

April 29, 2003

Dr. Mario V. Bonaca, Chairman
Advisory Committee on Reactor Safeguards
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

SUBJECT: REPORT ON THE SAFETY ASPECTS OF THE LICENSE RENEWAL
APPLICATION FOR PEACH BOTTOM ATOMIC POWER STATION (PBAPS),
UNITS 2 AND 3

Dear Dr. Bonaca:

In your letter to Chairman Meserve dated March 14, 2003, you summarized the results of the review by the Advisory Committee on Reactor Safeguards (ACRS) of Exelon Company LLC's (Exelon's) license renewal application (LRA) for PBAPS, Units 2 and 3 and the Nuclear Regulatory Commission (NRC) staff's final safety evaluation report (SER) on the application.

On the basis of its review, the ACRS recommended that the renewal of the operating licenses for PBAPS, Units 2 and 3 be approved. The ACRS also concluded that the programs instituted by the applicant are appropriate and provide reasonable assurance that PBAPS, Units 2 and 3 can be operated in accordance with the current licensing basis for the period of extended life without undue risk to the health and safety of the public.

The ACRS's timely review helped the staff maintain the review schedule. The staff has prepared a recommendation to the Director of the Office of Nuclear Reactor Regulation for the issuance of the PBAPS, Units 2 and 3 renewed licenses. We appreciate the ACRS's effort in supporting the staff's license renewal activities.

Your March 14, 2003, letter also contains a background discussion section. In the following we address a comment from this section.

Your Comment:

"Peach Bottom Unit 2 experienced a scram on December 21, 2002. This event highlighted a number of weaknesses in the current corrective action and preventive maintenance programs. We expect that ongoing corrective actions committed by the licensee will resolve these weaknesses. During inspections, the staff should assess the effectiveness as well as the adequacy of implementation of these programs. "

Response:

To investigate the automatic reactor scram, the NRC dispatched a special inspection team to review the cause and the licensee's response. The results of the inspection are documented in NRC Special Inspection Report 50-277/03-07. The inspection team verified that all deficiencies that either contributed to the event or were associated with equipment failures that challenged

operators in responding to the event were entered into the licensee's corrective action tracking system. The inspectors concluded that the plant risk for the event was low. The inspectors concluded that the immediate actions taken by the licensee to identify the root causes of the reactor scram and the equipment problems were generally acceptable. Two noncited violations (NCVs) were identified. One NCV was of low safety significance and the other was identified by the licensee and also was of low safety significance. It is noteworthy that the applicant had not had a chance to implement all corrective actions as of the end of the special inspection; therefore, at this time it is not possible to provide an assessment of the effectiveness of the corrective actions taken. However, a future inspection is planned to evaluate certain corrective actions taken in response to the event.

The NRC will be conducting future inspections regarding the effectiveness of the licensee's corrective action program in accordance with the NRC Reactor Oversight Process (ROP). The ROP provides for continual monitoring and assessment of licensee performance and specifically includes biannual team inspections of licensee corrective action effectiveness for all licensees. In between the biannual reviews, the ROP samples corrective actions through other inspection activities. Under the ROP baseline program, inspections are also routinely conducted in areas such as maintenance and engineering, so there are other opportunities to evaluate the effectiveness of the licensee's programs. In addition, in accordance with the NRC Inspection Manual chapter for license renewal, the staff will conduct inspections of plants with renewed licenses before the plants enter their renewal terms. These inspections are intended to confirm that the programs relied on for aging management have been developed consistent with previous commitments and are in operation. Plants entering their renewal period will continue to be inspected in accordance with the NRC inspection program. On a separate action, we have recently initiated a task force to evaluate how the agency uses operating experience. The staff has scheduled a meeting with the ACRS to discuss this effort in May 2003.

In conclusion, the underlying principle of the license renewal rule is that the plant's current licensing basis must be maintained to the same extent in the extended period of operation (the renewal period) as it was maintained prior to the renewal term. Therefore, enhancements to plant programs must be continued, to the same extent, into the extended period of operation.

Sincerely,

/RA/

William D. Travers
Executive Director
for Operations

cc: Chairman Diaz
Commissioner Dicus
Commissioner McGaffigan
Commissioner Merrifield
SECY

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Sincerely,
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 William D. Travers
 Executive Director
 for Operations

cc: Chairman Diaz
 Commissioner Dicus
 Commissioner McGaffigan
 Commissioner Merrifield
 SECY

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