

SAFEGUARDS INFORMATION

March 16, 2004

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 PHYSICAL SECURITY
INSPECTION REPORT 05000295/2004001(DRS); 05000304/2004001(DRS)

Dear Mr. Skolds:

On March 12, 2004, the NRC completed an inspection at your Zion Nuclear Station. The enclosed report documents the inspection findings which were discussed on March 12, 2004, 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 2.390 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).

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J. Skolds

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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 No. 50-295; 50-304
License No. DPR-39; DPR-48

Enclosure: Inspection Report 05000295/2004001(DRS);
05000304/2004001(DRS)
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cc w/encl **(SAFEGUARDS INFORMATION)**:

E. McNeil (NSIR/DNS/RSS)
B. Westreich (NSIR/DNS)
B. Manili (NSIR/DNS/MTWS)

cc w/o **(SAFEGUARDS INFORMATION)**:

Zion Nuclear Power 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

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Zion Nuclear Power 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
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A. C. Settles, Illinois Department of Nuclear Safety

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