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Do not include proprietary materials.

DATE OF MEETING

6/12/01

The attached document(s), which was/were handed out in this meeting, is/are to be placed in the public domain as soon as possible. The minutes of the meeting will be issued in the near future. Following are administrative details regarding this meeting:

Docket Number(s)

05000277 / 05000278

Plant/Facility Name

Peach Bottom Atomic Power Station

TAC Number(s) (if available)

Reference Meeting Notice

01-018

Purpose of Meeting
(copy from meeting notice)

The NRC staff and Exelon management
will discuss the results of NRC's assessment
of the safety performance at the
Peach Bottom Atomic Power Station

NAME OF PERSON WHO ISSUED MEETING NOTICE

Mohamed Shanbaky

TITLE

Chief Projects Branch 4

OFFICE

Region I

DIVISION

Division of Reactor Projects

BRANCH

#4

Distribution of this form and attachments:

Docket File/Central File

PUBLIC

ANNUAL ASSESSMENT MEETING



Nuclear Regulatory Commission

Agenda

- Introduction
- Review of Reactor Oversight Process
- Discussion of Plant Performance Results
- Licensee Remarks
- NRC Closing Remarks

NRC Representatives

- Mohamed Shanbaky, Chief Reactor Projects Branch
 - (mms1@nrc.gov (610) 337-5209)
- Don Florek, Senior Project Engineer
 - (djf1@nrc.gov (610) 337-5185)
- Tony McMurtray, Senior Resident Inspector
 - (acm2@nrc.gov (717) 456-7614)
- Mike Buckley, Resident Inspector
 - (mjb1@nrc.gov (717) 456-7614)

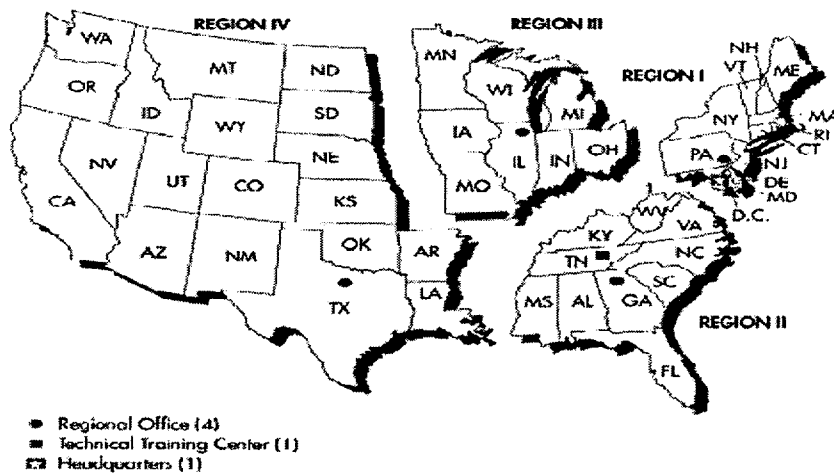
Reactor Oversight Process NRC Web site

<http://www.nrc.gov/NRR/OVERSIGHT/index.html>

NRC Activities

- Ensure nuclear plants are designed, constructed, and operated safely
- Issue licenses for the peaceful use of nuclear materials in the U.S.
- Ensure licensees use nuclear materials and operate plants safely, and are prepared to respond to emergencies

NRC REGIONAL OFFICES



Note: Alaska and Hawaii are included in Region IV.
Source: Nuclear Regulatory Commission

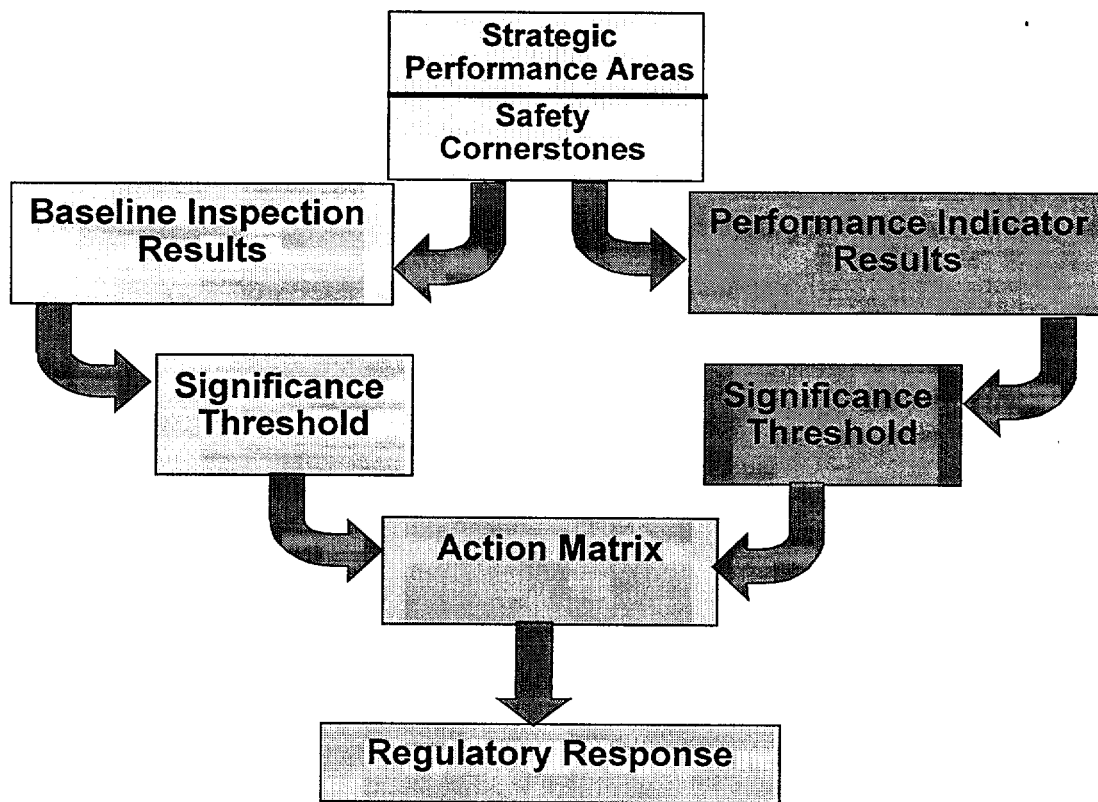
NRC Performance Goals

- Maintain safety and protect the environment
- Enhance public confidence
- Improve effectiveness, efficiency, and realism of processes and decision making
- Reduce unnecessary regulatory burden

NRC Oversight Activities

- Provides assurance plants are operating safely and in accordance with the regulations
- Risk informed process
- Objective indicators of performance
- Inspections focused on key safety areas
- Defines expected NRC and licensee actions

Reactor Oversight Process



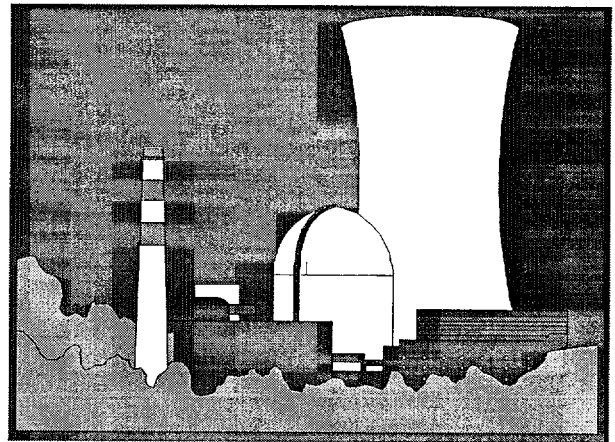
Strategic Performance Areas Safety Cornerstones

- Reactor Safety
 - Initiating Events
 - Mitigating Systems
 - Barrier Integrity
 - Emergency Preparedness
- Radiation Safety
 - Occupational Radiation Safety
 - Public Radiation Safety
- Safeguards
 - Physical protection

NRC Resident and Regional Inspectors Conduct Safety Inspections

Baseline Inspections at all reactor sites to monitor plant safety performance in each of the Strategic Performance Areas

Event Follow-up and Supplemental Inspections when required



Key Aspects of Baseline Inspection Program

- Objective evidence of plant safety
- Conducted at all plants
- Emphasizes safety significant systems, components, activities, and events
- Monitors licensee effectiveness in finding and fixing safety issues
- Inspection reports describe significant findings and non-compliance
- Inspection reports are publicly accessible

Examples of Baseline Inspections

- Plant safety tours
- Plant control room tours
- Maintenance and alignment of equipment
- Operator response during simulated emergency conditions
- Worker radiation protection
- Controls for radiation releases
- Plant security

Event Follow-up and Supplemental Inspection

- Review events for significance
- Follow-up significant inspection findings
- Determine causes of performance declines
- Provides for graduated response

Significance Threshold

Performance Indicators

- Green: Performance requiring no NRC oversight beyond baseline Inspection
- White: Performance may result in increased NRC oversight
- Yellow: Performance that minimally reduces safety margin and requires more NRC oversight
- Red: Performance that represents significant reduction in safety, requires more NRC oversight, but provides adequate protection to public health and safety

Inspection Findings

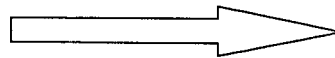
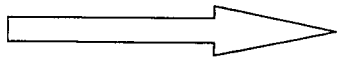
- Green: Very Low safety issue
- White: Low to moderate safety issue
- Yellow: Substantial safety issue
- Red: High safety issue

Key Aspects of Assessment Program

- Objective assessment of performance
- “Action Matrix” to determine agency response to performance
 - Inspection level increases
 - Management involvement increases
 - Regulatory action increases
- Plant specific assessment letters
- Information on NRC public web site

Action Matrix Concept

Licensee Response	Regulatory Response	Degraded Cornerstone	Multiple/Degraded Cornerstone	Unacceptable Performance
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Increasing Safety Significance

Increasing NRC Inspection Efforts

Increasing NRC/Licensee Management Involvement

Increasing Regulatory Actions

National Summary

First Quarter Calendar Year 2001 Performance Indicator Results

Green: 1818
White: 14
Yellow: 0
Red: 0

Total Inspection Findings (April 2000 - March 2001)

Green: 1031
White: 20
Yellow: 1
Red: 1

National Summary of Plant Performance - 102 Plants End of First Quarter Calendar Year 2001

Licensee Response	83
Regulatory Response	15
Degraded Cornerstone	3
Multiple/Repetitive Degraded Cornerstone	1
Unacceptable	0

Peach Bottom Annual Assessment

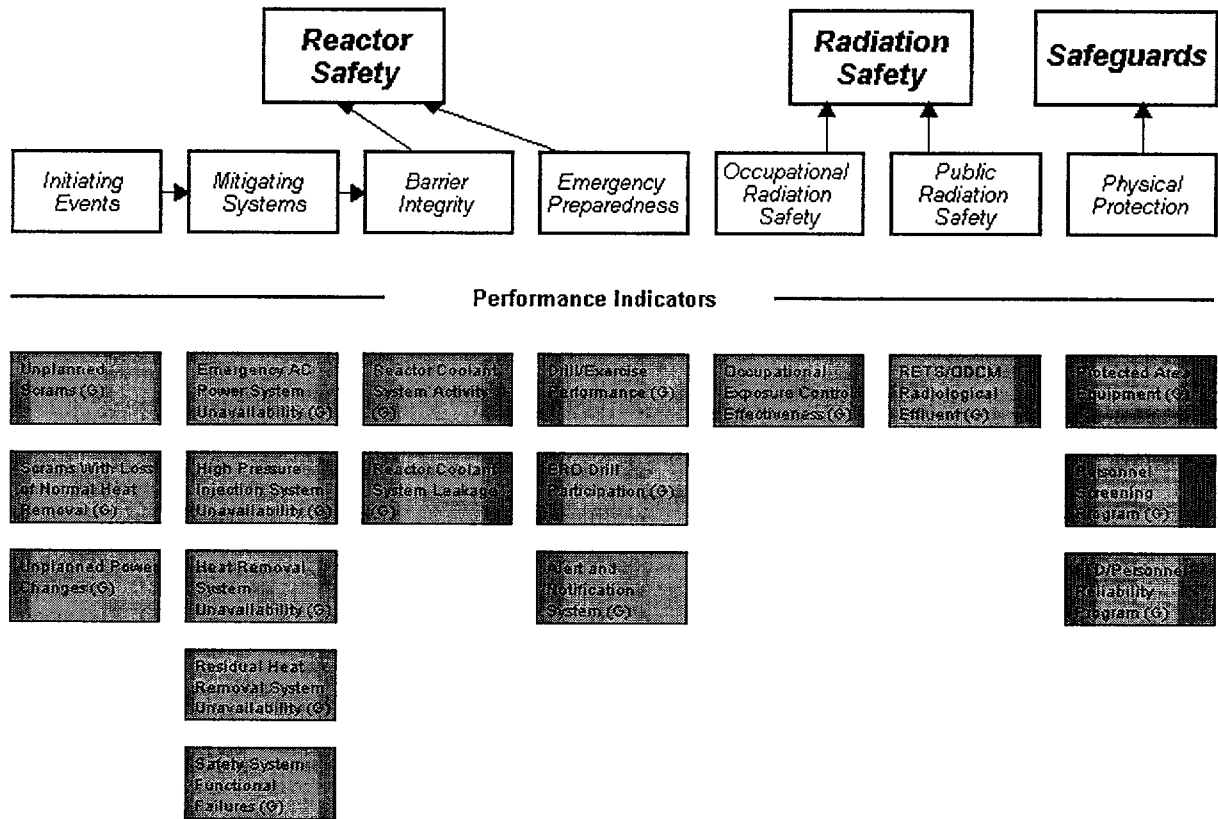
- Operated safely
- Fully met all cornerstone objectives
- Current performance within Licensee Response Band of Action Matrix - End of First Quarter 2001
 - All Inspection Findings of very low safety significance (Green)
 - All Performance Indicators requiring no additional NRC oversight (Green)
- NRC Plans to conduct baseline inspections and complete a supplemental inspection

Peach Bottom Annual Assessment

Safety Significant Issues identified and corrected earlier in assessment period.

- Low to moderate safety issue (White) in Public Radiation Safety Cornerstone
 - Underclassification of a radioactive waste shipment. Supplemental inspection completed with no additional concerns raised
- Performance Indicator that indicated a need for increased NRC oversight (White)
 - Alert and Notification System in second and third Quarter 2000. Supplemental inspection scheduled

Peach Bottom 2 1Q/2001 Performance Summary



*Initiating
Events*



*Mitigating
Systems*



*Barrier
Integrity*

*Emergency
Preparedness*

*Occupational
Radiation
Safety*

*Public
Radiation
Safety*

*Physical
Protection*

Most Significant Inspection Findings

1Q/2001

No findings
this quarter

No findings
this quarter

No findings
this quarter

No findings
this quarter

No findings
this quarter

No findings
this quarter

G

4Q/2000

No findings
this quarter

G

G

No findings
this quarter

No findings
this quarter

No findings
this quarter

No findings
this quarter

3Q/2000

No findings
this quarter

No findings
this quarter

No findings
this quarter

No findings
this quarter

G

No findings
this quarter

No findings
this quarter

2Q/2000

No findings
this quarter

G

No findings
this quarter

No findings
this quarter

No findings
this quarter

W

No findings
this quarter

Miscellaneous
findings

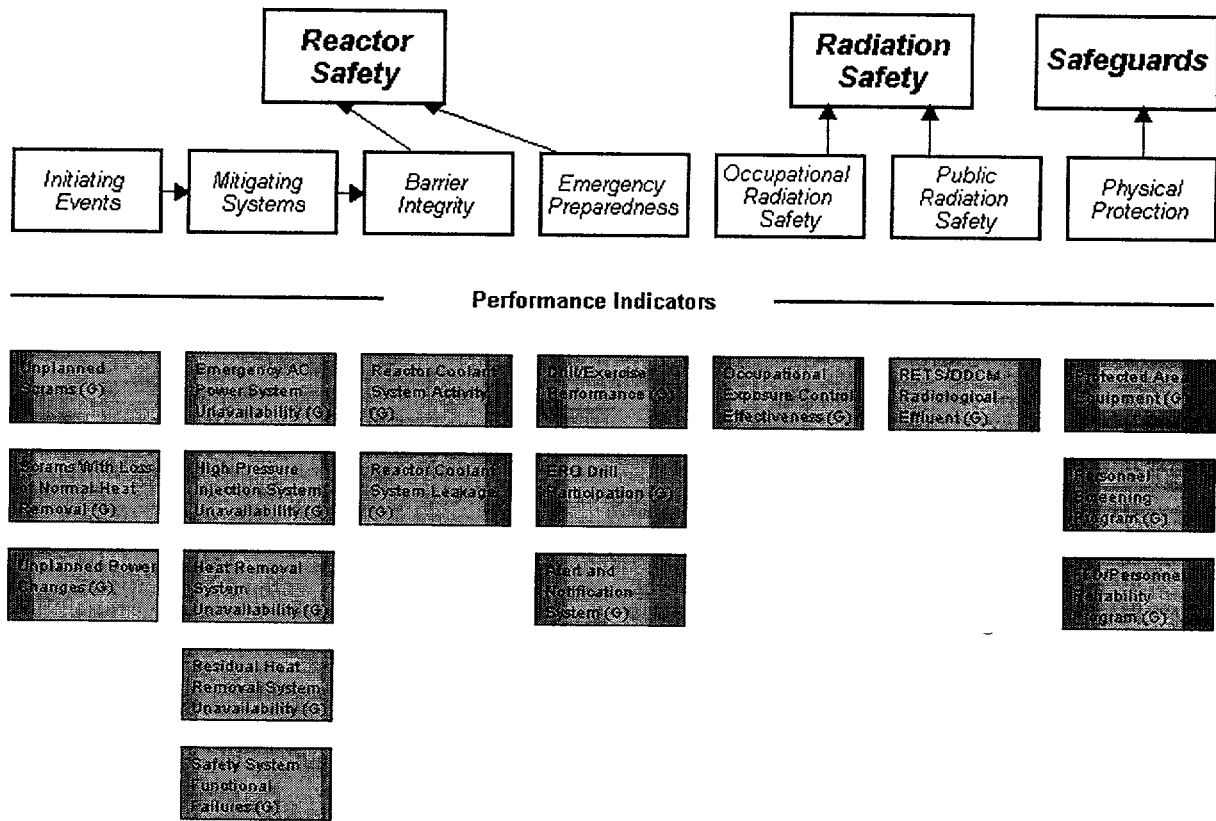
Additional Inspection & Assessment Information

☒ **Assessment Letters/Inspection Plans:**

- ☐ 1Q/2001
- ☐ 4Q/2000
- ☐ 3Q/2000
- ☐ 2Q/2000

☒ **Inspection Reports**

Peach Bottom 3 1Q/2001 Performance Summary



Initiating
Events



Mitigating
Systems



Barrier
Integrity

Emergency
Preparedness

Occupational
Radiation
Safety

Public
Radiation
Safety

Physical
Protection

Most Significant Inspection Findings

1Q/2001

No findings
this quarter

No findings
this quarter

No findings
this quarter

No findings
this quarter

No findings
this quarter

No findings
this quarter

G

4Q/2000

No findings
this quarter

No findings
this quarter

No findings
this quarter

No findings
this quarter

No findings
this quarter

No findings
this quarter

No findings
this quarter

3Q/2000

G

G

No findings
this quarter

No findings
this quarter

No findings
this quarter

No findings
this quarter

No findings
this quarter

2Q/2000

No findings
this quarter

G

No findings
this quarter

No findings
this quarter

No findings
this quarter

W

No findings
this quarter

Miscellaneous
findings

Additional Inspection & Assessment Information

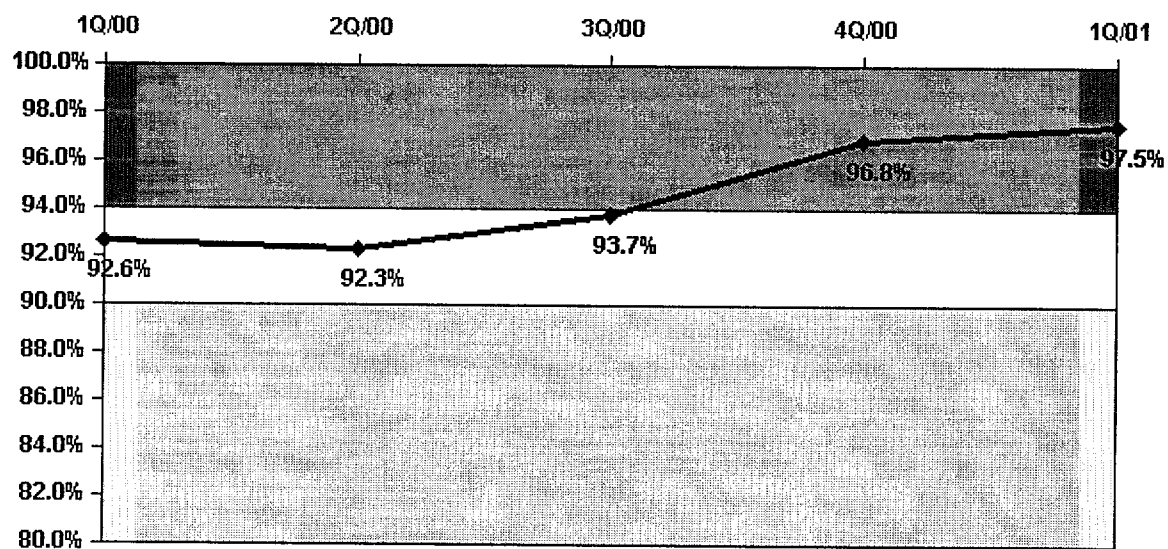
☒ **Assessment Letters/Inspection Plans:**

- 1Q/2001
- 4Q/2000
- 3Q/2000
- 2Q/2000

☒ **Inspection Reports**

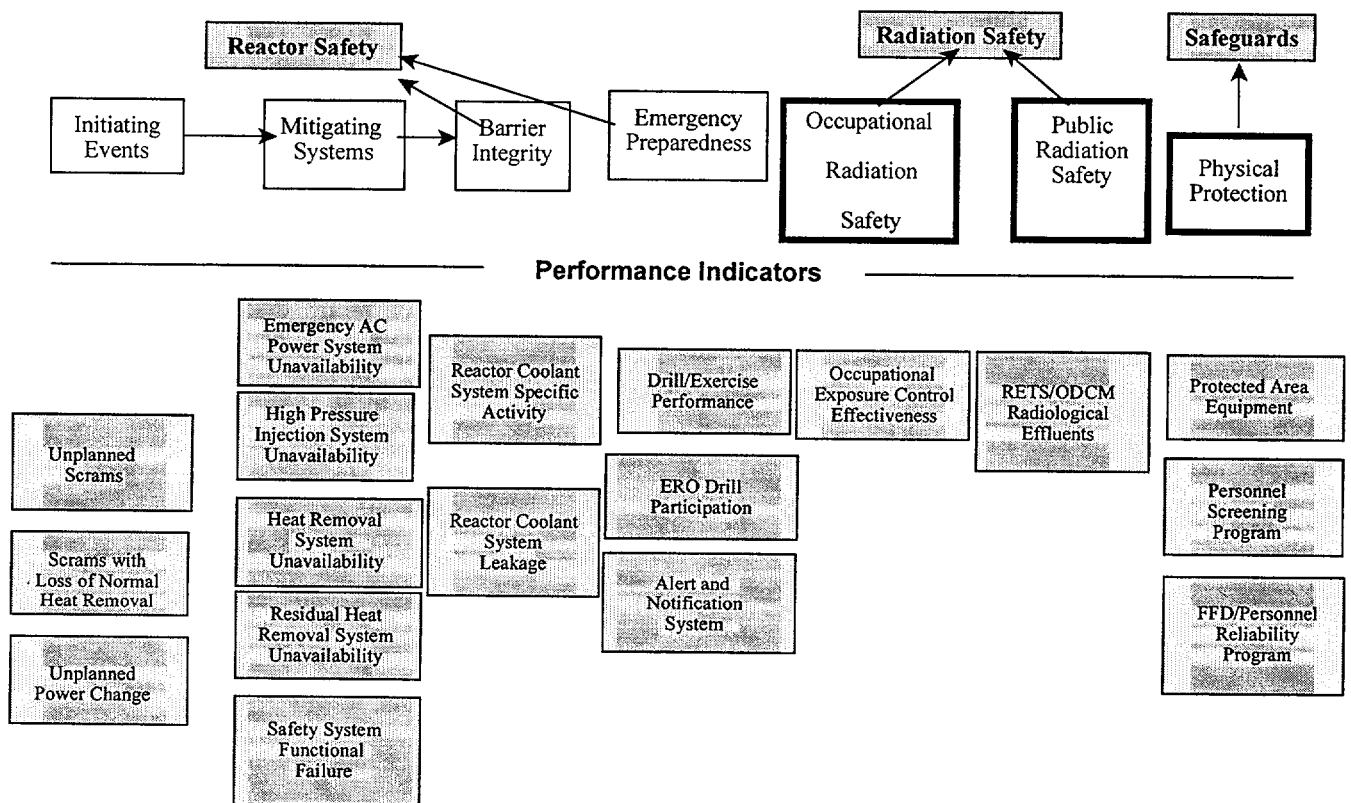
Peach Bottom's Performance for the Alert and Notification System

Alert & Notification System

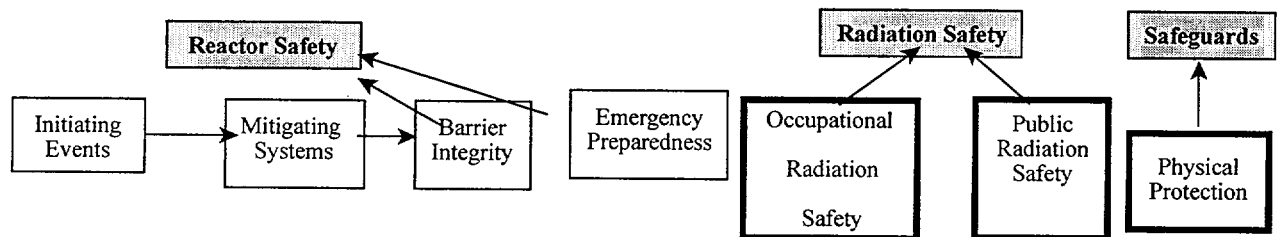


Thresholds: White < 94.0% Yellow < 90.0%

Relationship of Strategic Performance Areas, Safety Cornerstones and Performance Indicators



Inspection Areas



Inspection Procedures

- | | | | |
|-------------------------------|---------------------------|-----------------------|----------------------------|
| • Adverse Weather | • Operability Evaluation | • Exercise Evaluation | • Sec Authorization Access |
| • Evaluation of Changes | • Operator Workarounds | • Alert and Notice | • Sec Search |
| • Equipment Alignment | • Permanent Mods-Online | • ERO Augment | • Sec Response |
| • Fire Protection | • Permanent Mods | • EAL | • Sec Plan change |
| • Flood Protection | • Post Maintenance Test | • EP Preparation | |
| • Heat Sink | • Refueling Outage | • Drill Evaluation | |
| • In Service Inspection | • SSDI | • RAD Access | |
| • Operator Requalification | • Surveillance Testing | • ALARA Plan | |
| • Maintenance Rule Imp | • Temporary Modifications | • RAD monitoring | |
| • Maintenance Risk Assessment | • PI&R | • RAD Effluents | |
| • Non-Routine Events | • Event Follow-up | • RAD Transport | |
| | • PI Verification | • RAD Environmental | |

An Action Matrix is used to assess overall plant safety performance and specify thresholds for NRC Enforcement Actions

		Licensee Response Column	Regulatory Response Column	Degraded Cornerstone Column	Multiple/ Repetitive Degraded Cornerstone Column	Unacceptable Performance Column
RESULTS		All Assessment Inputs (Performance Indicators (PIs) and Inspection Findings) Green; Cornerstone Objectives Fully Met	One or Two White Inputs (in different cornerstones) in a Strategic Performance Area; Cornerstone Objectives Fully Met	One Degraded Cornerstone (2 White Inputs or 1 Yellow Input) or any 3 White Inputs in a Strategic Performance Area; Cornerstone Objectives Met with Minimal Reduction in Safety Margin	Repetitive Degraded Cornerstone, Multiple Degraded Cornerstones, Multiple Yellow Inputs, or 1 Red Input; Cornerstone Objectives Met with Longstanding Issues or Significant Reduction in Safety Margin	Overall Unacceptable Performance; Plants Not Permitted to Operate Within this Band, Unacceptable Margin to Safety
RESPONSE	Regulatory Performance Meeting	None	Branch Chief (BC) or Division Director (DD) Meet with Licensee	DD or Regional Administrator (RA) Meet with Licensee	RA (or EDO) Meet with Senior Licensee Management	Commission meeting with Senior Licensee Management
	Licensee Action	Licensee Corrective Action	Licensee root cause evaluation and corrective action with NRC Oversight	Licensee Self Assessment with NRC Oversight	Licensee Performance Improvement Plan with NRC Oversight	
	NRC Inspection	Risk-Informed Baseline Inspection Program	Baseline and supplemental inspection procedure 95001	Baseline and supplemental inspection procedure 95002	Baseline and supplemental inspection procedure 95003	
	Regulatory Actions	None	Supplemental inspection only	Supplemental inspection only	-10 CFR 2.204 DFI -10 CFR 50.54(f) Letter - CAL/Order	Order to Modify, Suspend, or Revoke Licensed Activities
COMMUNICATION	Assessment Letters	BC or DD review/sign assessment report (w/ inspection plan)	DD review/sign assessment report (w/ inspection plan)	RA review/sign assessment report (w/ inspection plan)	RA review/sign assessment report (w/ inspection plan) Commission Informed	
	Annual Public Meeting	SRI or BC Meet with Licensee	BC or DD Meet with Licensee	RA (or designee) Discuss Performance with Licensee	EDO (or Commission) Discuss Performance with Senior Licensee Management	Commission Meeting with Senior Licensee Management
	INCREASING SAFETY SIGNIFICANCE →					