



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION I**  
2100 RENAISSANCE BOULEVARD, SUITE 100  
KING OF PRUSSIA, PENNSYLVANIA 19406-2713

July 23, 2012

EA-12-078

Michael J. Pacilio  
Senior Vice President, Exelon Generation Company  
President and Chief Nuclear Officer, Exelon Nuclear  
4300 Winfield Road  
Warrenville, IL 60555

**SUBJECT: NRC INVESTIGATION REPORT NO. 1-2011-048; NRC INSPECTION REPORT  
NO. 05000277/2012009 and 05000278/2012009; AND NOTICE OF VIOLATION**

Dear Mr. Pacilio:

This letter refers to the investigation by the U. S. Nuclear Regulatory Commission (NRC) Office of Investigations (OI) conducted at the Exelon Generation Company, LLC (Exelon) Peach Bottom Atomic Power Station (PBAPS). The OI investigation, which was completed on April 11, 2012, was conducted to determine whether a PBAPS Security Lead Supervisor (SLS) and a PBAPS security officer (SO) willfully falsified security post inspection documentation. The OI investigation was initiated after Exelon identified this issue and notified the NRC resident inspectors at PBAPS upon completing an internal investigation.

Based on the evidence gathered during the OI investigation, the NRC has concluded that on January 16, 2011, and January 25, 2011, the PBAPS SLS deliberately failed to properly conduct security post inspections. The NRC further concluded that, on those dates, the SLS and SO deliberately falsified related records indicating the inspections had been properly performed. Specifically, Exelon procedures require security supervisors to (on a specified periodicity) observe each security post to ensure that: 1) the assigned SO is attentive to duty; and, 2) the posts are free from any conditions that would detract from the effectiveness of the assigned SO. To accomplish this, the supervisors are required to monitor the SOs for signs of fatigue and/or inattentiveness, to monitor and assess the environmental conditions of the post, and to take action as necessary. By procedure, the supervisor is required to fill out a form documenting the completion of each post inspection and the SO stationed at each post is required to sign the form to acknowledge that he/she was inspected by the supervisor. However, the NRC determined that on the two specified occasions, the PBAPS SLS did not physically access security posts to conduct the inspections. Rather, on each occasion, the SLS drove to the post, contacted the assigned SO by phone, and then, with the SO's agreement, forged the SO's signature on the post inspection form. Additionally, on each occasion, the SO forged the SLS's signature on the post activity log with an entry indicating the inspection had been conducted.

The SLS's and SO's actions caused Exelon to violate NRC requirements and the PBAPS operating license. Specifically, on January 16, 2011, and January 25, 2011, the SLS did not access a security post to monitor and assess the environmental conditions and monitor the SO's alertness. Consequently, on those occasions, the supervisor failed to complete security post inspections in accordance with the requirements specified in Exelon implementing procedure SY-AA-120, "Supervisor Post Checks and Post Orders," and the site security plan (which is required to be implemented in accordance with PBAPS License Condition 2.C(3)).

Additionally, on those occasions, the SLS and the SO caused Exelon to violate Title 10 of the Code of Federal Regulations (CFR) §50.9(a), which states, in part, that information required to be maintained by license condition shall be complete and accurate in all material respects. Specifically, the SLS and the SO created inaccurate records (the post inspection forms) when both agreed that the SLS would indicate that he had performed all of the actions required for a post inspection when he, in fact, had not, and would forge the signature of the SO that he was supposed to be inspecting. The post inspection forms were required to be maintained by the licensee per SY-AA-120. The NRC did not identify an additional violation related to the SO's falsification of the SLS's signature on the post activity log, since the NRC did not identify a requirement specifying that the SLS had to sign the log.

Because licensees are responsible for the actions of their employees and because the violation involved deliberate misconduct, it was evaluated under the NRC's traditional enforcement process as set forth in Section 2.2.4 of the NRC Enforcement Policy. The NRC considered the violation to be of very low security significance because, although the SLS did not access the post locations on those occasions to monitor the environmental conditions and to monitor the assigned SO for attentiveness and signs of fatigue, other PBAPS security supervisors inspected those posts both before and after the SLS failed to do so. Additionally, when the SLS contacted the SO by telephone, the SO answered the telephone. Therefore, the NRC has characterized the violation at Severity Level IV, in accordance with the NRC Enforcement Policy. The violation is being cited in the enclosed Notice in accordance with Section 2.3.2 of the NRC Enforcement Policy, because the violation involved the acts of a supervisory employee.

The NRC has concluded that information regarding the reason for the violation, the corrective actions taken and planned to correct the violation and prevent recurrence, and the date when full compliance was achieved is already adequately addressed on the docket in this letter. Regarding the corrective actions, Exelon: 1) conducted an internal investigation to determine the extent of condition; 2) took disciplinary action against the involved SLS and SO; and, 3) conducted training of the PBAPS security department on the proper procedures for signing logs. Therefore, you are not required to respond to this letter unless the description herein does not accurately reflect your corrective actions or your position. In that case, or if you choose to provide additional information, you should follow the instructions specified in the enclosed Notice.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response, if you choose to provide one, will be available electronically for public inspection in the NRC Public Document Room and from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

M. Pacilio

3

Should you have any questions regarding this letter, please contact Mr. Paul Krohn at 610-337-5120.

Sincerely,

**/RA/**

Darrell J. Roberts, Director  
Division of Reactor Projects

Docket No. 50-277; 50-278  
License No. DPR-44; DPR-56

cc: Distribution via ListServ

M. Pacilio

3

Should you have any questions regarding this letter, please contact Mr. Paul Krohn at 610-337-5120.

Sincerely,

**/RA/**

Darrell J. Roberts, Director  
Division of Reactor Projects

Docket No. 50-277; 50-278  
License No. DPR-44; DPR-56

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## NOTICE OF VIOLATION

Exelon Generation Company, LLC  
Peach Bottom Atomic Power Station

Docket Nos. 50-277 & 50-278  
License Nos. DPR-44 & DPR-56  
EA-2012-078

During a U.S. Nuclear Regulatory Commission (NRC) investigation by the NRC Office of Investigations completed on April 11, 2012, a violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

Peach Bottom Atomic Power Station Renewed Facility Operating License Condition 2.C(3) requires that Exelon Generation Company shall fully implement all provisions of the Peach Bottom Atomic Power Station Security Plan.

Peach Bottom Atomic Power Station Security Plan Section 4 describes that facility procedures will document the duties of armed and unarmed security officers, and other individuals implementing the security plan.

Exelon Generation Company, LLC implementing procedure, SY-AA-1020, "Supervisor Post Checks and Post Orders," Section 4.3, "Post Inspections," requires supervisors to perform, on a specified frequency, a post inspection of all security posts to monitor and assess environmental conditions and to monitor security officers for signs of fatigue and inattentiveness. The procedure further requires: 1) the supervisor to document completion of the post inspection on a post inspection form; 2) the security officer at each post to sign the form acknowledging the post inspection; and, 3) that the completed form be retained.

10 CFR 50.9(a) requires that information required by the Commission's regulations, orders, or license conditions to be maintained by the licensee shall be complete and accurate in all material respects.

Contrary to the above, on January 16, 2011, and January 25, 2011, a security supervisor and a security officer at Peach Bottom Atomic Power Station: 1) did not perform a post inspection of a security post, in that the supervisor did not physically access the post to monitor and assess environmental conditions and to monitor the assigned security officer for signs of fatigue and inattentiveness; and, 2) created inaccurate records when the supervisor signed post inspection forms both for himself and for the security officer assigned to the posts, indicating that the post inspections had been completed when they, in fact, had not. The records were material in that they attest to the licensee's ability to meet regulatory security response requirements.

This is a Severity Level IV violation (Section 6.9)

The NRC has concluded that information regarding the reason for the violation, the corrective actions taken and planned to correct the violation and prevent recurrence and the date when full compliance was achieved is already adequately addressed on the docket in the letter transmitting this Notice of Violation (Notice). Therefore, you are not required to respond to this Notice unless the description herein does not accurately reflect your corrective actions or your position. In that case, or if you choose to respond, clearly mark your response as a "Reply to a Notice of Violation; EA-12-078," and send your response to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001 with a copy to the Regional Administrator, Region I, 2100 Renaissance Boulevard, Suite 100, King of Prussia, PA 19406-2713, and a copy to the NRC Resident Inspector at Peach Bottom Atomic Power Station, within 30 days of the date of the letter transmitting this Notice.

If you choose to respond, your response will be made available electronically for public inspection in the NRC Public Document Room and from the NRC's Agency-wide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. Therefore, to the extent possible, the response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction.

If you contest this enforcement action, you should also provide a copy of your response, with the basis for your denial, to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days of receipt.

Dated this 23<sup>rd</sup> day of July 2012