

September 13, 2002

Mr. Michael P. Gallagher
Director-Licensing
Exelon Corporation
200 Exelon Way
Kennett Square, PA 19348

SUBJECT: LICENSE RENEWAL SAFETY EVALUATION REPORT WITH OPEN AND CONFIRMATORY ITEMS FOR THE PEACH BOTTOM ATOMIC POWER STATION, UNITS 2 AND 3

Dear Mr. Gallagher:

By letter dated July 2, 2001, Exelon Generation Company, LLC (Exelon), submitted an application to the Nuclear Regulatory Commission (NRC) for renewal of the Peach Bottom Atomic Power Station, Units 2 and 3 (Peach Bottom), operating licenses for an additional 20 years. The license renewal application (LRA) was submitted pursuant to Title 10 of the *Code of Federal Regulations*, Part 54. The NRC staff determined that the LRA was complete and acceptable for docketing on August 31, 2001. The NRC staff (the staff) has reviewed the application and has developed the enclosed "Safety Evaluation Report With Open and Confirmatory Items Related to the License Renewal of the Peach Bottom Atomic Power Station, Units 2 and 3," hereafter referred to as the SER, September, 2002. This SER reflects the status of the staff's review of the applicant's LRA, requests for additional information and clarification, and the applicant's responses to the NRC staff's requests through July 30, 2001, unless otherwise noted. Issuance of the enclosed SER is an important milestone for both the applicant and the staff.

The NRC staff has identified open and confirmatory items, in its review, that must be resolved before it can make a final determination on the application. The open items, the majority of which were previously discussed with your staff, are summarized in Section 1.4 of the SER. Section 1.5 of the SER includes a listing of confirmatory items with an explanation of the information required to satisfactorily resolve the issue. In order to close both of these items, the staff needs the additional information, as identified in the SER. As a result of the staff's review of the license renewal application, including the additional information and clarifications submitted subsequently, the staff has proposed several license conditions as set out in Section 1.6 of the SER.

In accordance with the schedule for completing the review of the Peach Bottom LRA, the applicant is requested to review the enclosed SER, verify its accuracy, and provide comments and responses to the open items by November 29, 2002. The NRC staff also plans to review the format of this SER to further improve its contents, while incorporating the applicant's responses. A complete, revised SER will then be issued by February 6, 2003.

M. Gallagher

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If you have any questions regarding this matter, please contact the license renewal project manager, David Solorio, at 301-415-1973.

Sincerely,

/RA/

Pao-Tsin Kuo, Program Director
License Renewal and Environmental Impacts Program
Division of Regulatory Improvement Programs
Office of Nuclear Reactor Regulation

Docket Nos. 50-277 and 50-278

Enclosure: As stated

cc w/enclosure: See next page

M. Gallagher

- 2 -

If you have any questions regarding this matter, please contact the license renewal project manager, David Solorio, at 301-415-1973.

Sincerely,

/RA/

Pao-Tsin Kuo, Program Director
License Renewal and Environmental Impacts Program
Division of Regulatory Improvement Programs
Office of Nuclear Reactor Regulation

Docket Nos. 50-277 and 50-278

Enclosure: As stated

cc w/enclosure: See next page

Package: ML022590468, Cover letter: ML022590475, Chapter 1: ML022590490
Chapter 2: ML022590498, Chapter 3: ML022590503, Chapter 4: ML022590519
Chapters 5 & 6 and others: ML022590527

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