

November 20, 1987

BEFORE THE
U.S. NUCLEAR REGULATORY COMMISSION

In the Matter of :
 :
PHILADELPHIA ELECTRIC COMPANY : No. 50-277 & 50-278
 : License DPR-44 & DPR-56
(Peach Bottom Atomic Station :
Units 2 and 3) :
 :

COMMONWEALTH OF PENNSYLVANIA'S PETITION
FOR HEARING

The Commonwealth of Pennsylvania hereby petitions the Nuclear Regulatory Commission for a public hearing to consider the safety problems and contemplated licensing changes involved in the Commission's on-going proceedings concerning the Philadelphia Electric Company's (PECO) Peach Bottom nuclear power plant (Units 2 and 3).

Full public hearings are necessary because of significant safety problems at Peach Bottom. These problems are described in the Commission's order of March 31, 1987, suspending the license. The Commission noted that poor quality assurance procedures have resulted in breaches of safety rules and "constitute a hazard to the safe operation of the facility." Since this closure order, further investigations have revealed that the safety breaches reflect additional deficiencies in senior management as well as the management structure and working conditions. In response, PECO has submitted tentative proposals which would involve

DEC 2 1987

significant changes to its facility operating license. The Commission's Staff, however, has accurately described those proposals as not addressing the "fundamental concern" that PECO remains unable to assure that its employees will operate the plant in accordance with regulations and procedures. To assure that the eventual changes comprehensively address the deficiencies in operation, to assure that those changes reflect the views of the Commonwealth and all parties concerned, and to assure public confidence in any resumption of operations, the Commonwealth petitions the Commission to conduct formal hearings into the conditions giving rise to the shutdown order and the measures necessary to assure plant safety.

I.

The problems at Peach Bottom are not of recent vintage. Since the preparation for start-up of PECO's nuclear power plant at Limerick drained experienced personnel from Peach Bottom, operations at Peach Bottom have failed to fully meet safety standards. From 1981 to 1987, the Commission's annual Systematic Analyses of Licensee Performance (SALP) reports have consistently given Peach Bottom poor performance ratings. During the past several years, the SALP reports have found PECO's performance in certain categories "unacceptable," placing Peach Bottom at or near the bottom in performance ratings of nuclear power plants in the Northeast.

The poor overall performance has been manifested in

particular incidents calling for six separate, substantial civil penalties totalling \$485,000. The failures giving rise to these penalties assessments have become increasingly serious. In 1986, for example, following a computer failure that required manual adjustment of control rods, operators failed to follow specifications, creating a significant safety problem. As the 1987 SALP described it, the "root cause" of this incident was "an apparent complacent attitude by operations personnel." The Commission fined PECO \$200,000 for this breach. Also in 1986, the Commission fined PECO \$50,000 for a supervisor's firing of an employee who had expressed concern over safety matters. These incidents and others indicate, in the SALP report's language, "a pattern of inattention to detail, failure to adhere to procedural requirements, and a generally complacent attitude by the operations staff toward performance of their duties."

This pattern of poor performance culminated in even more egregious incidents. In the spring of this year, investigations uncovered that key control room staff have periodically slept on the job or were otherwise inattentive, and that management had "known and condoned" these facts or that they should have known. On the basis of these incidents and of the previous history of poor operations, the Commission issued an order March 31 of this year shutting Peach Bottom down and requiring the licensee to issue "a detailed and comprehensive plan and the schedule to accomplish the plan to assure that the facility will safely operate and comply with all requirements."

Far from indicating movement toward comprehensive solutions to this poor history of operation, events and revelations since this order have given rise to further doubts about Peach Bottom's management. Most disturbing of these occurrences are those indicating widespread drug abuse by employees who enjoy access to a wide range of sensitive areas. For example, on May 6, 1987, a controlled substance was discovered at the plant. On September 10, 1987, PECO informed the NRC senior resident inspector that three maintenance department personnel who had access to protected areas were suspected of drug use. On September 30, 1987, a contract employee tried to enter a protected area while intoxicated. On October 4, 1987, a contract employee found a small plastic bag containing a white powdery substance in the parking lot outside a protected area. This bag was turned over to PECO Claims Security for analysis. Five hours later, a security guard found a small pile of white powder on the floor in the men's room inside the guard house. Licensee's testing indicated that the substances were cocaine.

Then, on November 18, 1987, six individuals were indicted for conspiracy to distribute methamphetamine, and the distribution or possession with intent to distribute methamphetamine at the Peach Bottom plant and elsewhere in the York area. Four of the six persons were employees at the plant. The other two were contract employees at the plant. (Exhibit A)

Even apart from these indications of drug use, the operation of the plant during cold shutdown has exhibited the same,

apparently endemic, laxity toward safety which characterized plant operation during power generation. The inspection reports covering April 25 to May 31, 1987, found that an operator who had committed an error was both inadequately trained and had been given inadequate procedures to follow and that a security watchman was found asleep. The NRC received allegations that security personnel were being forced to work "excessive hours and under trying conditions", and an NRC review revealed late meal breaks and extended periods of watch without rotation. More troubling is the NRC's conclusion that PECO's lack of awareness of these problems and inattention to insufficient staffing requirements make it unlikely that PECO will remedy these deficiencies.

Finally, PECO's initial response to the Commission's closure order -- in particular, its proposed "Commitment to Excellence" which suggested that major changes in management were necessary only at the plant level -- indicates that the complacency at the plant level has its origins in corresponding complacency at the corporate level. As the Commission Staff noted in its letter to PECO of October 8, 1987, this report did not address PECO's past inability "to self-identify problems and implement timely and effective corrective actions." In addition, the manner in which the proposed corrective actions were supposed to address the "root causes" of Peach Bottom's problems were "unclear and inconsistent," and lacked "sufficient detail." The Commonwealth believes that this report also possessed other failings, in

particular, a failure to address what appears to be at least a root cause of Peach Bottom's problems, namely, the draining of qualified personnel from Peach Bottom in order to provide competent staff for start-up at the Limerick Generation Station Unit 1. This staffing shortfall should be addressed by a long-term, broad-based program to hire, train and retain competent operating personnel and by sufficient staffing to eliminate or minimize overtime during normal operations.

II.

The significant safety hazards suggested by these events and the management failures they reveal necessitate that these license modification proceedings include a full public hearing before any resumption of nuclear power operations at the Peach Bottom plant. See 42 U.S.C. Sec. 2239 (Commission must grant hearing in license amendment proceeding on request by affected party unless issues present no significant hazard considerations); 5 U.S.C. Sec. 555 (interested person may petition for relief in connection with any agency proceeding); 10 C.F.R. Sec. 2.206 (any person may request Director of NRC to take action as may be proper). In addition to the issues raised by the NRC to correct the deficiencies noted in its orders, and the SALP reports of past years and this year, this hearing should address at least the following:

1. The scope of management reorganization and personnel changes necessary to ensure that poor performance and complacency

are not tolerated;

2. The plant operating procedures and disciplinary rules necessary to ensure that plant operators and support personnel adhere to NRC rules and procedures;

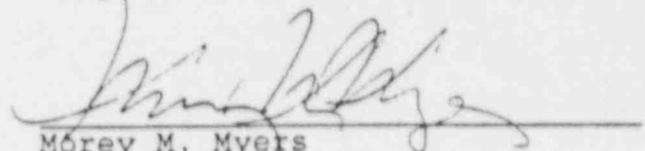
3. The changes in employee hiring, evaluation, and review practices necessary to address the drug abuse problems;

4. The hiring of additional qualified personnel to insure sufficient staffing at all nuclear plants operated by PECO; and

5. The adequacy of the final submission by PECO in response to the March 31, 1987 suspension order.

The hearing should also address any other concerns uncovered by the NRC or raised by the Petitioner or any other interested parties.

Respectfully submitted,



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