the plant and two thirds are in the storeroom on "QA Hold".

A written corrective action program has been developed to control the disposition of the approximate 1,300 items requiring engineering evaluation. The Peach Bottom Project Manager is responsible for the overall coordination of this

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corrective action program. Those items installed in the plant will be dispositioned in accordance with the written program prior to starting up either Peach Bottom unit. The items not installed will be dispositioned in accordance with the corrective action program prior to being released from QA Hold for safety-related applications. First, an evaluation of each item to confirm that it performs a safety-related function will be performed, either by the Nuclear Engineering Department or plant technical staff. Engineering evaluations will be performed for the items verified as safety-related to determine their safety function and the characteristics which are critical to performing the safety function, and identify inspection, test and documentation requirements, as appropriate, to assure that such items are suitable. The engineering evaluations will be performed either by the Nuclear Engineering Department or plant technical staff, and the Nuclear Engineering Department will approve all plant technical staff evaluations.

To prevent recurrence of this violation the Peach Bottom administrative procedure covering material procurement, A-27, "Procedure For Material Control System", has been extensively revised. Previously, A-27 permitted procurement of commercial grade material for safety-related applications with authorization from the Quality Assurance Division. Prior to authorization, either a formal engineering evaluation, a less comprehensive engineering review or an informal Quality Assurance evaluation was performed. This inconsistent approach was a weakness and has been corrected by the revision of A-27. A-27 now requires an evaluation and written authorization from the Nuclear Engineering Department to procure commercial grade material for a safety-related application. The plant technical staff or Nuclear Engineering Department now performs technical evaluations and specifies the appropriate acceptance methodology to properly dedicate commercial grade items prior to safety-related applications. The Nuclear Engineering Department reviews plant staff evaluations prior to giving authorization.

Unresolved item number 02 in paragraph 3.3 of the inspection report expressed NRC concern with the fact that material had been procured for safety-related applications from a non-ESL supplier. This matter has been corrected by the revision of A-27 which now clearly requires that safety-related items be procured only from evaluated suppliers (on ESL). If the selected supplier does not maintain an acceptable Quality Assurance Program, the Nuclear Engineering Department establishes compensatory Quality Assurance measures to assure the quality of the product in accordance with the Nuclear Engineering Department procedure described in the Company's initial response letter (on page 4).

The revision of A-27 also expanded the controls on non-conforming items to allow "conditional release" for installation prior to completion of the engineering evaluation. A Maintenance

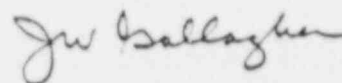
Request Form (MRF) specific to each of the "conditionally released" non-conforming items will be issued and will not be closed out until the non-conformance is resolved. Nuclear Engineering Department evaluation and concurrence for the "conditional release" of those non-conforming items on hold for engineering evaluation is now required, in addition to Plant Operations Review Committee approval. Further, A-27 prohibits the plant system in which the "conditionally released" item is installed from being considered operable until the non-conformance is resolved. Additional responsibilities have also been established to track the resolution of non-conforming items.

The Nuclear Quality Assurance organization has completed a study of procurement procedures/practices for items to be used in a nuclear safety-related applications. The study identified weaknesses in the procurement process which require upgrading. Corporate responsibility has been established for further improving our nuclear plant procurement process and practices, and, in particular, to address the concerns identified in the study. The integration of the procurement process into the restructured plant staff organizations will be reviewed.

Unresolved item number 03 in paragraph 4.3 of the inspection report concerned the lack of a formalized training program for personnel who perform quality control activities of record management and document control. A Nuclear Services, Nuclear Administration Division procedure will be issued by February 29, 1988 delineating the training requirements for nuclear records management personnel and the responsibilities for the training. This procedure will cover both corporate and station personnel and provide a mechanism for a permanent record of the training conducted. As part of the transition to the recently restructured organizations, separate, but similar procedures may be developed specific to each station; however, in the interim, the Nuclear Services, Nuclear Administration Division procedure will cover all nuclear records management personnel.

If you have any questions or require additional information, do not hesitate to contact us.

Very truly yours,



cc: Addressee
W. T. Russell, Administrator, Region I, USNRC
T. P. Johnson, NRC Resident Inspector

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