

July 16, 2003

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

SUBJECT: INSPECTION OF NUCLEAR REACTOR SAFEGUARDS INTERIM
COMPENSATORY MEASURES, TEMPORARY INSTRUCTION 2515/148,
REVISION 2, INSPECTION REPORT NOS. 50-277/03-010, 50-278/03-010

Dear Mr. Skolds:

On June 5, 2003, the U.S. Nuclear Regulatory Commission (USNRC) completed a special inspection at the Peach Bottom Atomic Power Station, in accordance with Temporary Instruction 2515/148, Revision 2, "Inspection of Nuclear Reactor Safeguards Interim Compensatory Measures." The enclosed report documents the inspection findings which were discussed on June 5, 2003, with Mr. John Stone, Plant Manager, Mr. Wayne Trump, Manager of Security, and other members of your staff.

This inspection examined activities conducted under your license as they relate to safety and to compliance with the Commission's rules and regulations, and with the conditions of your license. The specific purpose of this inspection was to verify that Exelon effectively implemented the interim compensatory measures (ICMs) at the Peach Bottom Atomic Power Station (Peach Bottom) imposed by the Order Modifying License issued February 25, 2002; and that the ICMs were successfully incorporated into your site physical protection strategy and security program. Additionally, the objective of the inspection was to ensure that relevant procedures were developed and implemented, and that interface agreements with offsite organizations were developed and coordinated, as required. The inspectors reviewed selected procedures and records, observed activities, and interviewed personnel.

Based on the results of this inspection, no findings of significance were identified. The inspection team verified and confirmed that Exelon had effectively implemented the specifications of the Order Modifying License issued February 25, 2002 at the Peach Bottom Atomic Power Station (Peach Bottom).

Mr. John L. Skolds

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Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,

/RA by R. V. Crlenjak Acting for/

Wayne D. Lanning, Director
Division of Reactor Safety

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

Enclosure: NRC Inspection Report Nos. 50-277/03-010, 50-278/03-010
(CONTAINS SAFEGUARDS INFORMATION (SGI))

cc w/o encl w/oSGI:

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President and CNO, Exelon Generation Company, LLC
Senior Vice President, Operations Support
Vice President, Mid-Atlantic Operations Support
Senior Vice President, Nuclear Services
Site Vice President, Peach Bottom Atomic Power Station
Plant Manager, Peach Bottom Atomic Power Station
Vice President - Licensing
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Mr. John L. Skolds

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Public Service Commission of Maryland, Engineering Division

Manager, Licensing - Limerick and Peach Bottom

Mr. John L. Skolds

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