

December 20, 1996

EA 96-243

Mr. D. M. Smith, President  
PECO Nuclear  
Nuclear Group Headquarters  
Correspondence Control Desk  
P. O. Box 195  
Wayne, Pennsylvania 19087-0195

SUBJECT: NRC COMBINED INSPECTION REPORT NOS. 50-277/96-11, 50-278/96-11,  
50-352/96-08 AND 50-353/96-08

Dear Mr. Smith:

This refers to the inspection conducted by Mr. G. C. Smith of this office on October 3-  
November 27, 1996 at the Chesterbrook Engineering Information Center. Areas examined  
during the inspection are identified in the enclosed report. The inspection consisted of  
interviews and examination of selected procedures and representative records. The  
findings were discussed with members of your staff identified in the enclosed report by Mr.  
Smith at the conclusion of the inspection.

Based on the results of this inspection, an apparent violation was identified and is being  
considered for escalated enforcement action in accordance with the "General Statement of  
Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), NUREG-1600.  
The apparent violation concerned the failure to control safeguards information in  
accordance with NRC requirements. The circumstances surrounding this apparent  
violation, the significance of the issue, and the need for lasting and effective corrective  
action were discussed with members of your staff at the inspection exit meeting on  
November 27, 1996. As a result, it may not be necessary to conduct a predecisional  
enforcement conference in order to enable the NRC to make an enforcement decision.  
However, a Notice of Violation (Notice) is not presently being issued for these inspection  
findings. Before the NRC makes its enforcement decision, we are providing you an  
opportunity to either (1) respond to the apparent violation addressed in this inspection  
report within 30 days of the date of this letter, or (2) request a predecisional enforcement  
conference.

Your response should be clearly marked as a "Response to An Apparent Violation in  
Inspection Report Nos. 50-277/96-11, 50-278/96-11, 50-352/96-08 and 50-353/96-08"  
and should include: (1) the reason for the apparent violation, or, if contested, the basis for  
disputing the apparent violation, (2) the corrective steps that have been taken and the  
results achieved, (3) the corrective steps that will be taken to avoid further violations, and  
(4) the date when full compliance will be achieved. Your response should be submitted  
under oath or affirmation and may reference or include previous docketed correspondence,

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if the correspondence adequately addresses the required response. If an adequate response is not received within the time specified or an extension of time has not been granted by the NRC, the NRC will proceed with its enforcement decision or schedule a predecisional enforcement conference.

If you choose not to provide a response and would prefer participating in a predecisional enforcement conference, please contact Walter Pasciak at (610) 337-5258 within one week of the date of this report.

In addition, please be advised that the number and characterization of apparent violations described in the enclosed inspection report may change as a result of further NRC review. You will be advised by separate correspondence of the results of our deliberations on this matter.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response (if you choose to provide one) will be placed in the NRC Public Document Room (PDR). To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR without redaction.

Also, on June 13, 1996, in Inspection Report No. 50-352/96-03 and 50-353/96-03, the NRC forwarded to you another apparent violation also concerning the failure to control safeguards information. In your letter, dated July 15, 1996, you responded to that apparent violation and chose not to participate in an enforcement conference. Our decision regarding the appropriate enforcement action for that apparent violation is pending and will be issued at the same time action is taken on the issues identified in this report.

Sincerely,

*Original Signed By:*  
*James T. Wiggins*  
*Director, DRS.*

James T. Wiggins, Director  
Division of Reactor Safety

Docket Nos. 50-277; 50-278; 50-352; 50-353  
License Nos. NPF-39, NPF-85

Attachment: As stated

cc w/encl:

G. A. Hunger, Jr., Chairman, Nuclear Review Board and Director, Licensing  
W. MacFarland, Vice President - Limerick Generating Station  
J. L. Kantner, Regulatory Engineer - Limerick Generating Station  
Secretary, Nuclear Committee of the Board  
T. Mitchell, Vice President, Peach Bottom Atomic Power Station  
G. Rainey, Senior Vice President, Nuclear Operations  
D. B. Fethers, Vice President, Nuclear Station Support  
T. Niessen, Director, Nuclear Quality Assurance  
C. D. Schaefer, External Operations - Delmarva Power & Light Co.  
G. Edwards, Plant Manager, Peach Bottom Atomic Power Station  
G. J. Lengyel, Manager, Experience Assessment  
J. W. Durham, Sr., Senior Vice President and General Counsel  
P. MacFarland Goetz, Manager, Joint Generation, Atlantic Electric  
B. W. Gorman, Manager, External Affairs  
R. McLean, Power Plant Siting, Nuclear Evaluations  
J. Vannoy, Acting Secretary of Harford County Council  
R. Ochs, Maryland Safe Energy Coalition  
J. H. Walter, Chief Engineer, Public Service Commission of Maryland  
L. Jacobson, Peach Bottom Alliance  
Commonwealth of Pennsylvania  
Nuclear Safety Information Center (NSIC)  
State of Maryland  
TMI - Alert (TMIA)

Mr. D. M. Smith

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Distribution w/encl:

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Nuclear Safety Information Center (NSIC)

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C. Miskey, DRS

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OFFICE	RI/DRS	RI/DRP	RI/DRS	RI/EO for	RI/DRS
NAME	GSmith	WPaschak	RKeimig	DHolody	JWiggins
DATE	12/19/96	12/19/96	12/19/96	12/19/96	12/20/96

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