

JUL 7 1986

Docket Nos. 50-277
50-278

The Honorable William F. Goodling
United States House of Representatives
Washington, D.C. 20515

Dear Congressman Goodling:

We are pleased to respond to your letter dated June 12, 1986 which expressed concerns regarding the NRC's identification of "a serious management deficiency" at the Peach Bottom Atomic Power Station. Your letter inquired as to whether the allegations were substantiated, what we were planning to do and how quickly we could bring about necessary changes.

The information for the newspaper article you cited was based on a Systematic Assessment of Licensee Performance (SALP) Board report dated June 6, 1986. First, it is important to understand the purpose of the SALP program and how it was implemented for Peach Bottom. SALP is an integrated NRC staff effort which, on a periodic basis, takes all available inspection and licensing observations for a fixed time interval, usually 12 to 18 months, and uses them to evaluate licensee performance based on criteria established by NRC procedures. SALP is supplementary to the normal regulatory processes and is intended to be diagnostic, with emphasis on understanding the reasons for licensee performance in important functional areas: e.g., operation, maintenance, radiological controls, etc. Routine inspections were conducted at regular intervals at the Peach Bottom facility but the reports of those inspections generally dealt with observations of work in progress and the quality control systems in place to oversee the work. In this regard, the SALP process is unique in that it also captures our opinions and judgement, based on observation, and attempts to relate these to our understanding of the reasons for the noted performance. That is, the symptoms of either good or poor performance may exist and be seen on a sporadic basis during the course of a year, but the SALP is our opportunity to collect such symptoms and assess management's role in the observed performance. In the case of Peach Bottom, our recent assessment indicated that performance in some functional areas has either deteriorated or shown no improvement over the years. Other areas have shown occasional improvements yet have slipped back to previously poor performance levels. A copy of the current SALP report is enclosed. Notwithstanding the weaknesses noted in this report, the overall performance in nuclear safety at the Peach Bottom Station was found to be acceptable.

The purpose of the SALP is twofold: 1) to better understand the underlying reasons for the plant's performance and to share these insights with licensee management such that they can take appropriate actions to further improve and, 2) to provide a rational basis for allocating NRC inspection resources among NRC licensed facilities such that we can provide more attention to weaker performers and less attention to the better ones. In this regard, to better

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understand the underlying reasons for the performance at Peach Bottom, NRC Region I is conducting a special in-depth inspection by a team of experienced inspection specialists and resident inspectors from other sites. This inspection commenced June 18, 1986 and is intended to obtain a more complete understanding of the reasons for the performance described in the SALP report, and to assess licensee corrective action programs. Specifically, the SALP results are focusing our attention in the short term so that we can verify the need for longer term corrective measures. A copy of the inspection report will be forwarded to you when it is completed for your information.

The performance at Peach Bottom during the most recent SALP period indicates shortcomings when compared to that of the overall population of plants licensed by NRC. Similar kinds of problems, however, have been observed at other facilities, both in Region I (northeast United States) and nationally. It is our policy to bring problems identified through the SALP process to the attention of utility management and deal with them before they lead to further degradation of performance. It is this type of aggressive action that highlights to licensees the need for precautionary actions rather than allow events to proceed unchecked.

We have forwarded the SALP Board Report to the licensee and in the near future will meet with them to discuss the issues identified in the SALP report and in our team inspection with Philadelphia Electric Company management. We will solicit from them their views and corrective actions which we will monitor and take appropriate measures to ensure that the desired results are being achieved. Additionally, the poor performance as indicated in the SALP Report and the recent Notice of Violation, with a proposed civil penalty, were of such serious concern to me personally that I have scheduled a separate meeting with the Chief Executive Officer of Pennsylvania Electric Company to address these issues.

Sincerely,

Original signed by
Victor Stello

Victor Stello, Jr.
Executive Director
for Operations

Enclosure:

1. SALP Report

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The Honorable William F. Goodling 3

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1. SALP Report



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

DBL

ACTION

EDO PRINCIPAL CORRESPONDENCE CONTROL

FROM:

REP. BILL GOODLING

DUE: 07/01/86

EDO CONTROL: 001842
DOC DT: 06/12/86
FINAL REPLY:

TO:

CHAIRMAN PALLADINO

FOR SIGNATURE OF:

** PRIORITY **

SECY NO: 86-595

EXECUTIVE DIRECTOR

DESC:

Q'S RE MISMANAGEMENT AT PEACH BOTTOM

ROUTING:

STELLO
ROE
REHM
SNIEZEK
MURLEY
TAYLOR
GCUNNINGHAM

DATE: 06/17/86

ASSIGNED TO: ~~NRR~~ RI CONTACT: DENTON Murley

SPECIAL INSTRUCTIONS OR REMARKS:

NRR RECEIVED: 06/18/86

ACTION: DBL - BERNERO

NRR ROUTING: DENTON
PPAS
MOSSBURG/TOMS

Don Muller
G. Gross - P/ran
see me
Don Muller
6/19

OFFICE OF THE SECRETARY
CORRESPONDENCE CONTROL TICKET

PAPER NUMBER: CRC-86-0595 LOGGING DATE: Jun 12 86
ACTION OFFICE: EDO
AUTHOR: B. Goodling
AFFILIATION: U.S. HOUSE OF REPRESENTATIVES
LETTER DATE: Jun 12 86 FILE CODE: ID&R-5 Peach Bottom
SUBJECT: Ref news article and req explanation concerning
 allegations of mismanagement at Peach Bottom
ACTION: Signature of EDO
DISTRIBUTION: RF, OCA to Ack
SPECIAL HANDLING: None
NOTES:
DATE DUE: Jun 25 86
SIGNATURE: DATE SIGNED:
AFFILIATION:

Rec'd Off. EDO

Date 6-17-86
Time 1:45 p

EDO --- 001842