

June 3, 2003

EA-03-102

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

SUBJECT: DRESDEN NUCLEAR POWER STATION
NRC INSPECTION REPORT 50-237/02-15(DRS); 50-249/02-15(DRS);
OFFICE OF INVESTIGATION REPORT 3-2002-027

Dear Mr. Skolds:

This refers to the inspection conducted on August 26 through October 4, 2002, at your Dresden Nuclear Power Station, Units 2 and 3. The purpose of the inspection was to conduct the biennial baseline inspection of the operator requalification program with an emphasis on the failure of your staff to ensure that the Dresden licensed operators maintained their licenses. This failure resulted in the NRC having to issue 47 Notices of Enforcement Discretion (NOED) letters. The inspection also focused on the circumstances surrounding your staff's failure to provide accurate and complete information to the NRC regarding the status of the completion of the requalification program for an individual applying for a reactor operator license renewal. Inspection Report No. 50-237/249/02-15 which discussed the details of these issues was issued on November 1, 2002. This letter also refers to the NRC Office of Investigations (OI) report issued on April 9, 2003. The purpose of the OI investigation was to determine: (1) if a deliberate falsification of an operator's license renewal occurred; (2) if the License Operator Requalification Training Program lead deliberately failed to timely renew operator licenses; and (3) if the operations training manager deliberately failed to ensure that operator licenses were renewed within the NRC-required time frame.

Based on the results of the investigation, OI did not substantiate any deliberate misconduct. A copy of the OI investigation report (Case No. 3-2002-027/R111-2002-A-143) synopsis is enclosed. However, based on the results of the inspection, four apparent violations were identified, one of which is being considered for escalated enforcement action in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), NUREG-1600. The remaining three apparent violations are not being considered for escalated enforcement and will be dispositioned in the next Dresden integrated inspection report. The current Enforcement Policy is included on the NRC's website at www.nrc.gov; select **What We Do, Enforcement**, then **Enforcement Policy**. On March 6, 2002, your staff provided information to the NRC regarding the requalification status of one individual applying for an NRC reactor operator's license renewal. This information was incorrect and incomplete in that it stated that the individual had met the NRC licensed operator requalification examination requirements when, in fact, the individual did not. As a result, on

March 12, 2002, the NRC renewed a reactor operator license that would not have been renewed had the correct status of the operator requalification program for the individual been known. Your staff became aware of this issue on July 11, 2002, and communicated the information to NRC Region III management via teleconference on July 11, 2002. The circumstances surrounding this apparent violation, the significance of the issues, and the need for lasting and effective corrective action were discussed with members of your staff at the inspection exit meeting on October 4, 2002. As a result, it may not be necessary to conduct a predecisional enforcement conference in order to enable the NRC to make an enforcement decision.

In addition, since you identified the violation, and based on our understanding of your corrective actions, a civil penalty may not be warranted in accordance with Section VI.C.2 of the Enforcement Policy. The final decision will be based on your confirming on the license docket that the corrective actions previously described to the staff have been or are being taken.

Before the NRC makes its enforcement decision, we are providing you an opportunity to either: (1) respond to the apparent violation (URI 50-237/249/02-15-05(DRS)) addressed in Inspection Report No. 50-237/249/02-15 within 30 days of the date of this letter; or (2) request a predecisional enforcement conference. If a conference is held, it will be open for public observation. The NRC will also issue a press release to announce the conference. Please contact Roger Lanksbury at (630) 829-9631 within 7 days of the date of this letter to notify the NRC of your intended response.

If you choose to provide a written response, it should be clearly marked as a "Response to An Apparent Violation in Inspection Report No. 50-237/249/02-15; EA-03-102" and should include for each apparent violation: (1) the reason for the apparent violation, or, if contested, the basis for disputing the apparent violation; (2) the corrective steps that have been taken and the results achieved; (3) the corrective steps that will be taken to avoid further violations; and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate response is not received within the time specified or an extension of time has not been granted by the NRC, the NRC will proceed with its enforcement decision or schedule a predecisional enforcement conference.

In addition, please be advised that the number and characterization of apparent violations described in Inspection Report No. 50-237/249/02-15 may change as a result of further NRC review. You will be advised by separate correspondence of the results of our deliberations on this matter.

In accordance with 10 CFR 2.790 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 NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible your response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction.

Sincerely,

/RA by Roy Caniano Acting For/

Cynthia D. Pederson, Director
Division of Reactor Safety

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

Enclosure: Synopsis of Office of Investigation Report
Case #3-2002-027/RIII-2002-A-143

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
Document Control Desk - Licensing
M. Aguilar, Assistant Attorney General
Illinois Department of Nuclear Safety
State Liaison Officer
Chairman, Illinois Commerce Commission

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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
Document Control Desk - Licensing
M. Aguilar, Assistant Attorney General
Illinois Department of Nuclear Safety
State Liaison Officer
Chairman, Illinois Commerce Commission

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***See Previous Concurrence**

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DATE	6/3/03	6/3/03	6/3/03	6/3/03	6/3/03

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SYNOPSIS
Office of Investigation Case #3-2002-027

This investigation was initiated on September 23, 2002, by the U.S. Nuclear Regulatory Commission, Office of Investigations, Region III, to determine: (1) if a deliberate falsification of an operator's license renewal occurred; (2) if the Licensed Operator Requalification Training (LORT) lead deliberately failed to timely renew operator licenses; and (3) if the operations training manager deliberately failed to ensure that operator licenses were renewed within the NRC-required time frame at the Dresden Nuclear Power Station.

Allegation 1: Based upon the evidence developed during this investigation, it was not substantiated that a Senior Training Specialist and LORT lead deliberately falsified an operator's license renewal.

Allegation 2: Based upon the evidence developed during this investigation, it was not substantiated that the LORT lead deliberately failed to timely renew operator licenses.

Allegation 3: Based upon the evidence developed during this investigation, it was not substantiated that the operations training manager deliberately failed to ensure that operator licenses were renewed within the NRC-required time frame.