



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PA 19408-1415

August 27, 2003

Mr. John L. Skolds
President and CNO
Exelon Nuclear
Exelon Generation Company, LLC
4300 Winfield Road
Warrenville, IL 60555

**SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN -
PEACH BOTTOM ATOMIC POWER STATION UNITS 2 and 3**

Dear Mr. Skolds:

On July 31, 2003, the NRC staff completed its mid-cycle plant performance review of the Peach Bottom Atomic Power Station Units 2 and 3. The mid-cycle review for Peach Bottom involved the participation of all technical divisions in evaluating performance for the first half of the calendar year 2003 assessment cycle. The process included a review of performance indicators (PIs) for the most recent quarter and inspection results over the previous twelve months. The purpose of this letter is to inform you of our assessment of your safety performance and our plans for future inspections at your facility so that you will have an opportunity to prepare for these inspections and to inform us of any planned inspections that may conflict with your plant activities.

Plant performance for the most recent quarter was within the Regulatory Response column of the NRC's Action Matrix based on one safety significant inspection finding involving both units. The finding was of low to moderate safety significance (White) in the Emergency Preparedness cornerstone and involved improper use of Peach Bottom's emergency classification scheme during an Alert declaration in June 2002. We conducted a supplemental inspection for this finding in June 2003 and determined that Exelon's response was acceptable. Therefore, we plan to conduct only baseline inspections and other routine inspections at your facility through September 30, 2004.

The significance of a finding involving the loss of power to the Unit 3 high pressure coolant injection alternative control station for approximately nine days in May 2003, is still under review as part of the Significance Determination Process. The significance of this finding has the potential to be greater than very low safety significance, but does not present an immediate safety concern since Exelon has restored power to the control station. If the final significance of the finding is determined to be greater than very low safety significance, then we will inform Exelon of any changes to Unit 3's plant performance assessment and future inspection activities.

Mr. John L. Skolds

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The enclosed inspection plan details the inspections scheduled through September 30, 2004. Our inspection plan also includes an inspection of your independent spent fuel storage installation in May 2004. The inspection plan is provided to minimize the resource impact on your staff and to allow for scheduling conflicts and personnel availability to be resolved in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last six months of the inspection plan are tentative and may be revised at the end-of-cycle review meeting.

In accordance with 10 CFR 2.790 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 Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

If circumstances arise which cause us to change the inspection plan, we will contact you to discuss the change as soon as possible. Please contact Dr. Mohamed Shanbaky at 610-337-5209 with questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

A. Randolph Blough, Director
Division of Reactor Projects

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

Enclosure: Peach Bottom Inspection/ Activity Plan

cc w/encl: President and CNO, Exelon Nuclear
Chief Operating Officer, Exelon Generation Company, LLC
Site Vice President, Peach Bottom Atomic Power Station
Plant Manager, Peach Bottom Atomic Power Station
Regulatory Assurance Manager - Peach Bottom
Senior Vice President, Nuclear Services
Vice President, Mid-Atlantic Operations
Vice President - Operations Support
Vice President - Licensing and Regulatory Affairs
Director, Licensing, Exelon Generation Company, LLC
Manager, Licensing - Limerick and Peach Bottom
Vice President, General Counsel and Secretary
Correspondence Control Desk
Manager License Renewal
D. Quinlan, Manager, Financial Control, PSEG
R. McLean, Power Plant Siting, Nuclear Evaluations
D. Levin, Acting Secretary of Harford County Council
R. Ochs, Maryland Safe Energy Coalition
Mr. & Mrs. Dennis Hiebert, Peach Bottom Alliance
Mr. & Mrs. Kip Adams
D. Allard, Director, Pennsylvania Bureau of Radiation Protection
R. Janati, Chief, Division of Nuclear Safety, Pennsylvania Bureau of
Radiation Protection
M. Alfonso, Director, Nuclear Training
Commonwealth of Pennsylvania
State of Maryland
TMI - Alert (TMIA)
Board of Supervisors, Peach Bottom Township
R. Fletcher, Department of Environment, Radiological Health Program
J. Johnsrud, National Energy Committee, Sierra Club
Public Service Commission of Maryland, Engineering Division
Institute of Nuclear Power Operations (INPO)

Mr. John L. Skolds

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 J. Boska, PM, NRR
 S. Wall, PM, NRR (Backup)
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DATE	08/26/03	08/26/03	08/27/03	08/ /03	08/ /03

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Peach Bottom
Inspection / Activity Plan
06/29/2003 - 10/02/2004

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	71114	- EP PROGRAM INSP	1			
2, 3	IP 7111402	Alert and Notification System Testing		07/21/2003	07/25/2003	Baseline Inspections
2, 3	IP 7111403	Emergency Response Organization Augmentation Testing		07/21/2003	07/25/2003	Baseline Inspections
2, 3	IP 7111404	Emergency Action Level and Emergency Plan Changes		07/21/2003	07/25/2003	Baseline Inspections
2, 3	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		07/21/2003	07/25/2003	Baseline Inspections
	7111404	- EMERGENCY PLAN CHANGES	1			
2, 3	IP 7111404	Emergency Action Level and Emergency Plan Changes		07/28/2003	07/30/2003	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
2, 3	IP 7112101	Access Control to Radiologically Significant Areas		08/11/2003	08/15/2003	Baseline Inspections
2, 3	IP 7112102	ALARA Planning and Controls		08/11/2003	08/15/2003	Baseline Inspections
2, 3	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		08/11/2003	08/15/2003	Baseline Inspections
	7111108	- INSERVICE INSPECTION - UNIT 3	2			
3	IP 7111108G	Inservice Inspection Activities - BWR		09/22/2003	09/26/2003	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
2, 3	IP 7112101	Access Control to Radiologically Significant Areas		09/29/2003	10/03/2003	Baseline Inspections
2, 3	IP 7112102	ALARA Planning and Controls		09/29/2003	10/03/2003	Baseline Inspections
2, 3	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		09/29/2003	10/03/2003	Baseline Inspections
	711112B	- MAINTENANCE RULE	1			
2, 3	IP 711112B	Maintenance Effectiveness		11/17/2003	11/21/2003	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
2, 3	IP 7112101	Access Control to Radiologically Significant Areas		11/17/2003	11/21/2003	Baseline Inspections
2, 3	IP 7112102	ALARA Planning and Controls		11/17/2003	11/21/2003	Baseline Inspections
2, 3	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		11/17/2003	11/21/2003	Baseline Inspections
	7112201	- OCC RAD SAFETY - RETS	1			
2, 3	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		01/12/2004	01/16/2004	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
2, 3	IP 7112101	Access Control to Radiologically Significant Areas		02/02/2004	02/06/2004	Baseline Inspections
2, 3	IP 7112102	ALARA Planning and Controls		02/02/2004	02/06/2004	Baseline Inspections
2, 3	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		02/02/2004	02/06/2004	Baseline Inspections
	ISFSI	- ISFSI INSPECTION	1			
2, 3	IP 60855	Operation Of An ISFSI		05/03/2004	05/07/2004	Other Routine
2, 3	IP 60856	Review of 10 CFR 72.212(b) Evaluations		05/03/2004	05/07/2004	Other Routine
2, 3	IP 60857	Review of 10 CFR 72.48 Evaluations		05/03/2004	05/07/2004	Other Routine

This report does not include INPO and OUTAGE activities.
This report shows only on-site and announced inspection procedures.

Peach Bottom
Inspection / Activity Plan

06/29/2003 - 10/02/2004

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	7112202	- PUB RAD SAFETY - RADWASTE	1			
2, 3	IP 7112202	Radioactive Material Processing and Transportation		05/10/2004	05/14/2004	Baseline Inspections
	7111121	- SSDI	7			
2, 3	IP 7111121	Safety System Design and Performance Capability		06/14/2004	06/18/2004	Baseline Inspections
2, 3	IP 7111121	Safety System Design and Performance Capability		06/28/2004	07/02/2004	Baseline Inspections
	7111401	- EXERCISE EVALUATION & EP PI VERIFICATION	6			
2, 3	IP 7111401	Exercise Evaluation		06/21/2004	06/25/2004	Baseline Inspections
2, 3	IP 711151	Performance Indicator Verification		06/21/2004	06/25/2004	Baseline Inspections
	7111107B	- HEAT SINK	1			
2, 3	IP 7111107B	Heat Sink Performance		08/16/2004	08/20/2004	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
2, 3	IP 7112101	Access Control to Radiologically Significant Areas		08/23/2004	08/27/2004	Baseline Inspections
2, 3	IP 7112102	ALARA Planning and Controls		08/23/2004	08/27/2004	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
2, 3	IP 7112101	Access Control to Radiologically Significant Areas		09/27/2004	10/01/2004	Baseline Inspections
2, 3	IP 7112102	ALARA Planning and Controls		09/27/2004	10/01/2004	Baseline Inspections
	7111108G	- INSERVICE INSPECTION	2			
2	IP 7111108G	Inservice Inspection Activities - BWR		09/27/2004	10/01/2004	Baseline Inspections