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June 30, 1989

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

'89 JUL -5 A11 :07

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of
PHILADELPHIA ELECTRIC COMPANY
(Peach Bottom Atomic Station
Units 2 and 3)

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)

Docket Nos. 50-277-OLA
50-278-OLA

NRC STAFF FOURTH STATUS REPORT
CONCERNING SETTLEMENT AGREEMENT

I. INTRODUCTION

On March 27, 1989, the Atomic Safety and Licensing Board issued a Memorandum and Order in which it, among other things, directed the NRC staff to file a monthly report indicating the status of the Staff's review of the settlement agreement between Philadelphia Electric Company (PE) and the Commonwealth of Pennsylvania. The Staff herein provides its fourth status report.

II. STATUS REPORT

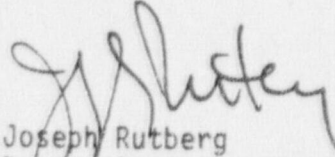
As indicated in the Staff's third status report, an agreement was being prepared for submittal by the parties to the Staff. On June 27, 1989 the Staff responded to the settlement agreement between the Philadelphia Electric (PECO) and the Commonwealth of Pennsylvania (Commonwealth). (Copy attached). The Staff has advised PECO that it does not object to the agreement. The Staff also indicated that it would assist PECO and the Commonwealth in terminating this proceeding. We expect that the parties will shortly be taking steps to advise this Licensing Board of their desire to terminate this proceeding.

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The Staff will file its next status report, if necessary, by August 1, 1989.

Respectfully submitted,



Joseph Rutberg
Deputy Assistant General
Counsel

Dated at Rockville, Maryland
this 30th day of June, 1989.



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
478 ALLIENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406

June 27, 1989

Docket No.: 50-277/278

CAL No.: 82-10

Philadelphia Electric Company
ATTN: C. A. McNeill, Jr.
Executive Vice President - Nuclear
2301 Market Street
P. O. Box 8699
Philadelphia, Pennsylvania

Gentlemen:

This letter confirms commitments made in a settlement agreement between Philadelphia Electric Co. (PECo), and the Commonwealth of Pennsylvania (the Commonwealth) as set forth in the Enclosure (the Agreement).

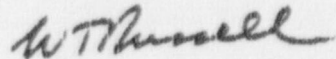
We understand that you have instituted or will institute the actions set forth in the Agreement and herein incorporate the Agreement by reference. The NRC staff does not object to said Agreement and considers it to represent a commitment by the Philadelphia Electric Company with respect to the issues addressed therein. It is noted that the provisions of the Agreement form part of the basis for the settlement of a matter currently pending before an Atomic Safety and Licensing Board, and the Court of Appeals for the Third Circuit, and accordingly, the NRC staff will work with the parties to facilitate the implementation of the Agreement by the Commonwealth and PECo, with a view toward the termination of those proceedings.

You are reminded that any changes to the plant procedures, Final Safety Analysis Report (FSAR) and facility Technical Specifications (TS) must continue to be made pursuant to the NRC's regulations in 10 CFR Part 50. For matters covered by 15.2 of the Agreement, the NRC will not approve any alteration unless it determines that the alteration will maintain and not detract from existing safe operation of Peach Bottom. Also, if at any time there arises a conflict between the NRC's requirements and the provisions of the Agreement, the NRC requirements shall take precedence. Accordingly, the NRC considers that it has the full authority to modify or release any or all provisions of the Agreement at any time with prompt notification to all the parties.

It is further noted that conforming changes to the FSAR and TS are not mandatory to implement the Agreement except as may be specified in 10 CFR 50.4, 50.71(e) and 50.59.

Thank you for your cooperation in this matter.

Sincerely,



William T. Russell
Regional Administrator

Enclosure:
Agreement Between the
Philadelphia Electric
Company and the Commonwealth
of Pennsylvania

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of)

PHILADELPHIA ELECTRIC COMPANY)

(Peach Bottom Atomic Station
Units 2 and 3))

Docket Nos. 50-277-OLA
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CERTIFICATE OF SERVICE

I hereby certify that copies of "NRC STAFF FOURTH STATUS REPORT CONCERNING SETTLEMENT AGREEMENT" in the above-captioned proceeding have been served on the following by deposit in the United States mail, first class, or as indicated by an asterisk through deposit in the Nuclear Regulatory Commission's internal mail system, this 30th day of June, 1989:

Richard F. Cole*
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

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U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Atomic Safety and Licensing
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U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Atomic Safety and Licensing
Appeal Panel (5)*
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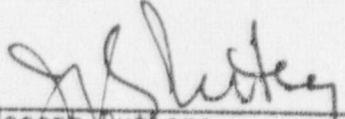
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