

DEC 20 1985

Docket No. 50-278

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

Gentlemen:

Subject: Inspection Report No. 50-278/85-32

This refers to your letter dated December 5, 1985, in response to our letter dated November 5, 1985.

Thank you for informing us of the corrective and preventive actions documented in your letter. These actions will be examined during a future inspection of your licensed program.

Your cooperation with us is appreciated.

Sincerely,

Lee H. Bettenhausen

for Stewart D. Ebnetter, Director
Division of Reactor Safety

cc w/encl:

R. S. Fleischmann, Station Superintendent
John S. Kemper, Vice President, Engineering and Research
Troy B. Conner, Jr., Esquire
W. H. Hirst, Director, Joint Generation Projects Department, Atlantic Electric
Eugene J. Bradley, Esquire, Assistant General Counsel (Without Report)
Raymond L. Hovis, Esquire
Thomas Magette, Power Plant Siting, Nuclear Evaluations (Without Report)
W. M. Alden, Engineer in Charge, Licensing Section
Public Document Room (PDR)
Local Public Document Room (LPDR)
Nuclear Safety Information Center (NSIC)
NRC Resident Inspector
Commonwealth of Pennsylvania

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12/16/85

bcc w/encl:

Region I Docket Room (with concurrences)

Management Assistant, DRMA (w/o encl)

Section Chief, DRP

CK
RI:DRS
Kucharski/mmb

12/16/85

JW
RI:DRP
Johnson

12/18/85

MB
RI:DRS
Bettenhausen

12/19/85

OFFICIAL RECORD COPY

RL PB 85-32 - 0002.0.0
12/16/85

PHILADELPHIA ELECTRIC COMPANY

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SHIELDS L. DALTROFF
VICE PRESIDENT
ELECTRIC PRODUCTION

December 5, 1985

Docket No. 50-278

Inspection Report No. 50-278/85-32

Mr. Stewart D. Ebnetter, Director
Division of Reactor Safety
U.S. Nuclear Regulatory Commission
Region I
631 Park Avenue
King of Prussia, PA 19406

Dear Mr. Ebnetter:

Your letter dated November 5, 1985 forwarded Inspection Report 50-278/85-32 for Peach Bottom Atomic Power Station, Unit 3 and required a response by December 5, 1985. Appendix A of the Inspection Report letter addresses three items which do not appear to be in full compliance with NRC requirements. These items are restated and followed by Philadelphia Electric Company's response.

Violation A

10 CFR 50, Appendix B, Criterion II, requires a quality assurance program to be documented by written policies, procedures, or instructions and carried out in accordance with this. Criterion X further requires that inspection be performed by individuals other than those who performed the activity being inspected.

Section 2, Paragraph 10, of the Peach Bottom Atomic Power Station Quality Assurance plan requires the following:

"Inspection activities to verify the quality of work shall be performed by persons other than those who performed the activity. Such persons shall not report directly to the immediate supervisors who are responsible for the work being inspected.

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The inspection program for modifications and non-routine or major maintenance work is accomplished by personnel independent of the group or individual performing the work."

"Personnel performing Quality Control inspection are qualified in accordance with applicable industry standards and Company training programs. Certifications of inspector qualifications are maintained in accordance with Administrative Procedures."

Contrary to the above, on September 10, 1985, a contractor's Quality Control inspection for the fuel reconstitution effort was being performed by persons of the same group performing the activity. These inspection personnel were also reporting directly to the same supervision responsible for the work. Secondly, the personnel performing the Quality Control inspection had not been qualified in accordance with company training programs and no certification of inspector qualifications was being maintained.

This is a Severity Level IV Violation (Supplement 1).

Response to Violation A

Admission or Denial of Alleged Violation:

Philadelphia Electric Company (PECo) acknowledges the violation as stated.

Reason for Violation:

A corporate headquarters based group, Fuel Management Section, is responsible for recommending action in the area of fuel-related work. The Fuel Management Section Engineer-In-Charge informed the Reactor Engineer at the plant that the decision had been made to reconstitute fuel. Based upon this communication, qualified General Electric Company (GEC) personnel on-site were selected to reconstitute fuel as a continuation of the ongoing fuel inspection work, with one day notice. Thus, GEC personnel at Peach Bottom were authorized to begin reconstituting fuel before specific instructions had been issued identifying the necessary QC requirements.

There were PECO QC personnel present on the refuel floor during the fuel reconstitution work. PECO QC personnel were assigned to fuel movement accountability; however, no one was specifically overseeing the fuel reconstitution work involving fuel bundle assembly and disassembly. The PECO QC personnel were aware that the GECO personnel were performing the QC inspections; however, no one recognized that they were not under the supervision of the on-site GECO QC Supervisor, and thus not independent. The PECO Reactor Engineering Group, responsible for this work, did not assure that the QC requirements would be satisfied prior to authorizing the work to begin.

Significance or Extent of Violation

The significance of this event is minimal because the fuel reconstitution work was being performed by experienced individuals employed by GECO. The GECO personnel performing the QC inspections were certified within the GECO training program as inspectors for fuel work. The QC inspections were being performed by these individuals who were also involved in the work. However, for each step requiring QC inspection, the individual performing the QC inspection was not the same person who had performed the step being inspected. Thus, the inspections were being "independently" performed, however, not by a person independent of the overall work activity.

Corrective Actions Taken and Results Achieved:

Fuel reconstitution work was immediately halted following notification of a potential violation. To satisfy the independence requirements of the Peach Bottom Quality Assurance plan, two purchase orders were promptly initiated. One purchase order provided GECO QC inspectors who were required to functionally report to the on-site PECO QC Supervisor. The other purchase order provided GECO personnel to perform the fuel reconstitution work and report to the PECO Reactor Engineer. In addition, each GECO QC inspector was certified within the PECO QC program. They were indoctrinated to applicable procedures and this was documented on a required reading list for each GECO inspector.

PECO Quality Assurance performed an audit of the fuel reconstitution project on September 11 through September 12. This audit encompassed, in part, review of the Fuel Handling Procedures used, qualifications of the personnel involved (PECO and GECO), and documentation. The absence of a

purchase order was the only unacceptable finding. The auditor verified by review that the PECO QC group was documenting inspection activities correctly and that the PECO QC Engineer was reviewing the appropriate documents prior to closure. Based on review of a sample of twenty-six (26) reconstituted fuel bundles, out of a total of forty-eight (48) completed at the time of the audit, the lack of independence did not reduce the quality of work performed.

Corrective Actions to be Taken to Avoid Future Non-Compliance:

It will be made clear that the Fuel Management Section acts in an administrative capacity, making recommendations to the Station Manager for fuel-related work. The initiation of purchase orders and the identification and implementation of QC requirements are the responsibility of the station.

Date When Full Compliance Will be Achieved:

Full compliance was achieved before fuel reconstitution work was permitted to resume.

Violation B.1

Peach Bottom Atomic Power Station, Unit 2 and 3 Technical Specification 6.8, "Procedures", requires that written procedures and administrative policies shall be established, implemented and maintained that meet the requirement of Section 5.1 and 5.3 of ANSI N18.7-1972 and Appendix A of USAEC Regulatory Guide 1.33 (November 1972).

Procedure FH-61, Fuel Bundle Upper Tie Plate Removal/Replacement and Individual Rod Handling, Revision 0, requires the following:

Section V, Upper Tie Plate Installation, Step V-2, states: "Check to ensure that all tie rods are bottomed out in the lower tie plate finger tight and non-tie rods seated. Proper inspection of the peripheral rod lower end plate (LEP) shall be confirmed by visual examination

of all four sides of the lower tie plate." QC signature #5 confirms that the tie rods are bottomed out.

Contrary to the above, on September 13, 1985, the Quality Control inspector failed to perform step V-2 Section V for the reassembly of donor bundles. The bundles were reassembled correctly and all the tie rods were verified to be bottomed out by the operator as witnessed by the NRC inspector.

Response to Violation B.1

Admission or Denial of Alleged Violation:

PECo acknowledges the violation as stated.

Reason for Violation:

Fuel Handling Procedure FH-61 does not differentiate between recipient and donor bundles. It is GECOs standard practice not to perform the independent QC inspection which step V-2 requires for donor bundles. The training that the GECOs individuals received does not require this step. Due to administrative oversight, a temporary procedure change was not processed to clarify this point.

Significance or Extent of Violation:

The bundles were reassembled correctly and the tie rods were verified to be bottomed out by the operator as witnessed by the NRC inspector. GECOs assures us that as long as the tie rods were threaded most of the way into the lower tie plate, the safety significance of this incident is minimal.

Corrective Actions to be Taken to Avoid Future Non-Compliance:

The Fuel Handling Procedure will be revised before it is used again to clarify the intent of step V-2 for donor bundles.

Violation B.2

Peach Bottom Atomic Power Station, Unit 2 and 3 Technical Specification 6.8, "Procedures", requires that written procedures and administrative policies shall be established, implemented and maintained that meet the requirement of Section 5.1 and 5.3 of ANSI N18.7-1972 and Appendix A of USAEC Regulatory Guide 1.33 (November 1972).

Procedure HPO/CO-10a, Conduct in Controlled Areas-Minimize Exposure, requires the following:

- Radiation rope or tape is a barrier. When it is necessary to reach across a tape or rope barrier, proper precautions have to be taken.

Contrary to the above, on September 13, 1985, a PECO employee who was observed reaching across the tape barrier without taking proper precautions, such as wearing protective gloves before touching contaminated material.

Response to Violation B.2

Admission or Denial of Alleged Violation:

PECO acknowledges the violation as stated. A PECO QC Inspector reached across the tape barrier without taking proper precautions.

Reason for Violation:

The QC Inspector unintentionally failed to follow Health Physics procedures. Health Physics training instructs against such an action. At the time, the individual did not recognize what could result from his action.

Significance or Extent of Violation:

The potential for contamination in this situation was low. The individual did not become contaminated; therefore, the safety significance of this specific incident is minima

Mr. Stewart D. Ebnetter

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Corrective Actions Taken and Results Achieved:

The individual was counselled concerning the need to be more attentive to Health Physics procedures.

Corrective Actions to be Taken to Avoid Future Non-Compliance:

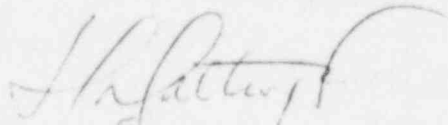
All QC personnel working on the refuel floor have been reinstructed to comply with Health Physics procedures.

Date When Full Compliance Will be Achieved:

Full compliance has been achieved.

Should you have any questions or require additional information, please do not hesitate to contact us.

Very truly yours,



cc: T. P. Johnson, Resident Site Inspector