

RS-03-001

January 3, 2003

U. S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555

Dresden Nuclear Power Station, Units 2 and 3
Facility Operating License Nos. DPR-19 and DPR-25
NRC Docket Nos. 50-238 and 50-249

Quad Cities Nuclear Power Station, Units 1 and 2
Facility Operating License Nos. DPR-29 and DPR-30
NRC Docket Nos. 50-254 and 50-265

Subject: Application for Renewed Operating Licenses

Reference: Letter from Jeffrey A. Benjamin (Exelon Generation Company, LLC) to
U. S. NRC "Notice of Intent to Pursue License Renewal," dated March 9,
2001

In accordance with the requirements of 10 CFR 50, 51, and 54, Exelon Generation Company, LLC (EGC) hereby applies for the renewal of the operating licenses for the Dresden Nuclear Power Station (DNPS), Units 2 and 3 and Quad Cities Nuclear Power Station (QCNPS), Units 1 and 2. The current DNPS Unit 2 license (Facility Operating License No. DPR-19) expires on midnight December 22, 2009, and the current Unit 3 license (Facility Operating License No. DPR-25) expires on midnight January 12, 2011. The current QCNPS Unit 1 license (Facility Operating License No. DPR-29) expires midnight December 14, 2012, and the current Unit 2 license (Facility Operating License No. DPR-30) expires on midnight December 14, 2012. By this license renewal application, EGC seeks to extend the operating term for each unit's license by 20 years beyond the current expiration date.

EGC submits the enclosed DNPS/QCNPS combined License Renewal Application (LRA) in accordance with the applicable NRC operating license renewal requirements of 10 CFR 54 and 51. The LRA includes an environmental report entitled, "Applicant's Environmental Report – Operating License Renewal Stage," prepared in accordance with 10 CFR 54.23 and Subpart A of 10 CFR 51.

EGC hereby submits the original and 14 copies, 1 electronic copy ready for ADAMS posting that does not contain copies of the stations Updated Final Safety Analysis Reports, and 68 electronic copy containing the UFSARs.

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All enclosed electronic copies are in CD format and the ADAMS version was developed with the NRC's OCIO instructions to ensure CDs are WEB compatible.

One LRA copy is being sent also to the NRC Regional Administrator and the NRC Senior Resident Inspectors for DNPS and QCNPS.

Also, enclosed are 5 copies of the license renewal boundary drawings (not considered part of the LRA) to aid in the review of the LRA. Copies of the same license renewal boundary drawings are also being transmitted to the NRC Regional Administrator and the NRC Senior Resident Inspectors for DNPS and QCNPS.

EGC possesses the financial qualifications to meet the applicable requirements of 10 CFR 50.33(f), "Contents of Applications; General Information," for non-electric utility businesses. Specifically, in accordance with 10 CFR 50.33(f)(2), EGC possesses, or has reasonable assurance of obtaining, the funds necessary to cover the estimated operating costs for the period of the facility operating licenses, including the period of operation under renewed licenses.

EGC has prepared a Projected Income Statement for EGC operations from January 1, 2003 through December 31, 2007. This Projected Income Statement is included in Attachment 1P. Attachment 1P is a separately bound proprietary addendum to this Application. EGC is requesting that it be withheld from public disclosure, as described in the attached affidavit of Jeffrey A. Benjamin, under 10 CFR 2.790 and 10 CFR 9.17. A redacted version, suitable for public disclosure, is provided as Attachment 1.

In accordance with NUREG-1557, Rev. 1, "NRC Standard Review Plan on Power Reactor Licensee Financial Qualifications and Decommissioning Funding Assurance," (SRP), this Projected Income Statement provides the estimated total annual operating costs for the nuclear facilities owned by EGC. The source of funds to cover these operating costs will be operating revenues. The Projected Income Statement shows that the anticipated revenues from sales of capacity and energy by EGC provide reasonable assurance of adequate funds to meet EGC's ongoing operating expenses. The projected revenues from the sale of electricity from the nuclear units alone are expected to provide sufficient income to cover the total operating costs of EGC's nuclear units. In addition, there are substantial additional revenues available from sales of electricity from the more than 14000 MWe of capacity in the fossil-fired and hydroelectric generating stations owned by EGC, as well as revenue from power marketing and other business operations.

EGC's projected assets and revenue streams are more than sufficient to cover its share of costs that might be associated with a six-month shutdown at one or more of the nuclear units owned by EGC. The EGC Projected Income Statement, provided in Attachment 1P, demonstrates that EGC has total assets of more than \$10 billion, and annual gross revenues of more than \$6 billion. Furthermore, based upon the financial stature of the company, EGC has an investment-grade bond rating, which would enable it to raise additional funds as necessary. Accordingly, EGC fully meets or exceeds the

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financial qualification requirements of 10 CFR 50.33(f) and the guidelines of the SRP.

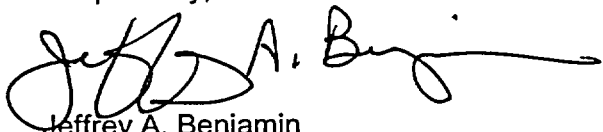
EGC has determined that the LRA provides the appropriate administrative, technical, and environmental information sufficient to support the findings required by 10 CFR 54.29. As required by 10 CFR 54, actions have been identified to manage the effects of aging on the structures and components subject to aging management review, such that their intended functions will be maintained consistent with the current licensing basis during the DNPS and QCNPS renewed term of operation.

The technical information relating to plant design contained in the LRA is complete and accurate as of July 2002. Current licensing basis changes that have a material effect on the content of the LRA will be identified in an amendment to the LRA that will be submitted annually while the LRA is under NRC review in accordance with 10 CFR 54.21(b).

The DNPS/QCNPS combined LRA is organized in accordance with NUREG-1800, "US NRC Standard Review Plan for Review of License Renewal Applications for Nuclear Power Plants," dated April 2001, NUREG-1801, "Generic Aging Lessons Learned (GALL) Report," dated April 2001, and is consistent with the guidance provided by NEI 95-10, "Industry Guidelines for Implementing the Requirements of 10 CFR 54 – License Renewal Rule," Revision 3.

If you have any questions, please contact Fred Polaski, Exelon Nuclear License Renewal Project Manager at 610-765-5935.

Respectfully,



Jeffrey A. Benjamin
Vice President, Licensing and Regulatory Affairs

Enclosures: Affidavits, Attachment 1, 1P, LRA

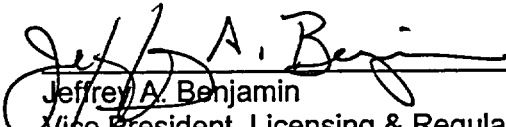
cc: Regional Administrator, USNRC Region III
NRC Project Manager, NRR – License Renewal, Safety
NRC Project Manager, NRR – License Renewal, Environmental
USNRC Senior Resident Inspector, DNPS
USNRC Senior Resident Inspector, QCNPS
Office of Nuclear Facility Safety - Illinois Department of Nuclear Safety (IDNS)

STATE OF ILLINOIS)
COUNTY OF DUPAGE)
IN THE MATTER OF:)
EXELON GENERATION COMPANY (EGC), LLC) Docket Numbers
Dresden Nuclear Power Station - Unit 2 and Unit 3) 50-238 and 50-249
Quad Cities Nuclear Power Station – Unit 1 and 2) 50-254 and 50-265

SUBJECT: Application for Renewed Operating

AFFIDAVIT

I affirm that the content of this transmittal is true and correct to the best of my knowledge, information, and belief.

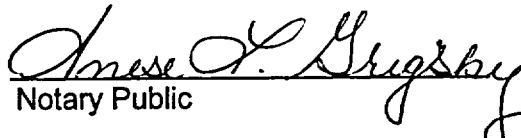


Jeffrey A. Benjamin
Vice President, Licensing & Regulatory Affairs
Exelon Generation Company, LLC

Subscribed and sworn to before me, a Notary Public in and

for the State above named, this 20th day of

December, 2002



Notary Public



ATTACHMENT 1

EXELON GENERATION, LLC
Projected Income Statement

(\$ Millions)

	2003	2004	2005	2006	2007	2008
Operating Revenue	\$	\$	\$	\$	\$	\$
Operating Expenses						
Fuel & Purchased Power						
Operation & Maintenance						
Depreciation & Amortization						
Administrative & Other						
Decommissioning Expense						
Decommissioning Recoveries						
Total Operating Expenses						
Operating Income (Loss)						
Other Income (Deductions)						
Net Interest Expense						
Income before Income Taxes						
Income Taxes						
Extraordinary Item						

Minority Interest
Net Income

\$	\$	\$	\$	\$	\$
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