

October 4, 2007

Mr. Christopher M. Crane
President and CNO
Exelon Nuclear
Exelon Generation Company, LLC
200 Exelon Way
Kennett Square, PA 19348

**SUBJECT: INATTENTIVENESS WITHIN THE SECURITY ORGANIZATION AT PEACH
BOTTOM ATOMIC POWER STATION**

Dear Mr.Crane:

On September 21, 2007, the NRC initiated a special inspection by an Augmented Inspection Team (AIT) at the Peach Bottom Atomic Power Station (Peach Bottom) to assess aspects of the Peach Bottom security program. This inspection was undertaken in light of information received by the NRC indicating personnel behavior adverse to the security of Peach Bottom; specifically, inattentiveness by security officers employed by your contractor Wackenhut.

This letter provides interim results of the ongoing NRC review which has confirmed that a number of security officers, primarily from one security team, were, at times during the past year, inattentive to their duties while stationed in a Ready-Room (a room where security officers not on patrol are allowed to read, study, eat, or relax, but must remain ready to respond). The NRC is concerned about this behavior and has preliminarily concluded that the inattentiveness did have an adverse impact on elements of the defense-in-depth security strategy at Peach Bottom. The AIT has confirmed the near term actions you have implemented to ensure security officers are currently attentive to their duties.

Although Exelon has an ongoing investigation to understand the circumstances associated with these events, as well as the extent of this condition, and the NRC review of this matter is continuing, the NRC requests that, within 30 days of the date of this letter, you submit a letter to us describing, in addition to the actions you have already taken to ensure officers are currently attentive to their duties, the actions that you have taken or planned to assure the following: (1) security officers *remain* attentive *at all times* while on duty in all required locations at the facility; (2) security officers are both willing and able to recognize instances of inattentiveness and promptly take all appropriate actions; (3) supervisors and personnel 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; and (4) inattentiveness does not extend to other departments or contractors at Peach Bottom. We also request that you address why this issue was apparently not identified by Exelon. In addition, we request that you be prepared to discuss your actions at the public AIT exit meeting scheduled for October 9, 2007.

As noted above, the NRC review of this issue is ongoing and we will assess the results of your actions and our independent review in determining any appropriate enforcement action. Given

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that the AIT is focused on reviewing the facts surrounding the identified security issues and the effectiveness of the current security program, we plan to conduct a separate followup inspection as part of our overall NRC review in examining any potential enforcement issues.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and your response 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 <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy, proprietary, sensitive security, or safeguards information so that it can be made available to the Public without redaction. If personal privacy information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the personal privacy-related information and a redacted copy of your response that deletes the personal privacy-related information. Identify the particular portions of the response in question which, if disclosed, would create an unwarranted invasion of personal privacy, identify the individual whose privacy would be invaded in each instance, describe the nature of the privacy invasion, and indicate why, considering the public interest in the matter, the invasion of privacy is unwarranted. If you request withholding on any other grounds, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., 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/ Original Signed By Marc Dapas for

Samuel J. Collins
Regional Administrator

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

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cc w/encl:

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
Manager, Financial Control & Co-Owner Affairs
Vice President, Licensing and Regulatory Affairs
Senior Vice President, Mid-Atlantic
Senior Vice President - Operations Support
Director, Licensing and Regulatory Affairs
J. Bradley Fewell, Assistant General Counsel, Exelon Nuclear
Manager Licensing, PBAPS
Director, Training
Correspondence Control Desk
Director, Bureau of Radiation Protection, Department of Environmental Protection
R. McLean, Power Plant and Environmental Review Division (MD)
G. Aburn, Maryland Department of Environment
T. Snyder, Maryland Department of Environment
Public Service Commission of Maryland, Engineering Division
Board of Supervisors, Peach Bottom Township
B. Ruth, Council Administrator of Harford County Council
Mr. & Mrs. Dennis Hiebert, Peach Bottom Alliance
TMI - Alert (TMIA)
J. Johnsrud, National Energy Committee, Sierra Club
Mr. & Mrs. Kip Adams
E. Epstein, TMI Alert
R. Fletcher, Department of Environment, Radiological Health Program
J. Powers, Director, PA Office of Homeland Security
R. French, Dir, PA Emergency Management Agency
~~Eric Wilson, President, Wackenhut Corporation~~
D. Lochbaum, UCS