47 JUL 1986

Docket Nos. 50-277/DPR-44 50-278/DPR-56

Philadelphia Electric Company ATTN: Mr. S. L. Daltroff Vice President Electric Production 2301 Market Street Philadelphia, Pennsylvania 19101

Gentlemen:

Subject: Combined Inspection 50-277/86-05; 50-278/86-05

This transmits the findings of the special safety inspection associated with the Unit 3 condensate storage tank (CST) spill on February 16, 1986 conducted by Messrs. J. H. Williams, R. K. Struckmeyer, and T. P. Johnson on February 16 - April 4, 1986, at the Peach Bottom Atomic Power Station, Delta, Pennsylvania. These findings were based on the observation of activities, interviews, measurements and document reviews, and have been discussed with Mr. D. C. Smith and other members of your staff.

Areas examined during this inspection are described in the NRC Region I Inspection Report which is enclosed with this letter. Based on the results of this inspection, it appears that several of your activities were not in full compliance with NRC requirements as set forth in the Notice of Violation, enclosed herein as Appendix A. These violations have been categorized by severity level in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions", 10 CFR Part 2, Appendix C (1985). are required to respond to this letter and in preparing your response, you should follow the instructions in Appendix A.

During this inspection it was determined that the information available to operators regarding heat tracing for the condensate storage tank was not adequate to properly assess the status of the heat trace system. We are concerned that this condition apparently has existed since plant startup. It was also determined that a contractor dug holes in the Unit 3 CST dike in February 1984 which effectively prevented the dike from performing its design function to prevent the release of potentially radioactive liquids to the environment. The holes remained in the dike until February 1986, which indicates a problem regarding control and oversight of changes to the facility.

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The unavailability of up-to-date facility drawings of the site storm drain system was a major contributor to your sampling of the incorrect storm drain system discharge into the river during the February 16, 1986, CST overflow event. We are concerned that other site drawings which are not controlled by administrative procedures may not be up-to-date.

In addition to your response to Appendix A, you are requested to address these concerns.

The responses directed by this letter and the accompanying Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

A copy of this letter and its enclosures will be placed in the NRC Public Document Room.

Your cooperation with us is appreciated.

Sincerely,

Ariginal Signed By:

Richard W. Starostecki, Director Division of Reactor Projects

Enclosures:

1. Appendix A, Notice of Violation

2. NRC Region I Combined Inspection Report No. 50-277/86-05 and 50-278/86-05

cc w/encls:

R. S. Fleischmann, Manager, Peach Bottom Atomic Power Station John S. Kemper, Vice President, Engineering and Research W. H. Hirst, Director, Joint Generation Projects Department, Atlantic

Electric

G. Leitch, Superintendent, Nuclear Generation Division

Troy B. Conner, Jr., Esquire (Without Report)

Eugene J. Bradley, Esquire, Assistant General Counsel (Without Report)

Raymond L. Hovis, Esquire (Without Report)

Thomas Magette, Power Plant Siting, Nuclear Evaluations (Without Report)

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bcc w/encls: Region I Docket Room (with concurrences) Management Assistant, DRMA (w/o encls) R. Gallo, Section Chief, DRP

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Wil Walls/mlb 7/10/86

Johnson 7/10/86

RIFORP

RI: DRSS RAS Gallo A Bellamy 7/10/86

RIPP