

Mr. Charles G. Pardee
Chief Nuclear Officer
and Senior Vice President
Exelon Generation Company, LLC
4300 Winfield Road
Warrenville, IL 60555

July 18, 2008

SUBJECT: DRESDEN NUCLEAR POWER STATION, UNITS 2 AND 3 - AUDIT OF THE
LICENSEE'S MANAGEMENT OF REGULATORY COMMITMENTS
(TAC NOS. MD8698 AND MD8699)

Dear Mr. Pardee:

In Regulatory Issue Summary 2000-17, "Managing Regulatory Commitments Made by Power Reactor Licensees to the NRC Staff," dated September 21, 2000, the Nuclear Regulatory Commission (NRC) informed licensees that the Nuclear Energy Institute (NEI) document NEI 99-04, "Guidelines for Managing NRC Commitment Changes," contains acceptable guidance for controlling regulatory commitments and encouraged licensees to use the NEI guidance or similar administrative controls to ensure that regulatory commitments are implemented and that changes to the regulatory commitments are evaluated and, when appropriate, reported to the NRC.

The NRC Office of Nuclear Reactor Regulation has instructed its staff to perform an audit of licensees' commitment management programs once every 3 years to determine whether the licensees' programs are consistent with the industry guidance in NEI 99-04, and that regulatory commitments are being effectively implemented.

An audit of Dresden Nuclear Power Station's (DNPS's) Units 2 and 3 commitment management program was performed at DNPS and the Exelon corporate office in Warrenville, IL., during the period June 3 – 5, 2008. Additional follow up was performed at the NRC office in Rockville, MD., during the period July 10 – 11, 2008. The NRC staff concludes, based on the audit, that (1) DNPS has implemented NRC commitments on a timely basis, and (2) has implemented an effective program for managing NRC commitment changes. Details of the audit are set forth in the enclosed audit report.

Sincerely,
/RA/

Joel S. Wiebe, Senior Project Manager
Plant Licensing Branch III-2
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-237 and 50-249

Enclosure:
Commitment Management Audit Report

cc w/encl: See next page

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cc w/encl: See next page

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Dresden Nuclear Power Station, Units 2 and 3

cc:

Corporate Distribution
Exelon Generation Company, LLC
Via e-mail

Dresden Distribution
Exelon Generation Company, LLC
Via e-mail

Dresden Resident Inspector
U.S. Nuclear Regulatory Commission
Via e-mail

Chairman
Grundy County Board
Via e-mail

Illinois Emergency Management Agency
Division of Disaster Assistance &
Preparedness
Via e-mail

AUDIT REPORT BY THE OFFICE OF NUCLEAR REACTOR REGULATION

LICENSEE MANAGEMENT OF REGULATORY COMMITMENTS

DRESDEN NUCLEAR POWER STATION, UNIT NOS. 2 AND 3

DOCKET NOS. 50-237 AND 50-249

1.0 INTRODUCTION AND BACKGROUND

In Regulatory Issue Summary 2000-17, "Managing Regulatory Commitments Made by Power Reactor Licensees to the NRC Staff," dated September 21, 2000, the Nuclear Regulatory Commission (NRC) informed licensees that the Nuclear Energy Institute (NEI) document NEI 99-04, "Guidelines for Managing NRC Commitment Changes," contains acceptable guidance for controlling regulatory commitments and encouraged licensees to use the NEI guidance or similar administrative controls to ensure that regulatory commitments are implemented and that changes to the regulatory commitments are evaluated and, when appropriate, reported to the NRC.

The NRC Office of Nuclear Reactor Regulation (NRR) has instructed its staff to perform an audit of licensees' commitment management programs once every 3 years to determine whether the licensees' programs are consistent with the industry guidance in NEI 99-04, and that regulatory commitments are being effectively implemented.

NEI-99-04 defines a "regulatory commitment" as an explicit statement to take a specific action agreed to, or volunteered by a licensee, and submitted in writing on the docket to the NRC. NRR guidelines direct the NRR Project Manager to audit the licensee's commitment management program by assessing the adequacy of the licensee's implementation of a sample of commitments made to the NRC in past licensing actions (amendments, reliefs, exemptions, etc.) and activities (bulletins, generic letters, etc.). The audit is to be performed every 3 years.

2.0 AUDIT PROCEDURE AND RESULTS

An audit of the Dresden Nuclear Power Station (DNPS) commitment management program was performed at DNPS and the Exelon corporate office in Warrenville, IL., during the period June 3 – 5, 2008. Additional followup was performed at the NRC office in Rockville, MD., during the period June 10 – 12, 2008. The audit reviewed commitments made since the previous audit in August 2005. The audit consisted of two major parts: (1) verification of the licensee's implementation of NRC commitments that have been completed and (2) verification of the licensee's program for managing changes to NRC commitments.

2.1 Verification of Licensee's Implementation of NRC Commitments

The primary focus of this part of the audit is to confirm that the licensee has implemented commitments made to the NRC as part of past licensing actions/activities. For commitments not yet implemented, the NRC staff determines whether they have been captured in an effective program for future implementation.

ENCLOSURE

2.1.1 Audit Scope

The audit addressed a sample of commitments made during the review period. The audit focused on regulatory commitments (as defined above) made in writing to the NRC as a result of past licensing actions (amendments, exemptions, etc.) or licensing activities (bulletins, generic letters, etc.). Commitments made in Licensee Event Reports or in response to Notices of Violation may be included in the sample, but the review will be limited to verification of restoration of compliance, not the specific methods used. The NRC staff searched Agencywide Documents Access and Management System for the licensee's submittals since the last audit and selected a representative sample for verification.

The audit excluded the following types of commitments that are internal to licensee processes:

- (1) Commitments made on the licensee's own initiative among internal organizational components.
- (2) Commitments that pertain to milestones of licensing actions/activities (e.g., respond to an NRC request for additional information by a certain date). Fulfillment of these commitments was indicated by the fact that the subject licensing action/activity was completed.
- (3) Commitments made as an internal reminder to take actions to comply with existing regulatory requirements such as regulations, technical specifications (TSs), and updated final safety analysis reports. Fulfillment of these commitments was indicated by the licensee having taken timely action in accordance with the subject requirements.

2.1.2 Audit Results

The attached Audit Summary provides details of the audit and its results.

Based on the sample of commitments reviewed, the NRC staff found that commitments tracked in accordance with procedure LS-AA-110, Revision 6, "Commitment Management," were implemented appropriately. Based on the sample of licensee submittals and NRC safety evaluations reviewed, the NRC staff found that commitments were generally tracked as specified by procedure LS-AA-110, Revision 6. In one instance, the commitment was not found in the DNPS commitment list, but was located in the corporate commitment list. In another instance, the commitments were not found in either list. These are examples of similar issues that the licensee has self-identified. The issues are documented in the licensee's corrective action program and corrective actions are scheduled and ongoing. The effectiveness of the licensee's corrective actions may be subject to review during a future audit.

2.2 Verification of the Licensee's Program for Managing NRC Commitment Changes

The primary focus of this part of the audit is to verify that the licensee has established administrative controls for modifying or deleting commitments made to the NRC. The NRC staff compared the licensee's process for controlling regulatory commitments to the guidelines in NEI-99-04, which the NRC has found to be an acceptable guide for licensees to follow for

managing and changing commitments. The process used at DNPS is contained in LS-AA-110, Revision 6. The audit also verifies that the licensee's commitment management system includes a mechanism to ensure traceability of commitments following initial implementation. This ensures that licensee personnel are able to recognize that future proposed changes to the affected design features or operating practices require evaluation in accordance with the commitment change control process.

2.2.1 Audit Results

The attached Audit Summary also provides details of the audit results of the licensee's program for managing NRC commitment changes. The NRC staff found that procedure LS-AA-110, Revision 6, was consistent with the guidance found acceptable in NEI 99-04. The NRC staff found that, in general, the licensee followed the process in their procedure. Minor exceptions were identified by the licensee during the audit and were documented in the licensee's corrective action program.

3.0 CONCLUSION

The NRC staff concludes, based on the above audit, that DNPS has implemented NRC commitments on a timely basis. The audit identified one instance where commitments weren't included in a tracking system. The licensee had previously identified similar issues and documented it in their corrective action program. Corrective actions are scheduled and ongoing. The audit did not identify any instances in which the commitments were not implemented.

4.0 LICENSEE PERSONNEL CONTACTED FOR THIS AUDIT

Joseph Griffen
John Schrage
Alison Mackellar

Principal Contributor: Joel Wiebe

Attachment: Summary of Audit Results

AUDIT SUMMARY

IMPLEMENTATION OF COMMITMENTS:

The following commitments were chosen for audit and determined to be appropriately implemented:

AR 7352 – Licensee Event Report 3-99-001, “Unit 3 Shutdown Cooling Isolation”
AR 6726 – Actions for Compliance with NRC Bulletin 96-03
AR 166576 – Reactor Steam Dryer Degradation Issue
AR 189765 – Generic Letter 2003-01, “Control Room Habitability” Response Commitments
AR 380098 – Evaluate the Impact of Extended Power Uprate on Assigned Systems
AR 455176 – Provide Technical Information for Venting Containment per B.5.b
AR 531549 – NRC Approval of Alternate Source Term Amendment
AR 540872 – One Time Standby Liquid Control System Pump Test

The following submittals and safety evaluations were chosen for audit and reviewed for commitments:

RS-05-094 dated July 11, 2005 – The commitments were tracked and appropriately implemented.

RS-05-100 dated July 26, 2005 – The commitments were not entered into the licensee’s tracking system. The licensee entered this item into their corrective action program (Issue # 00782867). The commitments were appropriately implemented.

NRC Safety Evaluation (SE) dated August 25, 2005 – The application (RS-05-007) dated January 21, 2005, did not specifically call out as a commitment, the technical specification bases statement that allows reactor startup prior to performing the heat removal capability test, provided an engineering evaluation has been performed which demonstrates reasonable assurance of the isolation condenser (IC) system’s design heat removal capability. The NRC SE states that before startup, the licensee will perform an engineering evaluation to assure that the required IC decay heat removal capability is available with margin. The NRC SE did not specifically identify this as a commitment. As a result, the auditor has no further questions on this item.

NRC SE dated June 27, 2006 – The application (RS-05-0157) dated December 14, 2005, did not identify any commitments. The NRC SE did not contain any items identified as commitments.

MANAGEMENT OF CHANGES TO REGULATORY COMMITMENTS:

Procedure LS-AA-110, Revision 6, was reviewed and found to be consistent with the guidance found acceptable in NEI 99-04.

ATTACHMENT