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ILLINOIS EPA
BUREAU OF WATER
DIVISION OF PUBLIC WATER SUPPLIES
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SPRINGFIELD, IL 62794-9276

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Bill

H-42

Exelon Generation Company, LLC
Dresden Nuclear Power Station
6500 North Dresden Road
Morris, IL 60450-9765

www.exeloncorp.com

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MAY 23 2006

Re: 62

630-515-1096

IEPA

SVP-06-0028

May 18, 2006

Ms. Beverly Booker
Illinois Environmental Protection Agency
Bureau of Water, CAS #19
P.O. Box 19276
Springfield, Illinois 62794-9276

Subject: Dresden Nuclear Power Station
Response to Violation Notice W-2006-02010

Reference: Letter from Illinois EPA, "Violation Notice: Exelon Generation –
Dresden Station," dated March 31, 2006

Dear Ms. Booker:

In the referenced letter, the Illinois Environmental Protection Agency (IEPA) issued a Violation Notice to Exelon Generation Company, LLC (Exelon) regarding groundwater quality and discharging wastewaters without an NPDES permit at Dresden Nuclear Power Station (Dresden Station).

At the outset, we want to underscore that this is not the typical environmental enforcement case, where the IEPA identifies an environmental problem through the issuance of a Violation Notice and the respondent only then provides information to the agency. The Violation Notice is based on tritium-sampling results that Exelon obtained on its own initiative and promptly provided to the IEPA during the November-December 2005 and January-March 2006 time periods. The samples were provided to the IEPA as part of Exelon's voluntary disclosures to the agency, which began in fall 2004, following Exelon's identification of elevated tritium levels on site, resulting from a high pressure coolant injection line leak. Given Exelon's voluntary and pro-active efforts to date to identify, disclose and promptly propose responsible solutions to the tritium releases, and given the fact that the tritium releases have not impacted off-site soil or groundwater, we consider that this matter can be fully resolved without a formal enforcement referral.

The enclosure to this letter contains Exelon's response to the Violation Notice. The response addresses the alleged violations and describes Exelon's actions to date: to investigate and repair the affected line; to monitor and assess groundwater characteristics, impacts and movement; and to inform the public and regulators, including the IEPA. It also includes Exelon's ongoing and future plans to monitor and address the tritium levels at issue in this matter.

Ms. Beverly Booker
May 18, 2006
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Pursuant to Section 31(a)(2) of the Environmental Protection Act, Exelon requests a meeting with the IEPA to discuss this matter. We will contact the IEPA to arrange a meeting.

This written response is being submitted within 45 days of Exelon's receipt of the Violation Notice. By submitting this response, Exelon is not admitting that it has violated the Illinois Environmental Protection Act or the regulations of the Illinois Pollution Control Board.

If you have any questions about this response, please contact Kenneth Ainger at (630) 657-2800.

Respectfully,

A handwritten signature in black ink, appearing to read "D. G. Bost". The signature is written in a cursive style with a large initial "D".

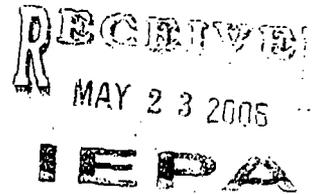
Danny G. Bost
Site Vice President
Dresden Station

Enclosure

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

ENCLOSURE

RESPONSE TO VIOLATION NOTICE M-2006-02010



Violation Notice Allegations

Violation Notice No. M-2006-02010 alleges the following:

1. Violations of Section 12 of the Environmental Protection Act (Act), the General Prohibition Against Use Impairment of Resource Groundwater and the causing of the groundwater quality standard of tritium (20,000 pCi/L) to be exceeded based on sampling results of various listed on-site wells on various listed dates between November 2005 and March 2006;
2. Violations of Section 12 of the Act, the General Prohibition Against Use Impairment of Resource Groundwater based on sampling results of various listed on-site wells and one off-site well on various listed dates between November 2005 and March 2006;
3. That Dresden discharged wastewater containing contaminants from areas of the discharge canals other than the permitted outfall points on December 7, 2005, and March 10, 2006, citing Act Sections 12(a) and (f) and 35 IAC 309.102(a);
4. That Dresden failed to prevent or mitigate the discharge of wastewater containing contaminants from areas other than permitted outfall points on December 7, 2005, and March 10, 2006, citing Act Sections 12(a) and (f), 35 IAC 306.102(a) and (b), and NPDES Std. Conditions 1,4 and 5; and
5. That Dresden Station failed to provide notification of noncompliance to the IEPA on December 7, 2005, and March 10, 2006, citing Act Sections 12(a) and (f), 35 IAC 309.102(a) and NPDES Std. Conditions 12(e) and (f).

Exelon disputes the listed allegations. Moreover, we are concerned that many of the allegations require further clarification, especially in terms of the alleged violation dates.

Nevertheless, in Section I below, Exelon discusses the appropriate actions taken in response to the 2004 and 2006 identification of elevated tritium levels. These actions included: isolating and repairing the leaking lines and mitigation activities in the local area; notifying the public and regulators; and investigating and determining relevant site groundwater and tritium plume characteristics, in coordination with the IEPA. In addition, in Section II below, which will constitute a proposed Compliance Commitment Agreement, pursuant to Act Section 31(a)(2), Exelon will submit a Migration Control Plan to prevent the migration of tritium-impacted groundwater at concentrations above 20,000 pCi/L off the Property (i.e., the NRC licensed site boundary). Exelon considers that the Migration Control Plan, in addition to those actions already implemented since 2004, will adequately address and resolve the alleged violations.

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EXELON RESPONSE

I. Actions Taken to Date

On August 31, 2004, sample results from Dresden Station's groundwater monitoring wells identified higher-than-expected concentrations of tritium. These sample results indicated a leak in an underground line carrying water from a condensate storage tank to the high-pressure coolant injection (HPCI) system. To test the lines, acoustic emission testing was performed on the entire length of the line. This indicated a potential leak located in a section of the HPCI suction line near the reactor building.

On September 4, 2004, in order to confirm the initial test results, the HPCI line was isolated and excavation began in order to perform additional testing and repairs. Two pressure tests were performed to confirm that the leak was located in the previously identified segment of the HPCI suction line near the reactor building. The leaking section of piping was abandoned in place and a new section of pipe was routed to the HPCI System. A final pressure test was performed on the new pipe and remaining portion of the existing pipe and the results indicated that the leak was repaired.

Since the remaining original portion of the existing pipe had passed both the acoustic emission testing and pressure testing, there was no need for its immediate replacement. Dresden Station scheduled replacement of the remaining pipe segment for fall 2006.

Site Characterization

On September 27, 2004, Exelon issued a contract for a groundwater assessment of Dresden Station to an environmental consulting company, directed at determining relevant site hydrogeology and plume location and movement. This assessment included the installation of additional monitoring wells, implemented in coordination with IEPA. The assessment determined that the bulk of the tritium discharged to the groundwater is flowing in a northwest direction under the influence of local hydraulic gradients governed by plant building foundations and structures. The assessment also concluded that groundwater tritium in the vicinity of the HPCI leak has not migrated off site.

Notification and Outreach

Upon identification of the elevated tritium concentrations, Exelon notified the Nuclear Regulatory Commission (NRC) and the Illinois Emergency Management Agency (IEMA) and provided updates on a regular basis. Information about the tritium leak was provided to the Dresden Station workforce in the form of a site-wide e-mail and hard-copy communication. Exelon issued a press release on October 15, 2004, on the tritium leak at Dresden Station and began discussions with the IEPA regarding our response actions, including public outreach.

On November 11, 2004, in coordination with the IEPA and the Illinois Department of Public Health (IDPH), Exelon personnel hand-delivered information to the 39 homes in the area directly south of Dresden informing them of the tritium leak and offering to test their drinking water for the presence of tritium. These residents were also invited to a public meeting at the station. The following week, 21 individuals attended the meeting along with representatives from the IEPA and IDPH, who were present to answer

questions. Letters were mailed to property owners in the subdivision who live elsewhere during the winter months and a follow-up letter was sent to those who did not respond to the company's initial offer of well testing. Another meeting was held at Dresden Station in October 2005, during which an update on the tritium issue was discussed.

2006 Identification and Response

On January 19, 2006, Dresden Station identified higher than expected levels of tritium in one of 54 onsite groundwater monitoring points, through the enhanced groundwater monitoring program, which was implemented following the 2004 event. On February 11, 2006, the suspected section of piping was isolated and within a few days, excavation work began.

Data from the site's groundwater monitoring program indicated that the tritium was confined to an area approximately 30 feet in diameter and that the leak did not affect the health and safety of station workers or plant neighbors. On February 14, 2006, the Dresden Station workforce was informed of the issue via a site-wide e-mail and hard-copy communication. Dresden Station personnel hand-delivered information about the leak to the homes located just south of the station. Notifications were made to the NRC, IEPA and the IDPH. Exelon issued a press release announcing the company's fleet-wide tritium assessment initiative with information about the recently discovered leak at Dresden Station.

HPCI line replacement is currently underway and groundwater in the excavation is being collected and processed through the station's radwaste system. The HPCI line replacement will be complete in June. All other associated project work will be completed by July.

Coordination with IEPA

Since the identification of elevated tritium levels in 2004, Exelon has worked with the NRC, IEPA, IDPH and IDPH regarding this matter. Exelon worked in coordination with the IEPA for over 18 months regarding public outreach, monitoring and sampling and to discuss remediation approaches to the Dresden Station HPCI line leaks. Exelon's cooperation with the IEPA was voluntary as the IEPA had not pursued or threatened any enforcement action.

Exelon submitted a groundwater tritium investigation report to the IEPA on October 19 and November 30, 2005. The IEPA documented its review of that report in a December 16, 2005 letter to Exelon. Exelon will address the IEPA's comments and submit an addendum to that report by June 30, 2006.

Section II – Future Actions

By this response, Exelon is proposing to address the alleged violations through a Compliance Commitment Agreement. Exelon will submit a Migration Control Plan that will define the measures to be taken on the property to prevent migration of tritium-impacted groundwater at concentrations above 20,000 pCi/L off the property. The property is defined as the NRC licensed site boundary. The Migration Control Plan will be provided to the IEPA, for information, by June 30, 2006. The plan will describe monitoring of groundwater sampling wells to monitor plume movement and verify natural attenuation of the tritium-impacted groundwater on the property.

Dresden Station is also participating in the Exelon fleet-wide tritium assessment initiative, which involves a comprehensive review and risk analysis of all systems that carry or contain tritium. Fifteen additional groundwater sampling wells were installed around the perimeter of the plant as part of the fleet-wide effort including two locations recommended by an IEPA hydrologist in December 2005.

With the implementation of the Mitigation Control Plan, Dresden Station will be able to demonstrate the rate at which onsite tritium levels are decreasing and that no tritium is migrating offsite at levels above applicable standards.

Section III – Response to Violation Notice Allegations

Exelon is proposing to address the alleged violations through a Compliance Commitment Agreement, discussed above. We are requesting a meeting to discuss this approach with you further. However by the proposed Compliance Commitment Agreement, we are not waiving our legal defenses and arguments, which include, but are not limited to the following.

1. Dresden Station operates under a license issued by the federal Nuclear Regulatory Commission (NRC) and is, thereby, subject to NRC regulation. Under the Atomic Energy Act and regulations and case law interpreting the Act, the federal government has exclusive authority to regulate the operation of nuclear plants, which includes the discharge of radioactive effluents from those plants. Accordingly, NRC regulations, rather than Illinois statutes and regulations, apply to the tritium releases at issue in this matter.
2. In addition, there is a second and independent basis for disputing the NPDES permit related claims. Under Section 12(f) of Illinois' Environmental Protection Act, 415 ILCS 5/12, permits are only required insofar as the Federal Pollution Control Act (also known as the Clean Water Act) (CWA) requires such permits. The CWA requires permits for the discharges of pollutants to "navigable waters," which do not include groundwater. To the extent that the allegations at issue relate to discharges into groundwater, it follows that no NPDES permit is required for such discharges and that no related permit violations can be found.
3. Exelon reserves the right to set forth its factual and legal defenses to the alleged violations in more detail at a future time.

Section IV – Conclusion

By this response, Exelon seeks to enter into a Compliance Commitment Agreement with the IEPA in order to address and resolve the Violation Notice allegations, which we plan to discuss further with the IEPA in more detail at an upcoming meeting. We are confident that the responsive actions already implemented and those proposed will assure that the tritium onsite is diminishing and poses no threat to the public safety or the environment.

1 AN ACT concerning safety.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 5. The Environmental Protection Act is amended by
5 adding Section 13.6 as follows:

6 (415 ILCS 5/13.6 new)

7 Sec. 13.6. Release of radionuclides at nuclear power
8 plants.

9 (a) The purpose of this Section is to require the detection
10 and reporting of unpermitted releases of any radionuclides into
11 groundwater, surface water, or soil at nuclear power plants, to
12 the extent that federal law or regulation does not preempt such
13 requirements.

14 (b) No owner or operator of a nuclear power plant shall
15 violate any rule adopted under this Section.

16 (c) Within 24 hours after an unpermitted release of a
17 radionuclide from a nuclear power plant, the owner or operator
18 of the nuclear power plant where the release occurred shall
19 report the release to the Agency and the Illinois Emergency
20 Management Agency. For purposes of this Section, "unpermitted
21 release of a radionuclide" means any spilling, leaking,
22 emitting, discharging, escaping, leaching, or disposing of a
23 radionuclide into groundwater, surface water, or soil that is
24 not permitted under State or federal law or regulation.

25 (d) The Agency and the Illinois Emergency Management Agency
26 shall inspect each nuclear power plant for compliance with the
27 requirements of this Section and rules adopted pursuant to this
28 Section no less than once each calendar quarter. Nothing in
29 this Section shall limit the Agency's authority to make
30 inspections under Section 4 or any other provision of this Act.

31 (e) No later than one year after the effective date of this
32 amendatory Act of the 94th General Assembly, the Agency, in