

UNITED STATES  
NUCLEAR REGULATORY COMMISSION

In the Matter of

Philadelphia Electric Company  
(Peach Bottom Atomic Power Station  
Units 2 and 3 and Limerick  
Generating Company Units 1 & 2)

Docket Nos. 50-277, 50-278;  
50-352, and 50-353  
License Nos. DPR-44, DPR-56, and  
NPF-39  
Construction Permit CPPR-107  
EA 88-04

ORDER MODIFYING LICENSES

I

Philadelphia Electric Company (PECo) is the holder of Operating License Nos. DPR-44 and DPR-56 issued by the Nuclear Regulatory Commission (NRC/Commission) on December 14, 1973 and July 2, 1974. The licenses authorize the licensee to operate Peach Bottom Atomic Power Station, Units 2 and 3, in accordance with conditions specified therein. Additionally, the licensee is the holder of Operating License No. NPF-39 and Construction Permit CPPR-107 for Limerick Generating Station Units 1 & 2 respectively, issued by the NRC on August 8, 1985 and June 19, 1974.

II

On March 31, 1987, the NRC issued an Order to PECo suspending operation of the Peach Bottom reactor. After validating information received by the Commission that control room operators had, at times, left the control room unattended, and at other times, had been observed sleeping while on duty in the control room, reading materials not directly job related, and/or being otherwise inattentive to the obligations of their licenses. Further investigation revealed that operations management at Peach Bottom at the time of the shutdown, specifically, Stephen R. Roberts, the then Operations Engineer, and Drew C. Smith, the then Superintendent of Operations, clearly knew of these problems, and the

then Plant Manager, Richard Fleischmann, clearly should have known about these problems, yet action was not taken to correct this situation.

In particular, when the Operations Engineer was directly notified of the problems in December 1986, he took no action to correct them. Furthermore, he did not notify his supervisor, the Superintendent of Operations, until a meeting in February 1987, after having again been informed of the problems in late January 1987. Although the Superintendent of Operations, during the February 1987 meeting, instructed the Operations Engineer to look into the problems and report back to him, the Operations Engineer did not pursue correction of the problems nor did the Superintendent of Operations follow up with the Operations Engineer concerning this matter. Further, the Plant Manager apparently was not informed of these problems, and was not aggressively involved in monitoring site activities so as to otherwise detect such conditions.

### III

The lack of aggressive actions on the part of the then Operations Engineer and the then Superintendent of Operations to correct the licensed operator inattentiveness problem that existed at Peach Bottom raises serious questions concerning their abilities to supervise licensed activities, and to effect appropriate corrective measures when such activities are not being conducted in accordance with the facility license. Furthermore, given the widespread nature of this problem at Peach Bottom, and the extended period of time during which this condition existed, the failure by the then Plant Manager to be aware of this condition raises serious questions about his ability to ensure his

subordinates kept him informed of serious problems impacting plant safety to assure licensed activities are effectively managed. Therefore, although the licensee has removed these three individuals from the Peach Bottom site, I have determined that public health and safety requires that the former Operations Engineer, the former Superintendent of Operations, and the former Plant Manager be prohibited from being employed in any responsible site supervisory position or in any corporate position providing oversight of operations, without prior Commission approval. Because these individuals remain in the employment of PECO it is reasonable to assume that they could at some time be employed at the Limerick Generating Station. Given the nature of their failures, I have also determined that the restrictions outlined should apply to Limerick as well as Peach Bottom and certain corporate positions.

#### IV

Accordingly, in view of the foregoing, and pursuant to Section 103, 161b, 161f, 161g, and 182 of the Atomic Energy Act of 1954, as amended, and the Commission's regulations in 10 CFR 2.204 and 10 CFR Part 50, IT IS HEREBY ORDERED THAT:

License Nos. DPR-44, DPR-56, NPF-39, and Construction Permit No. CPPR-107 be modified to provide that Stephen R. Roberts (former Operations Engineer at Peach Bottom), Drew C. Smith (former Superintendent of Operations at Peach Bottom), and Richard Fleischmann (former Plant Manager at Peach Bottom) shall not be employed in a site supervisory position responsible

for controlling 10 CFR Part 50 activities nor shall they be employed in any corporate operational position, without prior NRC approval by the Regional Administrator.

"Operational Position" as used here, indicates any position directly involved with operation of the plant, the direction or supervision of NRC licensed operators, or independent oversight of operators.

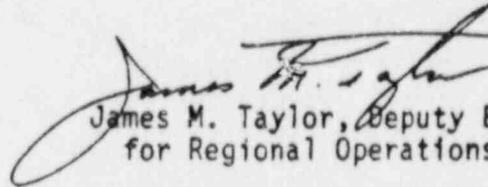
The Regional Administrator, Region I, may relax or terminate in writing any of the proceeding provisions for good cause shown.

V

The licensee or any person adversely affected by this Order may request a hearing within 30 days of the date of this Order. A request for hearing should be clearly marked as a "Request for Hearing" and shall be addressed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555, with copies to the Assistant General Counsel for Enforcement at the same address, the Regional Administrator, Region I, and the NRC Resident Inspectors, at Peach Bottom Atomic Power Station and Limerick Generating Station. If a person other than the licensee requests a hearing, that person shall set forth with particularity the manner in which the petitioner's interest is adversely affected by this Order and should address the criteria set forth in 10 CFR 2.714(d).

If a hearing is requested, the Commission will issue an Order designating the time and place of the hearing. If a hearing is held, the issue to be considered shall be whether this Order should be sustained. Upon the failure to answer or request a hearing within the specified time, this Order shall be final without further proceedings.

FOR THE NUCLEAR REGULATORY COMMISSION

A handwritten signature in cursive script, appearing to read "James M. Taylor".

James M. Taylor, Deputy Executive Director  
for Regional Operations

Dated this 10<sup>th</sup> day of August 1988.

## SYNOPSIS

On March 24, 1987, the Regional Administrator, Region I, NRC, requested an investigation be initiated into allegations that Peach Bottom Atomic Power Station (PBAPS) Senior Licensed Operators (SLOs) and Licensed Operators (LOs) were sleeping on duty, and that this conduct was pervasive and had been occurring with the complicity of shift supervision.

The Philadelphia Electric Company (PECO) is the holder of Facility Operating License Nos. DPR-44 and DPR-56, which authorize the licensee to operate the PBAPS, Units 2 and 3, in York County, Pennsylvania. Both units are operated from a common control room.

The allegation that PBAPS SLOs and LOs were sleeping on duty was initially received by the NRC on March 24, 1987. The Allegor indicated that his allegation could be corroborated by General Electric (GE) engineers, Bechtel janitorial personnel, and other site personnel having regular access to the PBAPS control room.

NRC regulations set forth licensee reporting requirements for events or conditions having actual or potential significance for the safe operations of PBAPS (10 CFR 50.72 and 10 CFR 50.73). NRC regulations also set forth manning requirements for the conduct of plant operations (10 CFR 50.54(k) & (m)). These NRC regulations are implemented through PBAPS technical specifications (T.S.), which dictate the organization for the conduct of plant operations at PBAPS (T.S. 6.2.2).

In addition, 10 CFR 50, Appendix B, Criterion XVI, requires, in part, that the licensee promptly identify and correct significant conditions that are adverse to quality, and to report such conditions to appropriate levels of management.

Between March 27 and 29, 1987, five GE engineers were interviewed and independently related observations and incidents of PBAPS SLOs and LOs being inattentive to their duties. Their observations were made over an approximate 5-month period (October 1986 to March 1987) during which time the GE engineers were assigned on shift. The inattentiveness included (but was not limited to) numerous PBAPS SLOs/LOs either sleeping or giving the appearance of sleeping and SLOs/LOs reading non-technical material such as magazines, newspapers, and novels. The interviewees indicated that shift supervision (shift superintendents) participated in and/or condoned the inattentiveness, and that the PBAPS Operations Engineer had been informed of the described inattentiveness and failed to take corrective action.

Based on the above information and on the licensee's past enforcement history, on March 31, 1987, the NRC issued an immediate Order to PECO suspending power operation at PBAPS. The Order stated "...that continued operations of the facility [was] an immediate threat to the public health and safety."

During a meeting on March 30, 1987, the Regional Administrator requested that the Office of Investigations (OI) concentrate its investigation on PECO management's knowledge of the allegations and their related actions or inactions.

Between April 7 and 9, 1987, the six GE engineers who work on shift in the PBAPS control room were deposed and provided information relating to PBAPS management's knowledge of SLO/LO inattentiveness. These interviews established that in December 1986, January 1987, and February 1987, the GE engineers related numerous concerns to the PBAPS Operations Engineer, including concerns of widespread SLO/LO inattentiveness in the form of sleeping and reading non-technical material while on duty in the control room.

Up to the February 1987 time period, the lead GE engineer had occasionally and "informally" apprised his management (GE Manager of Site Operations) in King of Prussia, Pennsylvania, of the group's observations of PBAPS SLOs/LOs sleeping and reading non-technical material while on duty. He further advised his management that he was pursuing the matter with PBAPS management. However, the inattentiveness continued and after failing to observe any corrective action, the lead GE engineer contacted the GE Manager of Site Operations and "in a more formal manner," discussed the "sleeping issue" and other concerns. The GE Manager of Site Operations corroborated the information, supra, and testified that he subsequently received additional information, concerning the sleeping allegation, from another PBAPS GE engineer during a face-to-face meeting on February 17, 1987.

On March 3, 1987, the GE Manager of Site Operations met with the PBAPS Operations Engineer to discuss the concerns raised by his (GE) engineers to include their "severe concerns about control room conduct." According to the GE Manager of Site Operations, the PBAPS Operations Engineer reacted to this concern by stating words to the effect that the program (the program which involved the GE engineers working in the PBAPS control room) was not working, there was no management backing, and their discussions should center around finding something else for the onsite GE engineers to do. The GE Manager of Site Operations testified that no progress was made during the meeting. On the following day, he briefed his manager and other affected GE management on the outcome of his meeting with the PBAPS Operations Engineer.

The GE Service Project Manager testified that on or about March 20, 1987, he contacted the PBAPS Operations Superintendent and advised him that he wanted to meet with him to discuss "Peach Bottom operators sleeping on shift." The meeting, which was scheduled for March 27, 1987, was overtaken by events due to the OI presence onsite that same date for the purpose of investigating the allegations. The GE Service Project Manager further testified that at 9:30 p.m. on March 26, 1987, he received a telephone call from the PECO Vice President of Nuclear Operations who queried the GE Service Project Manager regarding ideas as to why OI was coming to the PBAPS on March 27, 1987, to talk to onsite vendors such as GE. He speculated to the PECO Vice President of Nuclear Operations that the reason may have to do with onsite GE personnel's concerns about PBAPS LOs sleeping while on duty and their attempts to get the concerns resolved with onsite PBAPS management.

Documented interviews conducted by PECO Claims-Security Division (following the NRC shutdown Order) identified all but one PBAPS SLO/LO as being derelict

in their duties at one time or another in that they either admitted and/or were observed on one or more occasion being inattentive to their licensed duties.

Information developed during the OI investigation indicates that the SLO/LO inattentiveness had been occurring with regularity since the late 1970's at PBAPS, Units 2 and 3, and that reports of SLOs/LOs sleeping extend back to PBAPS, Unit 1, which was operational in the 1960's and 1970's.

During the interviews conducted by OI, both the PBAPS Operations Superintendent and Operations Engineer expressed familiarity with the PBAPS T.S. 6.2.2 (control room manning) and PBAPS procedures addressing control room conduct. Both provided testimony acknowledging that the condition of LOs asleep or being otherwise inattentive was not in keeping with the PBAPS control room manning requirements. The Operations Superintendent described the condition as "a clear violation of the procedures" (PBAPS procedures addressing control room conduct) and further agreed that such a condition was a "safety concern" which would be of interest to both his management and the NRC. He said that he does report "specific allegations of sleeping to the NRC" but "did not act" on the current allegations because, in part, he "frankly didn't believe it." He said that he considered the allegations to be a high priority and "gave the problem to [the Operations Engineer]." However, he said the Operations Engineer did not report back to him on the matter and he did not attempt to pursue the matter with the Operations Engineer.

The Operations Engineer admitted that between December 1986 and February 1987, he received reports of PBAPS LOs sleeping from the GE engineers and further admitted to making observations of LO inattentiveness (sleeping and reading unauthorized material) in the past. He testified that when he received the current allegations of PBAPS LOs sleeping, he believed them to be true. He further testified that on February 2, 1987, he reported the sleeping allegations to the Operations Superintendent. The Operations Engineer testified that LOs "are an important part of the safe operation of the plant" and agreed that there is a potential safety significance to a condition where LOs are sleeping or being otherwise inattentive. He further agreed that such a condition would be of significant interest to both his management and the NRC. However, he said he did not discuss the issue of NRC reportability with the Operations Superintendent and indicated he (Operations Engineer) did not view it as a reportable matter.

There was no evidence developed during this investigation indicating that either the Operations Superintendent or Operations Engineer took responsible action to address the allegations.

Both individuals reported that they did not discuss the inattentiveness allegations with the Plant Manager or anyone above the level of Plant Manager, prior to March 27, 1987. The Plant Manager testified he was not aware of the current allegations of LO inattentiveness until the morning of March 27, 1987. He indicated that if, in fact, it was confirmed that LOs were sleeping on duty it should have been reported to the NRC.

The Vice President of Nuclear Operations testified that the issue of PBAPS LOs sleeping on duty was first brought to his attention between 9:00 p.m. and 10:00 p.m. on March 26, 1987, by the GE Service Project Manager. The discussion centered around the purpose of the OI visit to PBAPS on March 27, 1987. The

GE Service Project Manager suggested that the reason may have been related to observations by GE engineers of PBAPS LOs sleeping. The Vice President of Nuclear Operations was informed that the condition had existed since early in the year and that plant management had failed to take corrective action. The Vice President of Nuclear Operations stated that he believed the allegations to be valid and indicated that the information should have been verbally reported to the NRC and followed up with an LER. He said he did not notify the NRC because he knew that the NRC knew about the allegations based on his telephone conversation with the GE Service Project Manager and the fact that the NRC had effected 24-hour coverage in the PBAPS control room since March 24, 1987.

The testimony and documentary evidence obtained during this investigation provide a basis to conclude that PECO willfully violated NRC reporting requirements and NRC control room staffing requirements. The licensee had credible information relating to a condition of significant safety concern which it failed to investigate, correct, or report to the NRC.