

August 6, 2003

Mr. John L. Skolds, President
Exelon Nuclear
Exelon Generation Company, LLC
4300 Winfield Road
Warrenville, IL 60555

SUBJECT: NRC OFFICE OF INVESTIGATIONS REPORT NO. 3-2001-055

Dear Mr. Skolds:

This letter refers to an investigation conducted by the U.S. Nuclear Regulatory Commission (NRC), Office of Investigations (OI) to determine whether a Principal Auditor was discriminated against for raising safety concerns and whether a former Principal Auditor was blacklisted from gaining employment at Sargent & Lundy because of safety concerns raised while employed at Exelon. Based on the evidence developed during the investigation, we did not substantiate the concerns. The synopsis from the OI report of investigation is enclosed.

If you have any questions or comments regarding this matter, please contact James Heller or Andrea Kock of the NRC Region III staff at telephone number (630) 829-9500.

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 any, will be 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/reading-rm/adams.html> (the Public Electronic Reading Room).

You should note that final NRC documents, including the final OI report, may be made available to the public under the Freedom of Information Act (FOIA) subject to redaction of information pursuant to the FOIA. Requests under the FOIA should be made in accordance with 10 CFR 9.23, Request for Records.

Sincerely,

/RA/ Patrick Hiland for

Marc L. Dapas, Acting Director
Division of Nuclear Materials Safety

Enclosure: OI Synopsis

cc w/enclosure: AMS File No. RIII-2001-A-0174

*SEE PREVIOUS CONCURRENCE

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** For permission to release the OI synopsis.

SYNOPSIS

This investigation was initiated by the U.S. Nuclear Regulatory Commission, Office of Investigations (OI), Region III, on November 19, 2001, to determine whether a Principal Auditor for Exelon Corporation (Exelon) was discriminated against for raising safety concerns in the form of vendor audit findings.

On May 20, 2002, a second allegation was added to the investigation. OI initiated an investigation to determine whether a former Principal Auditor was blacklisted from gaining employment at Sargent & Lundy (S&L) because of safety concerns raised while employed at Exelon.

Based on the evidence developed, the investigation did not substantiate the allegation that a Principal Auditor was discriminated against for raising safety concerns.

Based on the evidence developed, the investigation did not substantiate the allegation that a former Principal Auditor was blacklisted from gaining employment at S&L because of safety concerns raised while employed at Exelon.