

**PENNSYLVANIA SENATE STANDING COMMITTEE HEARING
Prep Book**

INTRODUCTION and BACKGROUND

On October 16, 2007, NRC Region I (RI) will provide testimony in a Pennsylvania State Senate public hearing at the Commonwealth's Capitol building in Harrisburg. This is a joint hearing of two Senate Standing Committees: Consumer Protection and Professional Licensure and Veterans Affairs and Emergency Preparedness. These Committees have oversight of the Pennsylvania Public Utilities Commission (PUC) and the Pennsylvania Emergency Management Agency (PEMA), respectively.

The hearing initially was called to discuss the pending electricity rate cap expiration in 2010. These caps were enacted in 1997 through the Pennsylvania electric restructuring law, resulting in the deregulation of power generation. Since this law passed, the prices of natural gas and coal have doubled, while the rate caps have kept down prices. The goal of deregulation: lower electric prices through increased competition, has not been realized. The concern is that Pennsylvania ratepayers will experience an increase similar to those proposed in Maryland and Delaware when caps expired in those states (50-80%). Governor Rendell has proposed an Energy Independence Strategy that focuses on reducing consumer energy consumption, modifies how consumers are charged for electricity (based on production costs and not spot market prices), and invests in alternative and renewable energy industries.

The recent events at Peach Bottom Atomic Power Station (Peach Bottom) involving security guard inattentiveness has expanded the scope of this meeting to include discussion of the impact of this issue on public confidence in nuclear power plants.

The hearing will involve testimony from NRC; Exelon, First Energy, and PPL (in a panel session), and PEMA and the Pennsylvania Department of Environmental Protection (PADEP). The attendees have been split into four panels, each of which will, in turn, sit before the Committee members. Each attendee will have approximately ten minutes to speak, followed by an opportunity for the Senators to ask questions. The questioning period is expected to take 10-15 minutes. The Hearing is limited to the scheduled 2 hour duration, because a Senate floor session begins at 1:00 PM. It will be open to the public, and will likely be video-recorded. There may be some media coverage, and may broadcast on the Pennsylvania Cable Network's public television station

Panel 1 - NRC

Peach Bottom Security Inattentiveness

Speaker: Marsha Gamberoni, Director, Division of Reactor Safety

Ms. Gamberoni will discuss the Augmented Inspection Team investigation (AIT) conducted at Peach Bottom in response to this event. The testimony will include discussion of NRC's general responsibilities; the AIT inspection and findings; Exelon's actions, and NRC's actions and next steps.

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