December 2, 2003

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

SUBJECT: ZION NUCLEAR STATION, UNITS 1 AND 2

NRC SAFEGUARDS INSPECTION OF COMPLIANCE WITH ORDER

INSPECTION REPORT 05000295/2003004(DRS); 05000304/2003004(DRS)

Dear Mr. Skolds:

On October 21 through 24, 2003, the NRC completed an inspection at your Zion Nuclear Station. The enclosed report documents the inspection findings which were discussed on October 24, 2003, with Mr. A. Daniels, Jr. and other members of your staff.

The inspection examined activities conducted under your license as they relate to public health and safety, the common defense and security, and to compliance with the Commission's regulations, orders, and the conditions of your license. The inspectors reviewed selected procedures and records, observed activities, and interviewed personnel.

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).

Enclosure Contains SAFEGUARDS INFORMATION

**SAFEGUARDS INFORMATION** 

J. Skolds -2-

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: 50-295; 50-304 License Nos: DPR-39; DPR-48

Enclosure: Inspection Report 05000295/2003004(DRS);

05000304/2003004(DRS)

(SAFEGUARDS INFORMATION)

### cc w/encl w/(SAFEGUARDS INFORMATION)

B. Westreich (NSIR/DNS)

E. McNeil (NSIR/DNS/RSS)

B. Manili (NSIR/DNS/MTWS)

### cc w/encl w/out (SAFEGUARDS INFORMATION)

Zion Nuclear Station Decommissioning Plant Manager

Regulatory Assurance Engineer - Zion

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

**Director Project Management** 

Senior Counsel, Nuclear, Mid-West Regional Operating Group

Document Control Desk - Licensing M. Aguilar, Assistant Attorney General K. Nollenberger, County Administrator

Mayor, City of Zion State Liaison Officer

State Liaison Officer, Wisconsin

Chairman, Illinois Commerce Commission

A. C. Settles, Illinois Department of Nuclear Safety

J. Skolds -2-

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A. C. Settles, Illinois Department of Nuclear Safety

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