

NUCLEAR REGULATORY COMMISSION

[Docket No. 50-10]

Exelon Generation Company, Dresden Nuclear Power Station, Unit 1; Environmental Assessment and Finding of No Significant Impact

The U.S. Nuclear Regulatory Commission (NRC) is considering issuance of an exemption from Title 10 of the Code of Federal Regulations (10 CFR) part 140, Section 140.11(a)(4) for Facility Operating License No. DPR-2, issued to Exelon Generation Company (EGC, the licensee), for operation of the Dresden Nuclear Power Station (DNPS), Unit 1, located approximately 50 miles southwest of Chicago, in Grundy County, Illinois. Therefore, as required by 10 CFR 51.21, the NRC is issuing the environmental assessment and finding of no significant impact.

Environmental Assessment

Identification of Proposed Action

The proposed action would grant an exemption from the requirement of 10 CFR 140.11(a)(4) regarding one of the two financial protection requirements.

The proposed action is in accordance with the licensee's application dated December 18, 2001, as supplemented by letter dated February 13, 2002.

The Need for the Proposed Action

DNPS, Unit 1 was shut down in October 1978. On July 23, 1986, USNRC issued Amendment No. 36 to License DRP-2 for DNPS, Unit 1 changing the license to possess-but-not-operate status. The licensee at that time, Commonwealth Edison, informed the NRC that it had decided to permanently cease operations at DNPS, Unit 1, and that all fuel had been permanently removed from the reactor. In accordance with 10 CFR 50.82, upon docketing of the certifications in August 31, 1984, the facility operating license no longer authorizes the licensee to operate the reactor and to load fuel into the reactor vessel. In this permanently shutdown condition, the facility poses a reduced risk to public health and safety compared to when it was operating.

The proposed exemption is needed because the licensee's required insurance coverage exceeds the costs of potential accidents considered for a permanently defueled reactor with all spent fuel removed from the spent fuel pool. A letter received on February 13, 2002, notified the NRC that as of January 15, 2002, the DNPS, Unit 1 fuel storage pool no longer contains spent fuel assemblies. Because DNPS, Unit 1

no longer presents as great a risk as does an operating reactor plant, this reduction in risk should be reflected in the indemnification requirements to which the licensee is subject. Approval of the proposed exemption would allow a more equitable allocation of financial risk commensurate with the risks to the public.

Environmental Impacts of the Proposed Action

The NRC has completed its evaluation of the proposed action and concludes that the exemption only involves changes to indemnity insurance. The exemption would allow EGC to withdraw from participation in the secondary insurance pool based on the permanently defueled status of DNPS, Unit 1.

The proposed action will not significantly increase the probability or consequences of accidents, no changes are being made in the types of effluents that may be released off site, and there is no significant increase in occupational or public radiation exposure. Therefore, there are no significant radiological environmental impacts associated with the proposed action.

With regard to potential nonradiological impacts, the proposed action does not have the potential to affect any historic sites. It does not affect nonradiological environmental impacts associated with the proposed action.

Accordingly, the NRC concludes that there are no significant environmental impacts associated with the proposed action.

Environmental Impacts of the Alternatives to the Proposed Action

As an alternative to the proposed action, the staff considered denial of the proposed action and to require EGC to maintain the insurance coverage required of an operating plant (*i.e.*, the "no-action" alternative). Denial of the application would result in no change in current environmental impacts. The environmental impacts of the proposed action and the alternative action are similar.

Alternative Use of Resources

The action does not involve the use of any different resource than those previously considered in the Final Environmental Statement for the Dresden Nuclear Power Station, Unit 1, dated November 1973.

Agencies and Persons Consulted

On May 9, 2002, the staff consulted with the Illinois State official, Frank

Niziolek, of the Illinois Department of Nuclear Safety, regarding the environmental impact of the proposed action. The State official had no comments.

Finding of No Significant Impact

On the basis of the environmental assessment, the NRC concludes that the proposed action will not have a significant effect on the quality of the human environment. Accordingly, the NRC has determined not to prepare an environmental impact statement for the proposed action.

For further details with respect to the proposed action, see the licensee's letter dated December 18, 2002, as supplemented by letter dated February 13, 2002. Documents may be examined, and/or copied for a fee, at the NRC's Public Document Room (PDR), located at One White Flint North, 11555 Rockville Pike (first floor), Rockville, Maryland. Publicly available records will be accessible electronically from the Agencywide Documents Access and Management System (ADAMS) Public Electronic Reading Room on the internet at the NRC Web site, <http://www.nrc.gov/reading-rm/adams/html>. Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS should contact the NRC PDR Reference staff by telephone at 1-800-397-4209 or 301-415-4737, or by e-mail to pdr@nrc.gov.

Dated at Rockville, Maryland, this 31st day of May, 2002.

For the Nuclear Regulatory Commission.

Stephen Dembek,

Chief, Section 2, Project Directorate IV, Division of Licensing Project Management, Office of Nuclear Reactor Regulation.

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SECURITIES AND EXCHANGE COMMISSION

Submission for OMB Review; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549.

Extension

Rule 15g-2, SEC File No. 270-381, OMB Control No. 3235-0434.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget a