

March 2, 2006

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 50-237/06-01; 50-249/06-01)

Dear Mr. Crane:

On February 9, 2006, the NRC staff completed its performance review of Dresden Nuclear Power Station. Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results for the period from January 1 through December 31, 2005. 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.

This performance review and enclosed inspection plan do not include physical protection information. A separate letter designated and marked as "Exempt from Public Disclosure in accordance with 10 CFR 2.390" will include the physical protection review and resultant inspection plan.

Overall, Dresden Units 2 and 3 operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for the most recent quarter, as well as for the first three quarters of the assessment cycle, was within the Licensee Response column of the NRC's Action Matrix, based on all inspection findings being classified as having very low safety significance (Green) and all PIs indicating performance at a level requiring no additional NRC oversight (Green). Although plant performance was within the Licensee Response column, the significance of the finding associated with the failure to properly verify the adequacy of the extended power uprate design implementation to respond to changes in post-scrum reactor vessel water level is still under review as part of the Significance Determination Process which, when finalized, may change our assessment of your plant's safety performance. Based on our performance review, we plan to conduct reactor oversight process (ROP) baseline inspections at your facility. We also plan on performing inspection procedure 71004, "Power Uprate," to inspect activities related to the steam dryer replacement on Unit 3 and plan to perform the same inspection procedure during the proposed Unit 2 refueling outage in the Fall 2007.

The enclosed inspection plan details the inspections, less those related to physical protection scheduled through September 30, 2007. The inspection plan is provided to allow for the resolution of any scheduling conflicts and personnel availability issues well in advance of inspector arrival onsite. The plan also contains inspections using Independent Spent Fuel Storage Installation procedures. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last 9 months of the inspection plan are tentative and may be revised at the mid-cycle review.

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 me at (630) 829-9703 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Mark A. Ring, Chief  
Reactor Projects Branch 1  
Division of Reactor Projects

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

Enclosure: Dresden Inspection/Activity Plan

See Attached Distribution

C. Crane

-2-

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Mark A. Ring, Chief  
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Enclosure: Dresden Inspection/Activity Plan

See Attached Distribution

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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  
Operating Group  
Manager Licensing - Dresden and Quad Cities  
Senior Counsel, Nuclear, Mid-West Regional  
Operating Group  
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Assistant Attorney General  
Illinois Emergency Management Agency  
State Liaison Officer  
Chairman, Illinois Commerce Commission  
Will County Executive  
Will County Sheriff  
Director, Will County Emergency  
Management Agency  
Mayor of Joliet  
City Manager of Joliet  
Kendall County Board Chairman  
Kendall County Sheriff  
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**Dresden**  
**Inspection / Activity Plan**  
**03/01/2006 - 09/30/2007**

| Unit Number | Inspection Activity | Title   | No. of Staff on Site | Planned Dates Start | Planned Dates End | Inspection Type      |
|-------------|---------------------|---|----------------------|---------------------|-------------------|----------------------|
|             | <b>HS</b>           | <b>- HEAT SINK INSPECTION</b>   | <b>1</b>             |                     |                   |                      |
| 2           | IP 7111107B         | Heat Sink Performance   |                      | 03/20/2006          | 03/24/2006        | Baseline Inspections |
|             | <b>7112103</b>      | <b>- RADIOLOGICAL INSTRUMENTATION</b>   | <b>1</b>             |                     |                   |                      |
| 2, 3        | IP 7112103          | Radiation Monitoring Instrumentation and Protective Equipment                                 |                      | 03/13/2006          | 03/17/2006        | Baseline Inspections |
|             | <b>71004</b>        | <b>- POWER UPRATE</b>   | <b>1</b>             |                     |                   |                      |
| 2, 3        | IP 71004            | Power Uprate  |                      | 04/01/2006          | 12/31/2006        | Other Routine        |
|             | <b>INSP</b>         | <b>- ISFSI PREOPERATIONAL INSPECTION</b>  | <b>2</b>             |                     |                   |                      |
| 2, 3        | IP 60854.1          | Preoperational Testing of Independent Spent Fuel Storage Facility Installation at Operating F |                      | 05/01/2006          | 08/15/2006        | Other Routine        |
|             | <b>71111.11</b>     | <b>- LIC OPERATOR REQUAL PROGRAM EVALUATION</b>   | <b>2</b>             |                     |                   |                      |
| 2, 3        | IP 7111111B         | Licensed Operator Requalification Program   |                      | 05/15/2006          | 05/19/2006        | Baseline Inspections |
|             | <b>7112101</b>      | <b>- RADIOLOGICAL ACCESS CONTROL</b>  | <b>1</b>             |                     |                   |                      |
| 2, 3        | IP 7112101          | Access Control to Radiologically Significant Areas  |                      | 07/17/2006          | 07/21/2006        | Baseline Inspections |
| 2, 3        | IP 7112102          | ALARA Planning and Controls   |                      | 07/17/2006          | 07/21/2006        | Baseline Inspections |
| 2, 3        | IP 71151            | Performance Indicator Verification  |                      | 07/17/2006          | 07/21/2006        | Baseline Inspections |
|             | <b>7112203</b>      | <b>- REMP &amp; RAD MATL CONTROL</b>  | <b>1</b>             |                     |                   |                      |
| 2, 3        | IP 7112203          | Radiological Environmental Monitoring Program (REMP) And Radioactive Material Control P       |                      | 08/07/2006          | 08/11/2006        | Baseline Inspections |
| 2, 3        | IP 71151            | Performance Indicator Verification  |                      | 08/07/2006          | 08/11/2006        | Baseline Inspections |
|             | <b>MOD5059</b>      | <b>- MODIFICATION/50.59 INSPECTION</b>  | <b>2</b>             |                     |                   |                      |
| 2, 3        | IP 7111102          | Evaluation of Changes, Tests, or Experiments  |                      | 09/18/2006          | 10/06/2006        | Baseline Inspections |
| 2, 3        | IP 7111117B         | Permanent Plant Modifications   |                      | 09/18/2006          | 10/06/2006        | Baseline Inspections |
|             | <b>ISI</b>          | <b>- DRESDEN UNIT 3 ISI INSPECTION</b>  | <b>1</b>             |                     |                   |                      |
| 3           | IP 7111108G         | Inservice Inspection Activities - BWR   |                      | 11/13/2006          | 11/17/2006        | Baseline Inspections |
|             | <b>7112102</b>      | <b>- ALARA OUTAGE INSP</b>  | <b>1</b>             |                     |                   |                      |
| 2, 3        | IP 7112101          | Access Control to Radiologically Significant Areas  |                      | 11/13/2006          | 11/17/2006        | Baseline Inspections |
| 2, 3        | IP 7112102          | ALARA Planning and Controls   |                      | 11/13/2006          | 11/17/2006        | Baseline Inspections |
|             | <b>ME</b>           | <b>- MAINTENANCE EFFECTIVENESS INSPECTION</b>   | <b>1</b>             |                     |                   |                      |
| 2, 3        | IP 7111112B         | Maintenance Effectiveness   |                      | 12/11/2006          | 12/15/2006        | Baseline Inspections |
|             | <b>ISFSI</b>        | <b>- ISFSI INSPECTION</b>   | <b>4</b>             |                     |                   |                      |
| 2           | IP 60855.1          | Operation of an Independent Spent Fuel Storage Installation at Operating Plants               |                      | 01/01/2007          | 03/31/2007        | Other Routine        |
|             | <b>71122.02</b>     | <b>- TRANSPORTATION AND RADWASTE</b>  | <b>1</b>             |                     |                   |                      |
| 2, 3        | IP 7112202          | Radioactive Material Processing and Transportation  |                      | 02/05/2007          | 02/09/2007        | Baseline Inspections |
|             | <b>7111401</b>      | <b>- EP EXERCISE &amp; PI INSP</b>  | <b>1</b>             |                     |                   |                      |
| 2, 3        | IP 7111401          | Exercise Evaluation   |                      | 03/19/2007          | 03/23/2007        | Baseline Inspections |
| 2, 3        | IP 71151            | Performance Indicator Verification  |                      | 03/19/2007          | 03/23/2007        | 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**  
**03/01/2006 - 09/30/2007**

| Unit Number | Inspection Activity                               | Title  | No. of Staff on Site | Planned Dates Start | Planned Dates End | Inspection Type      |
|-------------|---|--|----------------------|---------------------|-------------------|----------------------|
|             | <b>FY 2007 - DRESDEN INIT PREP 04/2007</b>        |  | <b>3</b>             |                     |                   |                      |
| 2           | W90160  | OL - INITIAL EXAM - DRESDEN - APR/MAY 2007                               |                      | 04/02/2007          | 04/06/2007        | Not Applicable       |
|             | <b>71122.01 - RADIOLOGICAL EFFLUENTS</b>          |  | <b>1</b>             |                     |                   |                      |
| 2, 3        | IP 7112201  | Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems |                      | 04/16/2007          | 04/20/2007        | Baseline Inspections |
| 2, 3        | IP 71151  | Performance Indicator Verification                                       |                      | 04/16/2007          | 04/20/2007        | Baseline Inspections |
|             | <b>FY 2007 - DRESDEN INIT EXAM 04&amp;05/2007</b> |  | <b>3</b>             |                     |                   |                      |
| 2           | W90160  | OL - INITIAL EXAM - DRESDEN - APR/MAY 2007                               |                      | 04/23/2007          | 05/04/2007        | Not Applicable       |
|             | <b>71121.01 - RADIOLOGICAL ACCESS CONTROL</b>     |  | <b>1</b>             |                     |                   |                      |
| 2, 3        | IP 7112101  | Access Control to Radiologically Significant Areas                       |                      | 07/09/2007          | 07/13/2007        | Baseline Inspections |
| 2, 3        | IP 71151  | Performance Indicator Verification                                       |                      | 07/09/2007          | 07/13/2007        | Baseline Inspections |
|             | <b>CDBI - COMPONENT DESIGN BASES INSPECTION</b>   |  | <b>5</b>             |                     |                   |                      |
| 2, 3        | IP 7111121  | Component Design Bases Inspection  |                      | 08/27/2007          | 09/28/2007        | Baseline Inspections |