

July 12, 2005

Mr. Christopher M. Crane
President and CNO
Exelon Nuclear
Exelon Generation Company, LLC
200 Exelon Way
Kennett Square, PA 19348

SUBJECT: ASSESSMENT FOLLOW-UP LETTER - PEACH BOTTOM ATOMIC POWER
STATION (REPORT 05000277/2005001)

Dear Mr. Crane:

On June 13, 2005 the NRC staff updated, as part of our continuous review, its assessment of the safety performance of Peach Bottom Unit 2. The assessment evaluated performance indicators (PIs) and inspection results. The purpose of this letter is to inform you of our updated assessment of your safety performance during the period January 1 to December 31, 2004, and our plans for a future inspection at your facility. This letter supplements, but does not supersede, our annual assessment letter issued on March 2, 2005.

Our review of Peach Bottom Unit 2 identified that one of your performance indicators (scrams with loss of normal heat removal) crossed the threshold from green to white. As discussed in our annual assessment letter issued on March 2, 2005, this PI was still being evaluated by the NRC staff. We have completed our review and determined that the July 2003 scram of Peach Bottom Unit 2 should be counted as a scram with loss of normal heat removal and should be included in the PI. Therefore, as of the fourth calendar quarter 2004, three scrams with a loss of heat sink occurred within twelve calendar quarters causing this PI to change from green to white.

As a result, we have assessed Peach Bottom Unit 2 performance to be in the Regulatory Response column of the NRC's Action Matrix. Therefore, we plan to conduct supplemental inspection 95001 during the week of November 7, 2005. This inspection procedure is conducted to provide assurance that the root causes and contributing causes of risk significant performance issues are identified, understood, the extent of condition is identified, and the corrective actions taken or planned are sufficient to prevent recurrence.

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Please contact Dr. Mohamed Shanbaky, Chief, Projects Branch 4 at 610 337-5209 with any questions you may have regarding this letter.

Sincerely,

/RA/

Brian E. Holian, Director
Division of Reactor Projects

Docket Nos. 50-277, 50-278
License Nos. DPR-44, DPR-56

cc:

Chief Operating Officer, Exelon Generation Company, LLC
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