May 20, 2003

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

SUBJECT: DRESDEN NUCLEAR POWER STATION, UNITS 2 AND 3

NRC SAFEGUARDS INSPECTION OF COMPLIANCE WITH ORDER INSPECTION REPORTS 50-237/03-05(DRS); 50-249/03-05(DRS)

Dear Mr. Skolds:

On April 11, 2003, the NRC completed an inspection at your Dresden Nuclear Power Station. The enclosed report documents the inspection findings which were discussed on April 11, 2003, with Mr. D. Bost and other members of your staff.

The inspection examined activities conducted under your license as they relate to safety and compliance with an Order issued on February 25, 2002, which required your site to implement specific measures related to the security of your facility. The inspection utilized Temporary Instruction 2515/148, "Inspection of Nuclear Reactor Safeguards Interim Compensatory Measures," to verify implementation of the Order as clarified in your responses dated March 15, 2002, May 24, 2002, and June 19, 2002. Within these areas, the inspection consisted of selected examination of procedures and representative records, observations of activities, and interviews with personnel.

On the basis of the results of this inspection, no findings of significance were identified.

The material enclosed herewith contains Safeguards Information as defined by 10 CFR 73.21 and its disclosure to unauthorized individuals is prohibited by Section 147 of the Atomic Energy Act of 1954, as amended. Therefore, the material will not be placed in the Public Document Room.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, without 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).

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

Sincerely,

/RA/

James R. Creed

Safeguards Program Manager Division of Reactor Safety

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

Enclosure: Inspection Report 50-237/03-05(DRS);

50-249/03-05(DRS) (SAFEGUARDS INFORMATION)

cc w/encl: Site Vice President - Dresden

Dresden 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

Operating Group

Manager Licensing - Dresden

Senior Counsel, Nuclear, Mid-West Regional

Operating Group

Document Control Desk - Licensing

NSIR/DNS/RSOS

cc w/encl w/o

SAFEGUARDS INFORMATION: M. Aguilar, Assistant Attorney General

Illinois Department of Nuclear Safety

State Liaison Officer

Chairman, Illinois Commerce Commission

J. Skolds -2-

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Senior Counsel, Nuclear, Mid-West Regional

Operating Group

Document Control Desk - Licensing

NSIR/DNS/RSOS

cc w/encl w/o

SAFEGUARDS INFORMATION: M. Aguilar, Assistant Attorney General

Illinois Department of Nuclear Safety

State Liaison Officer

Chairman, Illinois Commerce Commission

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U.S. NUCLEAR REGULATORY COMMISSION

REGION III

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

Report No: 50-237/03-05(DRS); 50-249/03-05(DRS)

Licensee: Exelon Generation Company, LLC

Facility: Dresden Nuclear Power Station, Units 2 and 3

Location: 6500 North Dresden Road

Morris, II 60450

Dates: April 8 through 11, 2003

Inspectors: J. Belanger, Senior Physical Security Inspector

J. Maynen, Physical Security Inspector T. Madeda, Physical Security Inspector

T. Ploski, Senior Emergency Preparedness Inspector

Approved by: James R. Creed

Safeguards Program Manager Division of Reactor Safety

SUMMARY OF FINDINGS

IR 05000237-03-05(DRS); 05000249-03-05(DRS); Exelon Generation Company, LLC; on 4/8-11/2003, Dresden Nuclear Power Station, Units 2 and 3. TI 2515/148, Verification of Compliance with Interim Compensatory Measures Order.

The inspection was conducted by three regional physical security inspectors and one regional emergency preparedness inspector. '

Cornerstone: Physical Security and Emergency Preparedness

 On February 25, 2002, the NRC imposed by Order, Interim Compensatory Measures to enhance physical security. The inspectors determined that the licensee appropriately incorporated the Interim Compensatory Measures into the site protective strategy and access authorization program; developed and implemented relevant procedures; ensured that the emergency plan could be implemented; and established and effectively coordinated interface agreements with offsite organizations.