

March 4, 2004

Mr. Christopher M. Crane
President and Chief Nuclear Officer
Exelon Nuclear
Exelon Generation Company, LLC
4300 Winfield Road
Warrenville, IL 60555

SUBJECT: ANNUAL ASSESSMENT LETTER - DRESDEN NUCLEAR POWER STATION
(REPORT 50-237/04-01; 50-249/04-01)

Dear Mr. Crane:

On February 11, 2004, the NRC staff completed its end-of-cycle plant performance assessment of the Dresden Nuclear Power Station. The end-of-cycle review involved the participation of all technical divisions in evaluating performance indicators (PIs) for the most recent quarter and inspection results for the period from January 1, 2003, through December 31, 2003. 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 that may conflict with your plant activities.

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 was within the Regulatory Response Column of the NRC's Action Matrix, based on the White Unit 3 high pressure coolant injection (HPCI) safety system unavailability PI in the mitigating systems cornerstone. This PI went White in the third quarter of 2001 due to the fault exposure hours following the Unit 3 HPCI water hammer event on July 5, 2001. On June 23, 2003, we issued the Final Significance Determination for a White finding involving your failure to promptly correct a nonconforming pipe support resulting in the Unit 3 HPCI system being inoperable from July 5, to September 30, 2001. This finding involves the same issue as the White PI. A supplemental inspection conducted in November 2003 concluded that you had appropriately addressed and resolved the finding. As a result the finding was closed at the end of the most recent quarter. Therefore, we plan to conduct only baseline inspections at your facility through September 30, 2005.

Additionally, on June 23, 2003, a Severity Level III Violation of 10 CFR 50.9 was issued in accordance with the enforcement policy. The violation was for incomplete and inaccurate information provided to the Commission on September 27, 2001, that was material because the Commission was evaluating the operability determination for the Unit 3 HPCI system. A Severity Level III Violation of 10 CFR 50.9 was issued on August 29, 2003, for incomplete and inaccurate information provided to the Commission upon which the Commission made a licensing decision. You submitted an operator license renewal request for an individual on March 5, 2002, that stated that an individual was current on all requalification examinations when in fact the individual was not. The NRC conducted inspections to review your corrective actions for these two violations in November 2003 and January 2004, respectively.

The enclosed inspection plan details the inspections scheduled through September 30, 2005. 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 inspections in the last 12 months of the inspection plan are tentative and may be revised at the mid-cycle review meeting. As you are aware, the NRC has issued several Orders and threat advisories to enhance security capabilities and improve guard force readiness since the terrorist attacks on September 11, 2001. We have conducted inspections to review your implementation of these requirements and have monitored your actions in response to changing threat conditions. For calendar year 2004, we plan to continue inspections of Order implementation combined with newly developed portions of the security baseline inspection program.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be made 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.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/

Steve A. Reynolds, Acting 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

The enclosed inspection plan details the inspections scheduled through March 31, 2005. 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 inspections in the last 6 months of the inspection plan are tentative and may be revised at the mid-cycle review meeting. As you are aware, the NRC has issued several Orders and threat advisories to enhance security capabilities and improve guard force readiness since the terrorist attacks on September 11, 2001. We have conducted inspections to review your implementation of these requirements and have monitored your actions in response to changing threat conditions. For calendar year 2004, we plan to continue inspections of Order implementation combined with newly developed portions of the security baseline inspection program.

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Sincerely,

Steve A. Reynolds, Acting Director
 Division of Reactor Projects

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Enclosure: Dresden Inspection/Activity Plan

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NAME	PPelke:co		MRing		SReynolds			
DATE	02/26/04		03/1/04		03/2/04			

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cc w/encl: Site Vice President - Dresden Nuclear Power Station
Dresden Nuclear Power Station Plant Manager
Regulatory Assurance Manager - Dresden
Chief Operating Officer
Senior Vice President - Nuclear Services
Senior Vice President - Mid-West Regional
Operating Group
Vice President - Mid-West Operations Support
Vice President - Licensing and Regulatory Affairs
Director Licensing - Mid-West Regional
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Chairman, Illinois Commerce Commission
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P. Kaupas, Will County Sheriff
W. Ferguson, Will County Emergency
Management Director
The Honorable Arthur Schultz
J. Mezera, City Manager
J. Church, Kendall County Board Chairman
R. Randall, Kendall County Sheriff
P. Nelson, Grundy County Board Chairman
J. L. Olson, Grundy County Sheriff
J. Lutz, Grundy County Emergency
Management Director
The Honorable Richard Kopczick
The Honorable C. Richard Ellis
The Honorable Phillip Middleton
The Honorable Joseph Fracaro
The Honorable Elmer Rolando
The Honorable Harvey Taylor
The Honorable Tony McGann
The Honorable Joe Cook
L. Armour, Channahon Interim Village Administrator
The Honorable Richard Chapman
K. Carroll, Shorewood Village Administrator
The Honorable Robert Blum
INPO

ADAMS Distribution:

AJM

DFT

DWW

Project Director, NRR

Project Mgr., NRR

RidsNrrDipmlipb

JLC1

GEG

HBC

RML2

SRI Dresden

DRPIII

DRSIII

PLB1

JRK1

Dresden
Inspection / Activity Plan
03/01/2004 - 09/30/2005

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	RENEWAL - LICENSE RENEWAL OPEN ITEM FOLLOWUP		1			
2, 3	IP 71002	License Renewal Inspection		03/15/2004	03/19/2004	License Renewal Ins
	HTSNK B - HEAT SINK BIENNIAL (DRS)		1			
2, 3	IP 7111107B	Heat Sink Performance		03/22/2004	03/26/2004	Baseline Inspections
	71121.01 - RADIOLOGICAL ACCES CONTROL		1			
2, 3	IP 7112101	Access Control to Radiologically Significant Areas		04/19/2004	04/23/2004	Baseline Inspections
2, 3	IP 71151	Performance Indicator Verification		04/19/2004	04/23/2004	Baseline Inspections
	ISFSI - OPERATION OF ISFSI		1			
2, 3	IP 60855	Operation Of An ISFSI		05/01/2004	06/30/2004	Other Routine
	71111.11 - LIC OPERATOR REQUAL PROGRAM EVALUATION		2			
2, 3	IP 7111111B	Licensed Operator Requalification Program		05/24/2004	05/28/2004	Baseline Inspections
	71122.03 - REMP & RAD MATERIAL CONTROL		1			
2, 3	IP 7112203	Radiological Environmental Monitoring Program		07/19/2004	07/23/2004	Baseline Inspections
2, 3	IP 71151	Performance Indicator Verification		07/19/2004	07/23/2004	Baseline Inspections
	FY 2004 - DRESDEN INIT PREP 07/2004		3			
2	W90109	OL - INITIAL EXAM - DRESDEN - JUL/AUG 2004		07/26/2004	07/30/2004	Not Applicable
	FY 2004 - DRESDEN INIT EXAM 08/2004		3			
2	W90109	OL - INITIAL EXAM - DRESDEN - JUL/AUG 2004		08/16/2004	08/20/2004	Not Applicable
	SG BASE - SG BASELINE 2004		2			
2, 3	IP 7113001	Access Authorization		09/13/2004	09/17/2004	Baseline Inspections
2, 3	IP 7113002	Access Control		09/13/2004	09/17/2004	Baseline Inspections
2, 3	IP 7113008	Fitness For Duty Program		09/13/2004	09/17/2004	Baseline Inspections
2, 3	IP 71151	Performance Indicator Verification		09/13/2004	09/17/2004	Baseline Inspections
	ISI 3 - INSERVICE INSPECTION UNIT 3		1			
2, 3	IP 7111108G	Inservice Inspection Activities - BWR		11/08/2004	11/12/2004	Baseline Inspections
	71121.02 - ALARA (OUTAGE)		1			
2, 3	IP 7112102	ALARA Planning and Controls		11/04/2004	11/10/2004	Baseline Inspections
	71122.02 - RADWASTE & TRANSPORTATION		1			
2, 3	IP 7112202	Radioactive Material Processing and Transportation		01/31/2005	02/04/2005	Baseline Inspections
	FPI - TRIENNIAL FIRE PROTECTION		3			
2, 3	IP 7111105T	Fire Protection		03/14/2005	04/01/2005	Baseline Inspections
	71114 - EP EXERCISE & EP PI INSPECTION		2			
2, 3	IP 7111401	Exercise Evaluation		03/07/2005	03/11/2005	Baseline Inspections
2, 3	IP 71151	Performance Indicator Verification		03/07/2005	03/11/2005	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
03/01/2004 - 09/30/2005

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	MAINT	- BIENNIAL MAINTENANCE RULE INSPECTION	1			
2, 3	IP 711112B	Maintenance Effectiveness		04/25/2005	04/29/2005	Baseline Inspections
	71122.01	- RADIOLOGICAL EFFLUENT CONTROL	1			
2, 3	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		04/25/2005	04/29/2005	Baseline Inspections
2, 3	IP 71151	Performance Indicator Verification		04/25/2005	04/29/2005	Baseline Inspections
	ISFSI	- OPERATION OF ISFSI	1			
2, 3	IP 60855	Operation Of An ISFSI		05/01/2005	06/30/2005	Other Routine
	71121.01	- RADIOLOGICAL ACCESS CONTROL	1			
2, 3	IP 7112101	Access Control to Radiologically Significant Areas		08/01/2005	08/05/2005	Baseline Inspections
2, 3	IP 71151	Performance Indicator Verification		08/01/2005	08/05/2005	Baseline Inspections
	SSDI	- SAFETY SYSTEM DESIGN INSPECTION	5			
2, 3	IP 7111121	Safety System Design and Performance Capability		09/05/2005	09/23/2005	Baseline Inspections
	FY 2005	- DRESDEN INIT PREP 08/2005	3			
2	W90124	OL - INITIAL EXAM - DRESDEN - AUG/SEP 2005		08/29/2005	09/02/2005	Not Applicable
	FY 2005	- DRESDEN INIT EXAM 09/2005	3			
2	W90124	OL - INITIAL EXAM - DRESDEN - AUG/SEP 2005		09/19/2005	09/23/2005	Not Applicable