

SAFEGUARDS INFORMATION

October 29, 2004

Mr. Christopher M. Crane
President and Chief Nuclear Officer
Exelon Generation Company, LLC
AmerGen Energy Company, LLC
4300 Winfield Road
Warrenville, IL 60555

SUBJECT: QUAD CITIES NUCLEAR POWER STATION, UNITS 1 AND 2 -
ADMINISTRATIVE CHANGE TO RENEWED FACILITY OPERATING
LICENSES IN CONJUNCTION WITH THE COMMISSION ORDER EA-03-086
REGARDING REVISED DESIGN BASIS THREAT (DBT); AND REVISIONS TO
PHYSICAL SECURITY PLAN, TRAINING AND QUALIFICATION PLAN, AND
SAFEGUARDS CONTINGENCY PLAN (TAC NOS. MC2890 AND MC2891)

Dear Mr. Crane:

By letter dated April 28, 2004, the Exelon Generation Company and AmerGen Energy Company submitted a supplemental response in accordance with Order EA-03-086, the Order requiring compliance with the revised design basis threat, dated April 29, 2003 (DBT Order), for Quad Cities Nuclear Power Station, Units 1 and 2 (Quad Cities). Section III.A of the DBT Order required licensees to revise physical security plans (PSPs), training and qualification plans (T&Q Plans), and safeguards contingency plans (SCPs) in order to provide protection against the revised DBT set forth in Attachment 2 to the DBT Order. These revised plans, along with an implementation schedule, were required to be submitted to the Nuclear Regulatory Commission (NRC or the Commission) for review and approval no later than April 29, 2004.

The NRC staff's review of the Quad Cities PSP, SCP, and T&Q Plan submitted in your letter dated April 28, 2004, as supplemented on July 6, July 9, July 23, August 4, August 12, September 9, October 14, and October 21, 2004, has focused on ensuring that the necessary programmatic elements are contained in these plans in order to provide high assurance that activities involving special nuclear material are not inimical to the common defense and security and do not constitute an unreasonable risk to the public health and safety.

<p>NOTICE: Enclosure 2 contains Safeguards Information. Upon separation from Enclosure 2, this letter and Enclosure 1 are DECONTROLLED.</p>
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SAFEGUARDS INFORMATION

The NRC staff has determined that, subject to subsequent inspection and evaluation, these plans contain the necessary programmatic elements that, when effectively implemented, will provide the high assurance that Quad Cities will be protected against the revised DBT. The NRC staff, therefore, approves the PSP, SCP, and T&Q Plan for Quad Cities. However, ultimately the effectiveness of these plans will be judged on your ability to meet regulatory requirements through facility implementing procedures and site practices. As such, your facility implementing procedures and practices will continue to be subject to future NRC review and inspection, including NRC-conducted force-on-force exercises.

In addition, the NRC staff noted that your PSP included alternatives to certain requirements of Title 10 of the *Code of Federal Regulations* (10 CFR) Section 73.55. In each case, the NRC staff found that the alternative measures provide an equivalent level of protection to that of the associated requirements and meets the high assurance objectives of 10 CFR 73.55(a). The NRC staff, therefore, approves the alternatives shown in the table below. The NRC staff's evaluation is discussed further in the enclosed Safety Evaluation (SE).

Approved Alternatives to the Requirements of 10 CFR Part 73			
SE Section	PSP Section	Alternative to 10 CFR	Description
3.6.2	6.2	73.55(c)(3)	Isolation Zones
3.6.2	6.2	73.55(c)(2)	VA/PA barrier separation requirements
3.9.4.3	9.4.3	73.55(d)(4)	PA vehicle search requirements
3.9.4.4	9.4.4	73.55(d)(1)	PA personnel search requirements
3.9.5.2	9.5	73.55(d)(4)	PA access control requirements
3.10.1	10.1	73.55(c)(5)	PA illumination requirements
3.13.1	14.1	73.55(c)(1) 73.55(d)(7)(i)(B)	Temporary reclassification of VAs to PA status (devitalization)

Finally, consistent with the DBT Order, conforming administrative changes to Renewed Facility Operating Licenses (FOLs) are required to ensure implementation of DBT Order requirements. Therefore, administrative license changes to Renewed FOL Nos. DPR-29 and DPR-30 are being made to incorporate the reference to the revised PSP, SCP, and T&Q Plan required by the DBT Order. These changes comply with the standards and requirements of the Atomic Energy Act of 1954, as amended, and the Commission's rules and regulations set forth in 10 CFR Chapter I.

Please replace the enclosed pages to your Renewed FOLs as indicated in Enclosure 1.

C. Crane

- 3 -

A copy of our SE with regard to your security plans (designated as Safeguards Information) is provided in Enclosure 2.

Sincerely,

/RA/

John A. Nakoski, Section Chief
Security Plan Review Team
Project Directorate II
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-254 and 50-265

Enclosures: 1. Administrative Change to Renewed FOL Nos. DPR-29 and DPR-30
2. Safety Evaluation (**Safeguards Information**)

cc w/encl 1 only: See Mailing List 1

cc w/encls 1 and 2: Keith Leech, Manager Nuclear Security

C. Crane

- 3 -

A copy of our SE with regard to your security plans (designated as Safeguards Information) is provided in Enclosure 2.

Sincerely,

/RA/

John A. Nakoski, Section Chief
Security Plan Review Team
Project Directorate II
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-254 and 50-265

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2. Safety Evaluation (**Safeguards Information**)

cc w/encl 1 only: See Mailing List 1

cc w/encls 1 and 2: Keith Leech, Manager Nuclear Security

DISTRIBUTION (w/o Enclosure 2):

PUBLIC SPRT R/F OGC ACRS PCoates LRossbach
AMendiola WRuland DLPM DPR GHill (4) SReynolds, RIII

Accession No.: ML043170427

*See previous
concurrence

OFFICE	SPRT/TL	SPRT/PM	SPRT/LA	SPRT/PL	OGC	NSIR/SC	NRR/SC
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DATE	10/24/04	10/24/04	10/24/04	10/24/04	10/24/04	10/28/04	10/28/04

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EXELON GENERATION COMPANY, LLC

QUAD CITIES NUCLEAR POWER STATION, UNIT 1

DOCKET NO. 50-254

ADMINISTRATIVE LICENSE CHANGE TO RENEWED FACILITY OPERATING LICENSE

Renewed License No. DPR-29

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. Consistent with Order EA-03-086, the Order requiring compliance with the revised design basis threat (DBT Order), issued on April 29, 2003, conforming administrative changes to Renewed Facility Operating Licenses (FOLs) are required to ensure implementation of DBT Order requirements. Therefore, an administrative license change to Renewed FOL No. DPR-29 is being made to incorporate the reference to the revised Physical Security Plan, Safeguards Contingency Plan, and Training and Qualification Plan required by the DBT Order. These changes comply with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this administrative license change can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this administrative license change will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this administrative license change is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

Enclosure 1

2. Accordingly, the Renewed FOL is changed, as indicated in the attachment.
3. This administrative license change is effective as of its date of issuance and shall be implemented on or before October 29, 2004.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

John A. Nakoski, Section Chief
Security Plan Review Team
Project Directorate II
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Attachment: Changes to the Renewed FOL

Date of Issuance: October 29, 2004

CHANGES TO RENEWED FACILITY OPERATING LICENSE NO. DPR-29

DOCKET NO. 50-254

Replace the following pages of Renewed Facility Operating License DPR-29 with the attached revised pages as indicated. The revised pages are identified by revision date and contain marginal lines indicating the areas of change.

Remove Page

4

Insert Page

4

B. Technical Specifications

The Technical Specifications contained in Appendix A, as revised through Amendment No. 222, are hereby incorporated into this renewed operating license. The licensee shall operate the facility in accordance with the Technical Specifications.

C. The licensee shall maintain the commitments made in response to the March 14, 1983, NUREG-0737 Order, subject to the following provision:

The licensee may make changes to commitments made in response to the March 14, 1983, NUREG-0737 Order without prior approval of the Commission as long as the change would be permitted without NRC approval, pursuant to the requirements of 10 CFR 50.59. Consistent with this regulation, if the change results in an Unreviewed Safety Question, a license amendment shall be submitted to the NRC staff for review and approval prior to implementation of the change.

D. Equalizer Valve Restriction

Three of the four valves in the equalizer piping between the recirculation loops shall be closed at all times during reactor operation with one bypass valve open to allow for thermal expansion of water.

E. The licensee shall fully implement and maintain in effect all provisions of the Commission-approved physical security, training and qualification, and safeguards contingency plans including amendments made pursuant to provisions of the Miscellaneous Amendments and Search Requirements revisions to 10 CFR 73.55 (51 FR 27817 and 27822), and the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The combined set of plans¹, which contain Safeguards Information protected under 10 CFR 73.21, is entitled: "Quad Cities Nuclear Power Station Security Plan, Training and Qualification Plan, and Safeguards Contingency Plan, Revision 0," submitted by letter dated October 21, 2004.

F. The licensee shall implement and maintain in effect all provisions of the approved fire protection program as described in the Updated Final Safety Analysis Report for the facility and as approved in the Safety Evaluation Reports dated July 27, 1979 with supplements dated November 5, 1980, and

¹ The Training and Qualification Plan and Safeguards Contingency Plan are Appendices to the Security Plan.

EXELON GENERATION COMPANY, LLC

QUAD CITIES NUCLEAR POWER STATION, UNIT 2

DOCKET NO. 50-265

ADMINISTRATIVE LICENSE CHANGE TO RENEWED FACILITY OPERATING LICENSE

Renewed License No. DPR-30

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. Consistent with Order EA-03-086, the Order requiring compliance with the revised design basis threat (DBT Order), issued on April 29, 2003, conforming administrative changes to Renewed Facility Operating Licenses (FOLs) are required to ensure implementation of DBT Order requirements. Therefore, an administrative license change to Renewed FOL No. DPR-30 is being made to incorporate the reference to the revised Physical Security Plan, Safeguards Contingency Plan, and Training and Qualification Plan required by the DBT Order. These changes comply with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this administrative license change can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this administrative license change will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this administrative license change is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

2. Accordingly, the Renewed FOL is changed, as indicated in the attachment.
3. This administrative license change is effective as of its date of issuance and shall be implemented on or before October 29, 2004.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

John A. Nakoski, Section Chief
Security Plan Review Team
Project Directorate II
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Attachment: Changes to the Renewed FOL

Date of Issuance: October 29, 2004

CHANGES TO RENEWED FACILITY OPERATING LICENSE NO. DPR-30

DOCKET NO. 50-265

Replace the following pages of Renewed Facility Operating License DPR-30 with the attached revised pages as indicated. The revised pages are identified by revision date and contain marginal lines indicating the areas of change.

Remove Page

4

Insert Page

4

B. Technical Specifications

The Technical Specifications contained in Appendix A, as revised through Amendment No. 217, are hereby incorporated into this renewed operating license. The licensee shall operate the facility in accordance with the Technical Specifications.

C. The licensee shall maintain the commitments made in response to the March 14, 1983, NUREG-0737 Order, subject to the following provision:

The licensee may make changes to commitments made in response to the March 14, 1983, NUREG-0737 Order without prior approval of the Commission as long as the change would be permitted without NRC approval, pursuant to the requirements of 10 CFR 50.59. Consistent with this regulation, if the change results in an Unreviewed Safety Question, a license amendment shall be submitted to the NRC staff for review and approval prior to implementation of the change.

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Three of the four valves in the equalizer piping between the recirculation loops shall be closed at all times during reactor operation with one bypass valve open to allow for thermal expansion of water.

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¹ The Training and Qualification Plan and Safeguards Contingency Plan are Appendices to the Security Plan.