

NOTICE OF VIOLATION
AND
PROPOSED IMPOSITION OF CIVIL PENALTY

Philadelphia Electric Company
Peach Bottom, Units 2 and 3

Docket Nos. 50-277; 50-278
License Nos. DPR-44; DPR-56
EA 88-04

During an investigation conducted by the NRC Office of Investigations concerning inattentive control room operators at Peach Bottom, violations of NRC requirements were identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (1988), the Nuclear Regulatory Commission proposes to impose a civil penalty pursuant to Section 234 of the Atomic Energy Act of 1954, as amended (Act), 42 U.S.C. 2282, and 10 CFR 2.205. The particular violations and associated civil penalty are set forth below:

- A. 10 CFR 50.54(k) requires that an operator or senior operator licensed pursuant to 10 CFR Part 55 shall be present at the controls at all times during the operation of the facility. Further, 10 CFR 50.54(m)(2)(iii) requires that when a nuclear power unit is in an operational mode other than cold shutdown or refueling, as defined by the unit technical specifications, each licensee shall have a person holding a senior operator license for the nuclear power unit in the control room at all times. In addition to this senior operator, for each fueled nuclear power unit, a licensed operator or senior operator shall be present at the controls at all times.

Technical Specification 6.8 requires the establishment and implementation of certain written procedures and administrative policies. Peach Bottom Administrative Procedure No. A.7, entitled "Shift Operations", written to satisfy the requirements of Technical Specification 6.8, requires, in paragraph 7.1.7 and 7.1.8, that all on duty licensed operators and senior licensed operators be alert and attentive to their instrumentation and controls within their area at all times, and all distracting activities in the control room must be prohibited (for example, horseplay and reading that is not directly job related).

Contrary to the above, on various shifts with the units in operational modes other than cold shutdown or refueling, for an extended but indeterminate period prior to March 24, 1987, particularly during the 11:00 p.m. to 7:00 a.m. shift, licensed operators and senior licensed operators assigned to be present in the control room and/or at the controls of the unit, were not, on numerous occasions over an extended period, alert and attentive to their duties. Specifically, numerous licensed and senior licensed operators were observed sleeping, giving the appearance of sleeping, reclined in a resting position with their eyes closed, placing either hand held video games or other computer games on a facility computer in the control room, engaged in horseplay, and/or reading nontechnical material.

- B. 10 CFR Part 50, Appendix B, Criterion XVI, Corrective Actions requires, in part, that measures be established to assure that conditions adverse to quality, such as deficiencies and nonconformances, are promptly identified and corrected; and that for significant conditions adverse to quality, the cause of the condition is determined; corrective action is taken; and those conditions, causes, and corrective actions are documented and reported to appropriate levels of management. These measures are also required by Paragraph 16.1 of the Quality Assurance (QA) plan which the licensee is required to implement in accordance with 10 CFR Part 50, Appendix B, Criterion II.

Contrary to the above, measures were not established and implemented to assure that significant conditions adverse to quality and safety were promptly identified and corrected. In particular,

1. On at least two occasions, specifically, in December 1986 and January 1987, the then Operations Engineer was informed by contractor personnel assigned to monitor operations that licensed operators were observed sleeping while on duty (a significant condition adverse to quality operations), and the then Operations Engineer also admitted that in the past, he had observed licensed operators being inattentive to their duties, and although the then Operations Engineer had informed the then Operations Superintendent of the January 1987 notification, the magnitude and causes of this condition were not determined, documented, corrected nor reported to higher levels of management; and
 2. The plant manager and corporate management did not provide adequate attention to, or exercise adequate oversight of, facility operations to identify and correct these significant conditions adverse to quality described in Violation A of this Notice, notwithstanding
 - a. the pervasive and widespread nature of this problem;
 - b. a previous incident (involving a licensed operator giving the appearance of sleeping) which was discussed in an enforcement conference on June 21, 1985 and documented by the NRC in a letter dated July 17, 1985; and
 - c. the licensee's prior enforcement history which involved numerous violations caused by inattention to detail, failure to follow procedures, and inadequate oversight by licensed and senior licensed operators.
- C. 10 CFR 50.72 (b)(1)(vi) and 50.73 (a)(2)(x) require that the licensee notify the NRC of the occurrence of any event that poses an actual threat to the safety of the nuclear power plant or significantly hampers site personnel in the performance of duties necessary for the safe operation of the nuclear power plant.

Contrary to the above, on numerous occasions between November 1986 and March 1987, particularly, during the 11:00 p.m. to 7:00 a.m. shift, and for an indeterminate period prior to that time, events occurred which significantly hampered site personnel in the performance of their duties for safe operation of the plant, and these events were not reported to the NRC as required. The specific events involved licensed and senior licensed operators being inattentive to plant conditions, as set forth in Violation A of this Notice.

These violations are categorized in the aggregate as a Severity Level II problem. (Supplement I)

Civil Penalty - \$1,250,000 - assessed \$25,000 a day for 50 days, and assessed equally among the violations.

Pursuant to the provisions of 10 CFR 2.201, Philadelphia Electric Company (Licensee) is hereby required to submit a written statement or explanation to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission within 30 days of the date of this Notice. This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each alleged violation; (1) admission or denial of the alleged violation, (2) the reasons for the violation if admitted, (3) the corrective steps that have been taken and the results achieved, (4) the corrective steps that will be taken to avoid further violations, and (5) the date when full compliance will be achieved. The NRC recognizes that a substantial amount of material has been provided to the NRC concerning this matter, and therefore, where applicable, you may make reference to such material in your response. If an adequate reply is not received within the time specified in this Notice, an order may be issued to show cause why the license should not be modified, suspended, or revoked or why such other action as may be proper should not be taken. Consideration may be given to extending the response time for good cause shown. Under the authority of section 182 of the Act, 42 U.S.C 2232, this response shall be submitted under oath or affirmation.

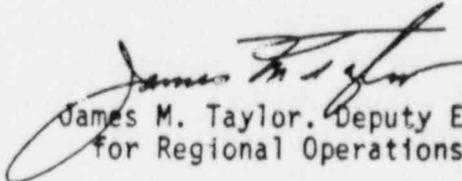
Within the same time as provided for the response required above under 10 CFR 2.201, the Licensee may pay the civil penalty by letter to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, with a check, draft, or money order payable to the Treasurer of the United States in the amount of the civil penalty proposed above, or the cumulative amount of the civil penalties if more than one civil penalty is proposed, or may protest imposition of the civil penalty in whole or in part by a written answer addressed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission. Should the Licensee fail to answer within the time specified, an order imposing the civil penalty will be issued. Should the Licensee elect to file an answer in accordance with 10 CFR 2.205 protesting the civil penalty, in whole or in part, such answer should be clearly marked as an "Answer to a Notice of Violation" and may: (1) deny the violations listed in this Notice in whole or in part, (2) demonstrate extenuating circumstances, (3) show error in this Notice, or (4) show other reasons why the penalty should not be imposed. In addition to protesting the civil penalty, such answer may request remission or mitigation of the penalty.

In requesting mitigation of the proposed penalty, the five factors addressed in Section V.B of 10 CFR Part 2, Appendix C (1988)), should be addressed. Any written answer in accordance with 10 CFR 2.205 should be set forth separately from the statement or explanation in reply pursuant to 10 CFR 2.201, but may incorporate parts of the 10 CFR 2.201 reply by specific reference (e.g., citing page and paragraph numbers) to avoid repetition. The attention of the Licensee is directed to the other provisions of 10 CFR 2.205, regarding the procedure for imposing a civil penalty.

Upon failure to pay any civil penalty due which subsequently has been determined in accordance with the applicable provisions of 10 CFR 2.205, this matter may be referred to the Attorney General, and the penalty, unless compromised, remitted, or mitigated, may be collected by civil action pursuant to Section 234c of the Act, 42 U.S.C. 2282c.

The responses to the Director, Office of Enforcement, noted above (Reply to a Notice of Violation, letter with payment of civil penalty, and Answer to a Notice of Violation) should be addressed to: Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555 with a copy to the Regional Administrator, Region I, and a copy to the NRC Resident Inspector, Peach Bottom Atomic Power Station.

FOR THE NUCLEAR REGULATORY COMMISSION



James M. Taylor, Deputy Executive Director
for Regional Operations

Dated this 10th day of August 1988