



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION I
2100 RENAISSANCE BLVD., SUITE 100
KING OF PRUSSIA, PA 19406-2713

November 3, 2014

EA-14-102

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

SUBJECT: PEACH BOTTOM ATOMIC POWER STATION, INDEPENDENT SPENT FUEL
STORAGE INSTALLATION SECURITY INSPECTION REPORT NO.
0720029/2014008; AND NOTICE OF VIOLATION

Dear Mr. Pacilio:

This letter provides you the U.S. Nuclear Regulatory Commission (NRC) enforcement decision for an apparent violation (AV) identified during a security inspection of the Independent Spent Fuel Storage Installation (ISFSI) at the Peach Bottom Atomic Power Station (PBAPS). We note that Exelon Generation Company, LLC (Exelon) took immediate compensatory actions to address any security-related vulnerability associated with this issue before the inspectors left site. The NRC completed the inspection on July 2, 2014, and the results were described in NRC Inspection Report No. 0720029/2014001 sent to you with a letter dated July 30, 2014 (ML14212A044¹). Because the inspection involved security matters that are considered sensitive information, the details of the inspection and the AV are not included in this letter, but are described in the non-public enclosures.

The July 30, 2014, letter offered Exelon the opportunity to address the AV by either attending a pre-decisional enforcement conference or providing a written response before we made our final enforcement decision. In a letter dated August 28, 2014 (non-public due to security-related content), Exelon provided a response to the AV that included a description of the corrective steps taken to address and prevent recurrence and that also provided Exelon's view on the AV's security significance.

After considering the information developed during the inspection, as well as the information provided by Exelon in its August 28, 2014, letter, the NRC has concluded that the violation occurred and that it is appropriately characterized as an escalated enforcement action, in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's Web site at (<http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>).

Enclosure contains Sensitive Unclassified Non-Safeguards Information. When separated from its Enclosure, this document is DECONTROLLED

¹ Designation in parentheses refers to an Agency-wide Documents Access and Management System (ADAMS) accession number. Unless otherwise noted, documents referenced in this letter are publicly-available using the accession number in ADAMS.

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The violation is cited in the Notice of Violation (Notice) provided as Enclosure 1 of this letter. Enclosure 2 provides the basis for the NRC's conclusion.

In accordance with the NRC Enforcement Policy, a civil penalty is considered for any escalated enforcement action. Because your facility has not been the subject of escalated traditional enforcement action within either the last two years or the two most recent inspections, the NRC considered whether credit was warranted for Corrective Action in accordance with the civil penalty assessment process in Section 2.3.4 of the Enforcement Policy. The NRC considered that credit is warranted for Exelon's corrective actions taken to address the violation. Enclosure 2 includes a description of Exelon's corrective actions. Therefore, in recognition of the absence of previous escalated enforcement action, and to encourage prompt and comprehensive correction of violations, I have been authorized, after consultation with the Director, Office of Enforcement, not to propose a civil penalty in this case. However, significant violations in the future could result in a civil penalty. In addition, issuance of this escalated enforcement action may subject you to increased inspection effort.

The NRC has concluded that information regarding: (1) the reason for the violation; (2) the actions planned or already taken to correct the violation and prevent recurrence; and (3) the date when full compliance was achieved, is adequately addressed on the docket in Inspection report No. 0720029/2014001, in your August 28, 2014, letter, and in this letter and its enclosures. Therefore, you are not required to respond to this letter unless the description therein 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 will be made available electronically for public inspection in the NRC Public Document Room located at NRC Headquarters in Rockville, MD, and from the NRC's document system, the Agency-wide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. However, the material enclosed herewith contains Security-Related Information in accordance with 10 CFR 2.390(d)(1) and its disclosure to unauthorized individuals could present a security vulnerability. Therefore, the material in the enclosures will not 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>. If Security Related Information is necessary to provide an acceptable response, if you choose to submit one, please follow the instructions for withholding in 10 CFR 2.390(b)(1).

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In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response. The NRC also includes significant enforcement actions on its Web site at (<http://www.nrc.gov/reading-rm/doc-collections/enforcement/actions/>). Should you have any questions regarding this matter, please contact Mr. Anthony Dimitriadis, Chief, Plant Support Branch 1, Division of Reactor Safety in Region I, at (610) 337-6953.

Sincerely,



David C. Lew
Acting Regional Administrator

Docket No. 72-29

Non-Public Enclosures: As described

**(ENCLOSURES CONTAIN OFFICIAL USE ONLY – SECURITY RELATED INFORMATION
(OUO-SRI))**

cc w/o encl: Distribution via ListServ

cc w/encl; w/OUO-SRI:

P. Simmons, Manager, Site Security
D. Allard, Director, PA DEP
T. Levering, MD Emergency Response Director
A. Lauland, Director, MD Office of Homeland Security

M. Pacilio

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Sincerely,

/RA/ Original signed by Vonna Ordaz for

David C. Lew
Acting Regional Administrator

Docket No. 72-29

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(ENCLOSURES CONTAIN OFFICIAL USE ONLY – SECURITY RELATED INFORMATION (OUO-SRI))

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A. Lauland, Director, MD Office of Homeland Security

DOCUMENT NAME: S:\Enf-allg\Enforcement\Proposed-Actions\Region1\PUBLIC Peach Bottom ISFSI NOV EA-14-102.docx
ADAMS ACCESSION NUMBER: ML14307A797

<input checked="" type="checkbox"/> SUNSI Review/ MMM		<input checked="" type="checkbox"/> Non-Sensitive <input type="checkbox"/> Sensitive				<input checked="" type="checkbox"/> Publicly Available <input type="checkbox"/> Non-Publicly Available			
OFFICE	RI/ORA	RI/ DRS	RI/ DRP	RI/DRS	RI/DRP	RI/ORA			
NAME	M McLaughlin/ MMM*	A Dimitriadis/ AD	F Bower/ FLB*	J Trapp/ JMT*	M Scott/ MLS*	B Klukan/ BMK*			
DATE	10/06/14	10/07/14	10/08/14	10/14/14	10/17/14	10/20/14			
OFFICE	RI/ORA	OE	NSIR	NRR	RI/RA				
NAME	B Bickett/ BAB*	D Furst via email	M Layton via email	D Willis via email	D Lew/VLO for				
DATE	10/24/14	10/29/14	10/28/14	10/24/14	10/31/14				

* Concurrence on Previous Page

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