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Tel. 301/504-2240

FOR IMMEDIATE RELEASE
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NRC STAFF FINES PHILADELPHIA ELECTRIC COMPANY \$285,000

The Nuclear Regulatory Commission staff has cited the Philadelphia Electric Company (PECO) for two alleged violations of NRC regulations at PECO's Peach Bottom Units 2 and 3 nuclear power plants at Delta, PA, and proposes to fine PECO \$285,000.

The alleged violation at Unit 3 involved the improper installation of thermal insulation on the reactor system safety relief valves (SRVs), including those which are part of the Automatic Depressurization System (ADS). Because the insulation was put on from the wrong end of the valve, it failed to protect electrical components used to remotely open or close the relief valves. The electrical components degraded from overheating. The condition existed from December 1989, when this insulation was last reinstalled after a refueling outage, to September 14, 1991. The staff proposes a \$160,000 civil penalty for this violation.

A failure to identify a comparable condition on a valve in the ADS of Unit 2, until an NRC inspector identified it in December 1991, is the basis for the other alleged violation. The staff proposes a \$125,000 civil penalty for this violation.

The ADS in both units is a backup system used to lower steam pressure in the reactor system during certain reactor coolant leaks, to allow the various low pressure emergency core cooling systems to pump water into the reactor vessel. Failure of the ADS valves to operate when needed because of the degraded electrical components could affect the outcome of certain accidents.

In a letter to the Philadelphia Electric Company, Thomas T. Martin, Regional Administrator of NRC Region I, said, "The NRC is concerned that adequate control was not provided during the installation of the insulation during that refueling outage in 1989. In particular, there appeared to be insufficient licensee planning, oversight, and inspection of the installation activities. Maintenance packages generated to complete the replacement and installation of the ... insulation, did not specify the use of appropriate drawings or instructions regarding how the insulation was to be installed and inspected. The

procedure that was employed did not contain adequate guidance. Although this activity required the performance of post-maintenance inspection and a special procedure (SP) to ensure that all piping insulation inside the drywell was repaired, replaced, and properly secured before the plant was restarted, your staff did not identify the problem with SRV insulation. Further, during the Unit 3 mid-cycle outage in October 1990, your staff removed and replaced an SRV. At that time, although the insulation for that valve was improperly installed, and the condition was questioned by a maintenance worker, an adequate investigation was not performed and the insulation was reinstalled to the incorrect as-found condition."

In addition to these concerns, said Mr. Martin, "the NRC is also concerned with your failure, in view of the findings at Unit 3, to adequately evaluate and correct a similar problem at Unit 2 until after the condition at Unit 2 was identified by an NRC inspector in December 1991. Although your staff did perform a visual inspection of the Unit 2 SRV thermal insulation during the unplanned outage on October 17, 1991, your staff concluded that the Unit 2 SRV insulation had been installed correctly, and documented this conclusion in Licensee Event Report (LER) 3-91-017. However, on December 12, 1991, an NRC inspector, while performing a tour of the Unit 2 and 3 drywells, found that the insulation on one of the Unit 2 ADS valves was improperly installed, in that the end of the SRV facing the solenoid valve and cabling was not completely covered."

The company has been given 30 days to either pay the proposed fine or to request in writing that part or all of it be withdrawn, giving its reasons for any such request. PECO also has been given 30 days to admit or deny the alleged violations, to give reasons for them if admitted, to describe the actions it has taken or plans to take to prevent their happening in the future, and to give the date by which it expects to be in full compliance with NRC requirements.

The Commonwealth of Pennsylvania has been informed of this enforcement action.

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Disposition: