



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PA 19406-1415

August 28, 2008

CAL No. 1-07-005

Mr. Charles G. Pardee
Chief Nuclear Officer (CNO) and Senior Vice President
Exelon Generation Company, LLC
Chief Nuclear Officer (CNO)
AmerGen Energy Company, LLC
200 Exelon Way
Kennett Square, PA 19348

SUBJECT: CLOSURE OF PEACH BOTTOM ATOMIC POWER STATION CONFIRMATORY ACTION LETTER (CAL) 1-07-005

Dear Mr. Pardee:

The U.S. Nuclear Regulatory Commission (NRC) staff has completed the necessary inspection and assessment activities to close the Peach Bottom Atomic Power Station (Peach Bottom) Confirmatory Action Letter (CAL) that was issued as a result of the inattentive security officer events that were identified in September 2007 (ML072920283).^{*} This letter provides the basis for CAL closure and acknowledges Exelon's remaining commitment regarding completion of safety conscious work environment (SCWE) surveys of the security organizations at other Exelon sites.

On September 19, 2007, the NRC received information indicating personnel behaviors adverse to Peach Bottom security, specifically, inattentiveness by security officers. On September 21, 2007, the NRC initiated an Augmented Inspection Team (AIT) to assess aspects of the security program at Peach Bottom. At the time, Exelon had initiated its own investigation into this matter. On October 4, 2007, the NRC sent Exelon a letter describing the interim results of the AIT, which confirmed that a number of security officers from one security team were, at times during the past year, inattentive to their duties while stationed in a Ready-Room (a location where security officers not on patrol or on watch are allowed to read, study, eat, or relax, but must remain ready to respond). The NRC requested a written response describing Exelon's actions to assure: security officers remain attentive at all times while on duty in all required locations at the facility; security officers were both willing and able to recognize instances of inattentiveness and promptly take all appropriate actions; supervisors and personnel would take the necessary actions to encourage officers and all plant staff to bring forward any concerns, including indications of inattentiveness, and promptly address such concerns when raised; as well as to assure inattentiveness did not extend to other departments or contractors at Peach Bottom. Exelon transmitted several letters to the NRC, dated September 21, 2007, October 4, 2007, and October 9, 2007, regarding this matter (ML072900343). On October 19, 2007, the NRC issued Confirmatory Action Letter 1-07-005 (ML072920283) to Peach Bottom documenting a number of commitments made by Exelon in these letters.

^{*} Designation in parentheses refers to an ADAMS ascension number. ADAMS is the NRC's document system, accessible from the NRC web site at www.nrc.gov/reading-rm/adams.html. Documents referenced in this letter are publicly available using the ascension number in ADAMS.

The NRC conducted multiple inspections to evaluate the scope, status of completion, and effectiveness of the committed actions. These inspections, which constituted additional inspection oversight beyond that specified in the Reactor Oversight Program (ROP) baseline inspection program, were approved by the NRC Executive Director for Operations on November 28, 2007 (ML073320344). Inspection activities included an AIT inspection (ML073090061), an AIT follow-up inspection (ML073550590), an inspection of licensee activities associated with the transition from a contract to an in-house security force (ML080720030), an inspection of licensee corrective actions in response to the inattentive security officer events (ML081090311), an inspection of activities directly related to SCWE (ML081490058), and an assessment of the progress in meeting CAL commitments (ML081970338). Based on the collective results of these inspection activities, the NRC determined that Exelon's response to the issues identified in September 2007 has been appropriate. Furthermore, NRC review determined that there has been an improvement of SCWE in the security group and generally positive SCWE results across the Peach Bottom organization. Inspection references for the closure of each CAL item are provided in the enclosure to this letter.

During the CAL status inspection completed in June 2008 (ML081970338), the NRC team independently verified that with the exception of two items, Exelon's actions as specified in the CAL were timely, complete, and effective. The first item related to Exelon submitting written confirmation that various CAL items had been completed. This confirmation was received on July 30, 2008 (ML082190425). The second item related to Exelon's commitment to perform security organization SCWE surveys at all of its nuclear operating reactor sites. In the July 30 correspondence, Exelon reiterated its commitment to: 1) conduct SCWE surveys of security organizations at all of its nuclear operating reactor sites to identify any required corrective actions; and 2) inform the NRC, by October 31, 2008, of survey completion so that a meeting could be scheduled to discuss the results. The NRC has concluded that this remaining CAL item can be closed since the Peach Bottom specific surveys have already been completed and reviewed by the NRC. Furthermore, NRC Regions I and III have coordinated to review the results of the security organization SCWE surveys using the ROP baseline inspection program at the other Exelon sites and will schedule a meeting with Exelon to review the cumulative results. Notwithstanding closure of the Peach Bottom CAL, as I discussed with Mr. Ronald DeGregorio on August 28, 2008, you should provide written notification to the NRC Region I Administrator if Exelon determines that this commitment cannot be accomplished consistent with the schedule in the July 30, 2008 letter, or if Exelon determines that revision to the commitment is necessary.

In summary, NRC inspection reviews have concluded that the licensee has adequately addressed the commitments/actions described in CAL 1-07-005; the NRC has reasonable assurance that the Peach Bottom facility will continue to be operated safely; and adequate corrective actions have been taken to prevent reoccurrence of the underlying issues that led to the inattentive security officer events.

Additionally, the NRC has evaluated licensee performance deficiencies associated with the inattentive security officer events in accordance with the ROP. Specifically, a finding of low to moderate safety significance (White) was issued on February 12, 2008, regarding the inattentive security officer event and an ineffective behavior observation program (ML080440012). A supplemental inspection (conducted in accordance with ROP procedure 95001) for the White finding was completed on July 25, 2008. Regulatory oversight at Peach Bottom related to these matters will continue using focused inspections of the SCWE, security, and behavioral observation programs.

Notwithstanding our evaluation within the ROP process, the NRC continues to review and evaluate violations associated with the inattentive security officer events. As noted in the February 12, 2008, letter (ML080440012), any traditional enforcement action related to the violations will be handled by separate correspondence at a later date.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC web site at www.nrc.gov/reading-rm/adams.html.

No response to this letter is required. If you choose to respond, you should, to the extent possible, not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the basis for your claim of withholding (e.g., explain why the disclosure will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

Sincerely,

/RA/

Samuel J. Collins
Regional Administrator

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

Enclosures

cc w/encl:

C. Crane, Executive Vice President, Exelon, Chief Operating Officer, Exelon Generation
M. Pacilio, Chief Operating Officer, Exelon
W. Maguire, Site Vice President, Peach Bottom
R. DeGregorio, Senior Vice President, Mid-Atlantic
R. Hovey, Senior Vice President, Nuclear Oversight
G. Stathes, Acting Plant Manager, Peach Bottom
J. Armstrong, Regulatory Assurance Manager, Peach Bottom
J. Bardurski, Manager, Financial Control & Co-Owner Affairs
B. Franssen, Acting Director, Operations
P. Cowan, Director, Licensing
D. Helker, Licensing
K. Jury, Vice President, Licensing and Regulatory Affairs
J. Bradley Fewell, Associate General Counsel, Exelon
T. Wasong, Director, Training

Correspondence Control Desk

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M. Griffen, Maryland Department of Environment
A. Lauland, Director, Homeland Security Advisor
Public Service Commission of Maryland, Engineering Division
Board of Supervisors, Peach Bottom Township
B. O'Connor, Council Administrator of Harford County Council
R. Ayers, Deputy Mgr, Harford County Div of Emergency Operations
E. Crist, Harford County Div of Emergency Operations
S. Ayers, Emergency Planner, Harford County Div of Emergency Operations
R. Brooks, Cecil County Dept of Emergency Services
Mr & Mrs Dennis Hiebert, Peach Bottom Alliance
E. Epstein, TMI - Alert
J. Johnsrud, National Energy Committee, Sierra Club
Mr. & Mrs. Kip Adams
R. Fletcher, Dir, MD Environmental Program Manager, Radiological Health Program
J. Powers, Director, PA Office of Homeland Security
R. French, Dir, PA Emergency Management Agency
D. Lockbaum, Union of Concerned Scientists

Notwithstanding our evaluation within the ROP process, the NRC continues to review and evaluate violations associated with the inattentive security officer events. As noted in the February 12, 2008, letter (ML080440012), any traditional enforcement action related to the violations will be handled by separate correspondence at a later date.

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Sincerely,
 Samuel J. Collins **/RA/**
 Regional Administrator

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SUNSI Review Complete: PGK (Reviewer's Initials)

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OFFICE	OE	NSIR	NRR	RIII/DRS	RI/RA
NAME	CCarpenter/PGK for ***	BWestreich/PGK for **	JGitter/PGK for *	SWest/DCL for ****	SCollins/SJC
DATE	08/26 /08	08/ 26 /08	08/ 26 /08	08/ 27 /08	08/ 28 /08

* per email from JHughey dated 8/26/08
 ** per email from BWestreich dated 8/26/08
 *** per email from CCarpenter dated 8/26/08
 **** per email from SWest to DLew dated 8/27/08

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Peach Bottom CAL Status Summary

Actions Completed prior to October 4, 2007		
Issue	Status	ADAMS Accession Number
Exelon Corporate security management personnel will conduct and document daily random observations of the implementation of various aspects of the security program until November 18, 2007.	Complete 2008-008	ML081970338
Exelon site management will conduct and document daily observations of various security posts chosen at random until November 20, 2007.	Complete 2008-008	ML081970338
The Peach Bottom Site Vice President and the Plant Manager will observe the Central Alarm Station and Secondary Alarm Station, as well as one security shift turnover per month until March 2008.	Complete 2008-403 2008-008	ML081200132 ML081970338
Until the transition to an Exelon security force is implemented on or about November 1, 2007, Wackenhut corporate management is providing 24 hour coverage of security activities, site management is providing day and night coverage on 10 hour shifts, and supervision is assigned to the staging areas to provide continual observation.	Complete 2008-403 2008-008	ML081200132 ML081970338
Exelon will provide the NRC information regarding the transition to an Exelon security program and implementing procedures that supersede the above actions, as well as updates on the security force transition plan, via weekly telephone calls, until a permanent management observation system is installed.	Complete 2007-405 2008-403 2008008	ML073550590 ML081200132 ML081970338
Action Committed to in October 4, 2007 Letter		
Exelon will complete or maintain all other actions committed to in its October 4, 2007 letter on the schedule listed therein.	Scheduled Oct 2008*	ML081440300
Exelon will provide written confirmation to NRC when these actions are completed.	Scheduled Oct 2008*	ML081440300
Complete root cause evaluation and identify subsequent corrective actions.	Complete 2007-405 2008-008	ML073550590 ML081970338
Revise post assignments for Peach Bottom security so no one assigned to single post for entire shift	Complete 2008-403 2008-008	ML081200132 ML081970338
Enhance attentiveness stimuli.	Complete 2008-404 2008-008	ML081090311 ML081970338
Review security post rotation at remaining Exelon plants.	Complete 2008-008	ML081970338
Determine which security force members impacted by inattentiveness issue will be returned to duty.	Complete 2008-404 2008-008	ML081090311 ML081970338
Conduct indoctrination sessions with those returning security force members to reinforce expectations regarding behavioral observation program and a health safety conscious work environment.	Complete 2007-404 2008-404 2008-008	ML073090061 ML081090311 ML081970338

Enclosure

Action Committed to in October 4, 2007 Letter		
Issue	Status	ADAMS Accession Number
Improvements in attentiveness stimuli have been identified and scheduled for implementation.	Complete 2008-404 2008-008	ML081090311 ML081970338
Establish new Exelon division or company to manage security organization at Peach Bottom.	Complete 2008-404 2008-008	ML081090311 ML081970338
Develop appropriate communications for the balance of the Peach Bottom staff to reinforce expectations regarding reporting of issues.	Complete 2008-404 2008-008	ML081090311 ML081970338
Improve the environmental conditions of the staging areas at Peach Bottom.	Complete 2008-403 2008-008	ML081200132 ML081970338
Provide refresher training to the security organizations at the remainder of the Exelon Nuclear reactor sites to reinforce expectations regarding the behavioral observation program and a healthy SCWE.	Complete 2008-008	ML081970338
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 solicit feedback on challenges to maintaining attentiveness and raising issues.	Complete 2008-404 2008-008	ML081090311 ML081970338
Conduct supervisory training for security force supervisors regarding their responsibilities for maintaining a SCWE.	Complete 2008-404 2008-008	ML081090311 ML081970338
Conduct a SCWE survey of the Peach Bottom security organization with the assistance of resources external to Exelon.	Complete 2008-405 2008-008	ML081490058 ML081970338
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.	Complete 2008-404 2008-008	ML081090311 ML081970338
Conduct a SCWE survey of the security organizations at the remaining Exelon Nuclear operating reactor sites to identify any required corrective actions.	Scheduled Oct 2008*	ML081440300

* Note: Item related to Exelon's commitment to perform security organization SCWE surveys at all of its nuclear operating reactor sites. In the July 30, 2008 correspondence (ML081970338), Exelon reiterated its commitment to: 1) conduct SCWE surveys of security organizations at all of its nuclear operating reactor sites to identify any required corrective actions; and 2) inform the NRC, by October 31, 2008, of survey completion so that a meeting could be scheduled to discuss the results. The NRC has concluded that completion of this remaining CAL item is not necessary in order to close the Peach Bottom CAL since the action is associated with other Exelon sites and the Peach Bottom specific surveys have already been completed and reviewed by the NRC.

Enclosure