

March 4, 2002

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

SUBJECT: ANNUAL ASSESSMENT LETTER - DRESDEN
(REPORT 50-237/02-01; 50-249/02-01)

Dear Mr. Skolds:

On January 30, 2002, the NRC staff completed its end-of-cycle plant performance assessment of Dresden. The end-of-cycle review for Dresden involved the participation of all technical divisions in evaluating performance indicators (PIs) for the most recent quarter and inspection results for the period from April 1, 2001, to December 31, 2001. The purpose of this letter is to inform you of our assessment of your safety performance during this period 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 which may conflict with your plant activities.

As discussed in our previous annual assessment letter dated May 31, 2001, this inspection and assessment cycle consisted of three quarters (i.e., the second, third, and fourth calendar quarters of calendar year 2001) instead of the usual four quarters. This change was implemented in order to align the inspection and assessment cycle with the calendar year beginning on January 1, 2002.

Overall, Dresden operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for the most recent quarter, as well as the first two quarters of the assessment cycle, was within the Licensee Response Column of the NRC's Action Matrix, based on all inspection findings being classified as having very low safety significance (Green) and all PIs indicating performance at a level requiring no additional NRC oversight (Green). Therefore, we plan to conduct only baseline inspections at your facility through March 31, 2003.

Additionally, we had concerns about the safety conscious work environment in the radiation protection department at Dresden. On October 9, 2001, we issued a "Chilling Effect" letter to you. Your response dated February 1, 2002, acknowledged perceptions that discouraged some radiation protection technicians from raising safety concerns and described actions you are taking in this area. Our review of your response is continuing and we will address this matter with you in future correspondence.

The enclosed inspection plan details the inspections scheduled through March 31, 2003. 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 last 6 months of the inspection plan are tentative and may be revised at the Mid-Cycle Review meeting.

In addition to the baseline inspection program, the NRC issued safeguards advisories recommending that nuclear power plant licensees go to the highest level of security immediately following the terrorist attacks on the World Trade Center and the Pentagon, and all promptly did so. With continued uncertainty about the possibility of additional terrorist activities, the Nation's nuclear power plants, including Dresden, remain at a high level of security. On February 25, 2002, the NRC issued an Order to all nuclear power plant licensees, requiring them to take certain additional interim compensatory measures to address the generalized high-level threat environment. These additional compensatory requirements will provide the NRC with reasonable assurance that public health and safety and the common defense and security continue to be adequately protected in the current generalized high-level threat environment. These requirements will remain in effect pending notification from the Commission that a significant change in the threat environment occurs, or until the Commission determines that other changes are needed following a more comprehensive re-evaluation of current safeguards and security programs. To date, we have monitored Dresden actions in response to the terrorist attacks through a series of audits. With the issuance of the Order, we will evaluate Dresden's compliance with these interim requirements.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be 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/index.html> (the Public Electronic Reading Room).

If circumstances arise which cause us to change this inspection plan, we will contact you to discuss the change as soon as possible. Please contact Mark Ring at (630) 829-9703 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Geoffrey Grant, Director
Division of Reactor Projects

Docket Nos. 50-237; 50-249
License Nos. DPR-19; DPR-25

Enclosure: Dresden Inspection/Activity Plan

See Attached Distribution

DOCUMENT NAME: G:\EOC Ltrs\2002\Dre-eoc02.wpd

To receive a copy of this document, indicate in the box: "C" = Copy without attachment/enclosure "E" = Copy with attachment/enclosure "N" = No copy

OFFICE	RIII		RIII		RIII		RIII	
NAME	PPelke		MRing		GGrant			
DATE	03/ /02		03/ /02		03/ /02			

OFFICIAL RECORD COPY

cc w/encl: W. Bohlke, Senior Vice President, Nuclear Services
C. Crane, Senior Vice President - Mid-West Regional
J. Cotton, Senior Vice President - Operations Support
J. Benjamin, Vice President - Licensing and Regulatory Affairs
R. Hovey, Operations Vice President
J. Skolds, Chief Operating Officer
K. Ainger, Director - Licensing
R. Helfrich, Senior Counsel, Nuclear
DCD - Licensing
P. Swafford, Site Vice President
D. Bost, Station Manager
D. Ambler, Regulatory Assurance Manager
M. Aguilar, Assistant Attorney General
Illinois Department of Nuclear Safety
State Liaison Officer
Chairman, Illinois Commerce Commission

ADAMS Distribution:

AJM
DFT
H. Nieh, OEDO
T. Boyce, NRR
Project Director, NRR
Project Mgr., NRR
RidsNrrDipmlipb
J. Caldwell, RIII
G. Grant, RIII
B. Clayton, RIII
R. Lickus, RIII
SRI Dresden
DRPIII
DRSIII
PLB1
JRK1
BAH3

Dresden
Inspection / Activity Plan
03/04/2002 - 03/31/2003

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	IP 71121	- RP INSTRUMENTATION & ACCESS CTRL INSP	1			
2, 3	IP 7112101	Access Control to Radiologically Significant Areas		03/18/2002	03/22/2002	Baseline Inspections
2, 3	IP 7112103	Radiation Monitoring Instrumentation		03/18/2002	03/22/2002	Baseline Inspections
	CONT B	- SAFEGUARDS INSPECTION-RESPONSE TEST	2			
2, 3	IP 7113003	Response to Contingency Events (Protective Strategy and Implementation of Protective Strategie		04/08/2002	04/12/2002	Baseline Inspections
	FPI	- FIRE PROTECTION INSPECTION	3			
2, 3	IP 7111105T	Fire Protection		04/22/2002	05/10/2002	Baseline Inspections
	FY 2002	- DRESDEN INIT PREP 04&05/2002	2			
2	W90054	OL - INITIAL EXAM - DRESDEN - APR/MAY/JUN 2002		04/29/2002	05/03/2002	Not Applicable
	FY 2002	- DRESDEN INIT EXAM 05&06/2002	3			
2	W90054	OL - INITIAL EXAM - DRESDEN - APR/MAY/JUN 2002		05/27/2002	06/14/2002	Not Applicable
	IP 71122	- REMP & UNCONDITIONAL RELEASE INSPECTION	1			
2, 3	IP 7112203	Radiological Environmental Monitoring Program		06/24/2002	06/28/2002	Baseline Inspections
2, 3	IP 71151	Performance Indicator Verification		06/24/2002	06/28/2002	Baseline Inspections
	IP 71121	- RP ACCESS CTRL & INSTRUMENT INSPECTION	1			
2, 3	IP 7112101	Access Control to Radiologically Significant Areas		08/26/2002	08/30/2002	Baseline Inspections
2, 3	IP 7112103	Radiation Monitoring Instrumentation		08/26/2002	08/30/2002	Baseline Inspections
2, 3	IP 71151	Performance Indicator Verification		08/26/2002	08/30/2002	Baseline Inspections
	7111107A	- HEAT SINK PERFORMANCE	2			
2, 3	IP 7111107A	Heat Sink Performance		10/01/2002	11/16/2002	Baseline Inspections
	IP 71121	- OUTAGE RP ALARA INSPECTION	1			
2, 3	IP 7112101	Access Control to Radiologically Significant Areas		10/07/2002	10/11/2002	Baseline Inspections
2, 3	IP 7112102	ALARA Planning and Controls		10/07/2002	10/11/2002	Baseline Inspections
	ISI	- UNIT 3 ISI	1			
3	IP 7111108	Inservice Inspection Activities		10/21/2002	10/25/2002	Baseline Inspections
	MOD50.59	- BIENNIAL PLANT MODS AND 50.59	3			
2, 3	IP 7111102	Evaluation of Changes, Tests, or Experiments		11/04/2002	11/08/2002	Baseline Inspections
2, 3	IP 7111117B	Permanent Plant Modifications		11/04/2002	11/08/2002	Baseline Inspections
	HTSINKB	- BIENNIAL HEAT SINK	1			
2, 3	IP 7111107B	Heat Sink Performance		12/02/2002	12/06/2002	Baseline Inspections
	IP 71122	- RAM PROCESSING/SHIPPING INSPECTION	1			
2, 3	IP 7112202	Radioactive Material Processing and Transportation		01/13/2003	01/17/2003	Baseline Inspections
	IP 71122	- LIQ/GASEOUS EFFLUENTS INSPECTION	1			
2, 3	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		03/24/2003	03/28/2003	Baseline Inspections
2, 3	IP 71151	Performance Indicator Verification		03/24/2003	03/28/2003	Baseline Inspections

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

Dresden
Inspection / Activity Plan
03/04/2002 - 03/31/2003

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	IP 71114	- BIENNIAL EP EXERCISE BASELINE INSPECTION	3			
2, 3	IP 7111401	Exercise Evaluation		03/31/2003	04/04/2003	Baseline Inspections
2, 3	IP 71151	Performance Indicator Verification		03/31/2003	04/04/2003	Baseline Inspections

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