

May 30, 2001

Mr. Oliver D. Kingsley, President
Exelon Nuclear
Exelon Generation Company, LLC
200 Exelon Way, KSA 3-E
Kennett Square, PA 19348

SUBJECT: Annual Assessment Letter - Peach Bottom Atomic Power Station

Dear Mr. Kingsley:

On May 10, 2001, the NRC staff completed its end-of-cycle plant performance assessment of the Peach Bottom Atomic Power Station. The end-of-cycle review for the Peach Bottom Atomic Power Station involved the participation of all technical divisions in evaluating performance indicators for the most recent quarter and inspection results for the period April 1, 2000 to March 31, 2001. The purpose of this letter is to inform you of our assessment of your safety performance during this period and our plans for future inspections at your facility. On June 12, 2001, at 6:00 p.m., we plan to discuss this assessment with Exelon management in a meeting at the Site Management Building. The meeting will be open for public observation.

Overall, the Peach Bottom Atomic Power Station operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for the most recent quarter was within the Licensee Response Column of the NRC's Action Matrix, based on all inspection findings being classified as having very low safety significance (Green) and all performance indicators indicating performance at a level requiring no additional NRC oversight (Green). Therefore, we plan to conduct baseline inspections at your facility through May 31, 2002.

While plant performance for the most recent quarter is within the Licensee Response Column of the NRC's Action Matrix, there was a safety significant inspection finding and a safety significant performance indicator identified in the other quarters of the assessment cycle. An inspection finding of low to moderate safety significance (White) was documented in the second quarter CY 2000, for an under-classification of a shipment of radioactive waste sent to a licensed disposal facility in June 1999. In our supplemental inspection of this White finding, we had no issue with your evaluation, identification of root and contributing causes, and corrective actions. The Alert and Notification System performance indicator was in the low to moderate safety significance band (White) for the second and third quarters of CY 2000. In our Mid-Cycle Review letter dated November 29, 2000, we discussed the White inspection finding and the White performance indicator and we indicated that supplemental inspections of each item would be conducted. While we were able to conduct the supplemental inspection of the White inspection finding, we were unable to conduct the supplemental inspection of the White performance indicator as originally scheduled. Although your action restored this performance indicator to within the Green band in the fourth quarter of 2000, and it remained within the Green band in the first quarter of 2001, we

still plan to conduct a supplemental inspection for this previously identified White performance indicator.

Enclosure 1 details the scheduled inspections that will occur through May 31, 2002. The inspection plan is provided to minimize the resource impact on your staff and to allow for scheduling conflicts and personnel availability to be resolved in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature.

For your information, the NRC is in the process of aligning the inspection and assessment cycle with the calendar year. In order to transition to a calendar year cycle (January 1- December 31), the next inspection and assessment cycle will consist of only three quarters (i.e. the second, third and fourth calendar quarters of CY 2001). As a result, a quarterly review will be conducted for the third calendar quarter (July 1- September 30) in lieu of a mid-cycle review. The impact on the inspection plan, which is included as Enclosure 1, is minimal.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be made available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Electronic Reading Room). Our assessment process and terminology are further described in the NRC Reactor Oversight Process Web site at <http://www.nrc.gov/NRR/OVERSIGHT/index.html>

If circumstances arise which cause us to change this inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at 610-337-5209 with any questions you may have regarding this letter or the inspection plan.

Your cooperation in this matter is greatly appreciated.

Sincerely,

/RA/

Mohamed Shanbaky, Chief
Projects Branch 4
Division of Reactor Projects

Docket Nos. 05000277; 05000278
License Nos.: DPR-44, DPR-56

Enclosure: Peach Bottom Atomic Power Station Inspection / Activity Plan

cc w/encl:

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Peach Bottom
Inspection / Activity Plan
06/01/2001 - 05/31/2002

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	71121	- OCC RAD SAFETY	1			
2, 3	IP 7112101	Access Control to Radiologically Significant Areas		06/04/2001	06/08/2001	Baseline Inspections
2, 3	IP 7112103	Radiation Monitoring Instrumentation		06/04/2001	06/08/2001	Baseline Inspections
	711112B	- MAINT RULE	1			
2, 3	IP 711112B	Maintenance Rule Implementation		06/25/2001	06/29/2001	Baseline Inspections
	60855	- ISFSI INSPECTION	1			
2, 3	IP 60855	Operation Of An ISFSI		06/25/2001	06/29/2001	Other Routine
	71121	- OCC RAD SAFETY	1			
2, 3	IP 7112101	Access Control to Radiologically Significant Areas		07/16/2001	07/20/2001	Baseline Inspections
2, 3	IP 7112102	ALARA Planning and Controls		07/16/2001	07/20/2001	Baseline Inspections
	71114	- EP PRGM REVIEW & PI	1			
2, 3	IP 7111402	Alert and Notification System Testing		07/23/2001	07/27/2001	Baseline Inspections
2, 3	IP 7111403	Emergency Response Organization Augmentation Testing		07/23/2001	07/27/2001	Baseline Inspections
2, 3	IP 7111404	Emergency Action Level and Emergency Plan Changes		07/23/2001	07/27/2001	Baseline Inspections
2, 3	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		07/23/2001	07/27/2001	Baseline Inspections
2, 3	IP 71151	Performance Indicator Verification		07/23/2001	07/27/2001	Baseline Inspections
	711117B	- MODS	3			
2, 3	IP 7111102	Evaluation of Changes, Tests, or Experiments		07/30/2001	08/03/2001	Baseline Inspections
2, 3	IP 711117B	Permanent Plant Modifications		07/30/2001	08/03/2001	Baseline Inspections
	95001	- SIREN ISSUE FINAL FOLLOWUP	1			
2, 3	IP 95001	Supplemental Inspection For One Or Two White Inputs In A Strategic Performance Area		07/24/2001	07/28/2001	Supplemental Program
	71121	- OCC RAD SAFETY	1			
2, 3	IP 7112101	Access Control to Radiologically Significant Areas		10/01/2001	10/05/2001	Baseline Inspections
2, 3	IP 7112102	ALARA Planning and Controls		10/01/2001	10/05/2001	Baseline Inspections
2	IP 71151	Performance Indicator Verification		10/01/2001	10/05/2001	Baseline Inspections
	71152	- PROBLEM IDENTIFICATION & RESOLUTION	3			
2, 3	IP 71152	Identification and Resolution of Problems		10/29/2001	11/02/2001	Baseline Inspections
2, 3	IP 71152	Identification and Resolution of Problems		11/12/2001	11/16/2001	Baseline Inspections
	7111108	- INSERVICE INSPECTION	1			
3	IP 7111108	Inservice Inspection Activities		10/15/2001	10/19/2001	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
2, 3	IP 7112101	Access Control to Radiologically Significant Areas		01/14/2002	01/18/2002	Baseline Inspections
2, 3	IP 7112102	ALARA Planning and Controls		01/14/2002	01/18/2002	Baseline Inspections
2, 3	IP 7112103	Radiation Monitoring Instrumentation		01/14/2002	01/18/2002	Baseline Inspections

This report does not include INPO and OUTAGE activities.
This report shows only on-site and announced inspection procedures.

Peach Bottom
Inspection / Activity Plan
06/01/2001 - 05/31/2002

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	7112201 - PUB RAD SAFETY - RETS		1			
2, 3	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		01/28/2002	02/01/2002	Baseline Inspections
	71130 - SECURITY		1			
2, 3	IP 7113001	Access Authorization Program (Behavior Observation Only)		02/25/2002	03/01/2002	Baseline Inspections
2, 3	IP 7113002	Access Control (Search of Personnel, Packages, and Vehicles: Identification and Authorizator		02/25/2002	03/01/2002	Baseline Inspections
	7111121 - SSDI		8			
2, 3	IP 7111121	Safety System Design and Performance Capability		04/08/2002	04/12/2002	Baseline Inspections
2, 3	IP 7111121	Safety System Design and Performance Capability		04/22/2002	04/26/2002	Baseline Inspections
	7112202 - PUB RAD SAFETY - RADWASTE		1			
2, 3	IP 7112101	Access Control to Radiologically Significant Areas		04/22/2002	04/26/2002	Baseline Inspections
2, 3	IP 7112103	Radiation Monitoring Instrumentation		04/22/2002	04/26/2002	Baseline Inspections
2, 3	IP 7112202	Radioactive Material Processing and Transportation		04/22/2002	04/26/2002	Baseline Inspections
	6/3 EXAM - PB/LM LSRO INITIAL EXAMS		2			
2	U01445	PEACH BOTTOM 2&3 LSRO 8/12-23/2002		04/29/2002	05/03/2002	Not Applicable