

May 31, 2001

Mr. Oliver D. Kingsley, President
Exelon Nuclear
Exelon Generation Company, LLC
1400 Opus Place, Suite 500
Downers Grove, IL 60515

SUBJECT: ANNUAL ASSESSMENT LETTER - QUAD CITIES
(REPORT 50-254;265/01-01)

Dear Mr. Kingsley:

On May 1, 2001, the NRC staff completed its End-of-Cycle plant performance assessment of Quad Cities. The End-of-Cycle review for Quad Cities involved the participation of all technical divisions in evaluating performance indicators (PIs) for the most recent quarter and inspection results for the period April 2, 2000 to March 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.

Overall, Quad Cities 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 a White finding in the Physical Protection Cornerstone that was issued for contingency response performance deficiencies identified during the second quarter of 2000 Operational Safeguards Response Evaluation. Additionally, a White finding in the Occupational Radiation Safety cornerstone was issued for an ALARA issue involving the replacement of a safety relief valve during the Unit 1 refueling outage in the fourth quarter of 2000. Therefore, supplemental inspections in the areas of Physical Protection and Occupational Radiation Safety are scheduled for June and July 2001, respectively.

While performance for the most recent quarter is within the Regulatory Response Column of the NRC's Action Matrix, Quad Cities remained in the Degraded Mitigating Systems Cornerstone Column of the Action Matrix for the first three quarters of the assessment cycle due to a Yellow performance indicator for high pressure coolant injection system unavailability from the first quarter of 2000. In addition, each Quad Cities unit had a White performance indicator in the same Mitigating Systems Cornerstone due to seven Safety System Functional Failures each in the second and third quarters of 2000. The Yellow and White performance indicators were previously discussed in our letters to you dated May 18, 2000, and August 9, 2000. We completed supplemental inspections to evaluate both the Yellow and White performance indicators in September 2000 and documented the results in Inspection Report 254/00-013;265/00-013. Overall, your response to the degraded cornerstone was considered acceptable. No further inspection beyond the baseline program is planned.

The enclosure details the scheduled inspections that will occur through May 31, 2002. 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.

For your information, the NRC is in the process of aligning the inspection and assessment cycle with the calendar year. In order to transition to a calendar year cycle (January 1 - December 31), the next inspection and assessment cycle will consist of only three quarters (i.e., the second, third, and fourth calendar quarters of CY 2001). As a result, a quarterly review will be conducted for the third calendar quarter (July 1 - September 30) in lieu of a mid-cycle review. The impact on the inspection plan, which is included as an enclosure, is minimal. Activities planned for the transition cycle represent only 60-80 percent of those activities that would be accomplished during a typical 12-month inspection and assessment cycle.

In accordance with 10 CFR 2.790 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/NRC/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 E. Grant, Director
Division of Reactor Projects

Docket Nos. 50-254; 50-265
License Nos. DPR-29; DPR-30

Enclosure: Quad Cities Inspection/Activity Plan

See Attached Distribution

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