

Exelon

Nuclear

Exelon Nuclear
Peach Bottom Atomic Power Station
1848 Lay Road
Delta, PA 17314-9032

www.exeloncorp.com

October 9, 2007

Mr. Samuel J. Collins
Regional Administrator
U.S. Nuclear Regulatory Commission
475 Allendale Road
King of Prussia, PA 19406

Subject: Exelon Letters Regarding Alleged Security Officer Inattentiveness at Peach Bottom Atomic Power Station

Dear Mr. Collins:

On September 21, 2007 and October 4, 2007, Exelon Generation Company, LLC (Exelon) transmitted two letters to the Nuclear Regulatory Commission (NRC) informing you of a comprehensive investigation Exelon had initiated in response to receiving information associated with potential security officer inattentiveness at Peach Bottom Atomic Power Station (Peach Bottom). The purpose of this letter is to remove the "Sensitive Information - Withhold Under 10 CFR 2.390" classification from those letters. The fieldwork from our investigation is essentially complete, and therefore we are now able to disclose the information contained in the letters.

Attached to this letter are the September 21, 2007 and the October 4, 2007 letters, with the "Sensitive Information - Withhold Under 10 CFR 2.390" classification removed. Please contact me at 610-765-5664 if you have questions regarding this matter.

Sincerely,



Pamela B. Cowan
Director, Licensing & Regulatory Affairs
Exelon Generation Company, LLC

Attachment 1: September 21, 2007 Exelon Letter to NRC
Attachment 2: October 4, 2007 Exelon Letter to NRC

cc: F. L. Bower, NRC Senior Resident Inspector - Peach Bottom
J. D. Hughey, Project Manager [PBAPS] USNRC



Mr. Samuel J. Collins, USNRC
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bcc: P. Steinhauer, PSEG
R. I. McLean, State of Maryland
R. R. Janati, Commonwealth of Pennsylvania
Sr. Vice President, Mid-Atlantic Operations
Sr. Vice President, Operations Support
Site Vice President-PBAPS
Plant Manager-PBAPS
Director, Operations-PBAPS
Director, Engineering
Director, Site Engineering-PBAPS
Director, Site Training-PBAPS
Manager, Regulatory Assurance-PBAPS
Manager, Licensing
Commitment Coordinator - KSA 3-E
Records Management - KSA 1-N-1

Attachment 1

September 21, 2007 Exelon Letter to NRC

Alleged Security Officer Inattentiveness at Peach Bottom Atomic Power Station

September 21, 2007

Mr. Samuel J. Collins
Regional Administrator
U.S. Nuclear Regulatory Commission
475 Allendale Road
King of Prussia, PA 19406

Subject: Alleged Security Officer Inattentiveness at Peach Bottom Atomic Power Station

Dear Mr. Collins:

Exelon Generation Company, LLC (Exelon) has initiated a comprehensive investigation in response to receiving information associated with potential security officer inattentiveness at Peach Bottom Atomic Power Station (Peach Bottom). An Issues Management group has been formed, led by the Mid-Atlantic Corporate Director for Licensing and Regulatory Affairs utilizing various on-site, corporate and external personnel. This group currently consists of the following six teams:

- Investigation Team
- Data Review Team – causal analysis including past relevant information
- Security Action Team – current actions
- Security Review Team – future actions
- Communication Team – internal and external
- Public Affairs Team – government outreach

The purpose of this letter is to confirm that currently the security at Peach Bottom is effective, to describe the actions taken to date, and to provide a current status of our response team.

First and foremost, Exelon remains confident of the ability of the security force at Peach Bottom to effectively implement the Security Plan. Security program effectiveness is being ensured through the implementation of a number of targeted initiatives. Detailed briefings were held with all security personnel to reinforce Fitness-For-Duty requirements, fatigue considerations, self-declaration policy, use of authorized attentiveness aids and to reinforce the requirement to report security improprieties immediately to supervision. Exelon corporate security management personnel are providing additional random daily observations of the security program. Also, Peach Bottom senior management personnel are conducting daily observations of random security areas. The Wackenhut Corporation (TWC) has increased both corporate and site security management oversight. TWC corporate security management is providing 24-hour coverage of security activities. TWC site security management is providing day and night coverage on 10-hour shifts. In addition, TWC supervision is now assigned to the designated security staging areas (ready rooms) to provide continual observation and oversight of security personnel.

The remaining Exelon fleet security forces were briefed regarding heightened awareness, fatigue and their responsibilities to report inattentiveness.

Investigation activities to date include reviewing the Corrective Action Program and Employee Concerns Program for documented incidents of security force member inattentiveness, as well as conducting interviews with security force members and one other station employee who indicated that he had information relevant to the investigation. An experienced Exelon Security Manager from the Limerick Generating Station (LGS), Exelon Corporate Security Investigators, and the Employee Concerns Program representatives from Peach Bottom conducted these interviews. Approximately 91 percent of the security force members have been interviewed by the investigation team. During the initial interviews, it was asserted by more than one individual that a security force member had taken a video that showed inattentive security force members. In response, Exelon corporate legal counsel was directed to lead and oversee the investigation team and employ outside resources with expertise in conducting these types of investigations were added to the team.

In conclusion, Exelon continues to aggressively investigate this matter and will keep the NRC informed as additional information is obtained. We will communicate the results of the investigation in future correspondence. Please contact me at 610-765-5555 if you have questions regarding this matter.

Sincerely,



Ronald J. DeGregorio
Senior Vice President – MidAtlantic Operations
Exelon Generation Company, LLC

cc: NRC Senior Resident Inspector – Peach Bottom
K. Jury

Attachment 2

October 4, 2007 Exelon Letter to NRC

Alleged Security Officer Inattentiveness at Peach Bottom Atomic Power Station

October 4, 2007

Mr. Samuel J. Collins
Regional Administrator
U.S. Nuclear Regulatory Commission
475 Allendale Road
King of Prussia, PA 19406

Subject: Alleged Security Officer Inattentiveness at Peach Bottom Atomic Power Station

Dear Mr. Collins:

On September 21, 2007, Exelon Generation Company, LLC (Exelon) transmitted a letter to the Nuclear Regulatory Commission (NRC) informing you of a comprehensive investigation Exelon had initiated in response to receiving information associated with potential security officer inattentiveness at Peach Bottom Atomic Power Station (Peach Bottom). The purpose of this letter is to update you on the preliminary results of that investigation, to describe additional interim actions taken to date, and to inform NRC of actions planned for the near term.

As part of the investigation into the alleged security officer inattentiveness, Exelon is conducting a root cause evaluation. The results of the investigation and the root cause evaluation will form the basis for Exelon's response to the NRC-referred allegations and will identify any additional long-term corrective actions and extent of condition.

Exelon's investigation of the alleged security officer inattentiveness included interviews of nearly 100 percent of the Peach Bottom security organization. The preliminary results of the investigation are as follows:

- 1) The alleged security officer inattentiveness has been confirmed through viewing the video recordings provided by a security officer on September 21, 2007, and through interviews of the security officers.
- 2) Interviews of security personnel did not produce any direct evidence of inattentiveness occurring during shifts other than shifts in which Team 1 was assigned.
- 3) The programs and processes for identifying instances of inattentiveness failed to identify and/or correct these instances.
- 4) Some evidence suggests that a culture had developed among some of the Team 1 security officers as to not report inattentiveness in the staging area (ready room).
- 5) Team 1 Security Supervision and one Exelon Maintenance Supervisor had information regarding inattentive officers and failed to take appropriate actions.

- 6) The investigation revealed that security force personnel may have thought it was more important to protect other officers than raise the issue of inattentiveness.

In addition to the targeted initiatives that Exelon informed the NRC of in the September 21, 2007 letter, Exelon has taken the following additional interim actions.

- 1) Exelon has informed The Wackenhut Corporation (TWC) that the contract for providing the security force personnel at Peach Bottom will be terminated. Selected security force personnel at Peach Bottom will become Exelon employees, supervised by Exelon Security personnel. This transition is currently scheduled to occur on or before November 1, 2007. If a change to this schedule is necessary, the NRC will be notified verbally.
- 2) Current members of the security force team on which the inattentiveness incidents occurred have had their site access placed on administrative hold, pending the completion of the investigation.
- 3) The Peach Bottom Site Vice President and Plant Manager are conducting meetings with the remaining Peach Bottom security force personnel reinforcing their expectations regarding raising concerns and resolving issues, as well as the mechanisms available to personnel for communicating concerns. These meetings are currently scheduled to be complete by October 5, 2007.
- 4) Access to the staging area where the inattentiveness incidents took place has been modified to allow for improved management oversight.
- 5) Access to other staging areas, both at Peach Bottom and the remaining Exelon Nuclear operating reactor sites, has been evaluated and necessary changes have been made to improve management oversight in those areas. One action at one station remains to be implemented and is currently scheduled to complete by October 12, 2007.

Additional actions in progress or planned to be taken include:

- 1) Complete the root cause evaluation and identify subsequent corrective actions.
Due Date: 10-26-07
- 2) Revise the post assignments for the Peach Bottom security shifts, such that security force personnel will not be assigned to a single post for the entire shift.
Due Date: 10-08-07
- 3) Enhance the attentiveness stimuli that are permitted in the staging areas for the Exelon Nuclear operating reactor sites to improve the ability of the security force members to remain attentive.
Due Date: 10-10-07
- 4) Review security post rotation at the remaining Exelon Nuclear operating reactor sites.
Due Date: 10-12-07

- 5) Determine which members of the security force impacted by the inattentiveness issue will be returned to duty.
Due Date: 10-30-07
- 6) Conduct indoctrination sessions with those returning security force members to reinforce expectations regarding the behavioral observation program and a healthy Safety Conscious Work Environment (SCWE).
Due Date: 10-30-07
- 7) An assessment of attentiveness stimuli permitted in the Peach Bottom staging areas was conducted. Improvements have been identified and are scheduled to be implemented.
Due Date: 10-30-07
- 8) Establish a new Exelon division or company to manage the security organization at Peach Bottom.
Due Date: 11-1-07
- 9) Develop appropriate communications for the balance of the Peach Bottom Station staff to reinforce expectations regarding reporting of issues.
Due Date: 11-9-07
- 10) Improve the environmental conditions of the staging areas at Peach Bottom.
Due Date: 11-30-07
- 11) Provide refresher training to the security organizations at the remainder of the Exelon Nuclear operating reactor sites to reinforce expectations regarding the behavioral observation program and a healthy SCWE, including specific examples of issues that were not raised appropriately.
Due Date: 12-14-07
- 12) Conduct face-to-face interviews with security force supervisors to reinforce expectations related to inattentiveness and actions to take if someone is found in an inattentive state, and to solicit feedback on challenges to maintaining attentiveness and raising issues.
Due Date: 12-14-07
- 13) Conduct supervisory training for security force supervisors regarding their responsibilities for maintaining a SCWE.
Due Date: 12-14-07
- 14) Conduct a SCWE survey of the Peach Bottom security organization with the assistance of resources external to Exelon.
Due Date: 12-21-07
- 15) Perform a self-assessment of the Peach Bottom security organization, with the assistance of resources external to Exelon, focusing on the SCWE in the security organization.
Due Date: 12-21-07

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- 16) Conduct a SCWE survey of the security organizations at the remaining Exelon Nuclear operating reactor sites to identify any required corrective actions.
Due Date: 3-14-08

In conclusion, Exelon remains confident of the ability of the security force at Peach Bottom to effectively implement the Security Plan. Security program effectiveness is being ensured through the implementation of the previously described interim actions and increased management oversight of security activities at the station. Exelon continues to evaluate this matter and will keep the NRC informed as additional information is obtained. We will communicate the final results of the evaluation in our response to the referred allegations. Please contact me at 610-765-5555 if you have questions regarding this matter.

Sincerely,



FOR

Ronald J. DeGregorio
Senior Vice President - MidAtlantic Operations
Exelon Generation Company, LLC

cc: NRC Senior Resident Inspector - Peach Bottom
K. Jury