

April 3, 2003

LICENSEE: Exelon Generation Company, LLC (Exelon)  
FACILITY: Peach Bottom Atomic Power Station, Units 2 and 3  
SUBJECT: CONFERENCE CALL SUMMARY WITH EXELON CORPORATION TO  
DISCUSS MATTERS RELATED TO THE NRC STAFF REVIEW OF THE  
PEACH BOTTOM ATOMIC POWER STATION LICENSE RENEWAL  
APPLICATION AND A REQUEST FOR ADDITIONAL INFORMATION

On March 28, 2003, NRC staff and Exelon (the applicant) representatives participated in a conference call to discuss a request for additional information (RAI) concerning financial qualifications (Enclosure 1) to complete the staff's review of whether the applicant's financial qualifications meet the applicable requirements of 10 CFR 50.33(f), "Contents of Applications; General Information." Enclosure 2 is a list of the call participants.

The RAI (Enclosure 1) was sent to the applicant by electronic mail prior to the conference call. After the conference call, the staff revised the RAIs (Enclosure 3). The RAIs were revised to ensure the questions focused on the information needed to meet the requirements of 10 CFR 50.33(f). An explanation for the changes based on statements made by the applicant during the call is also provided in Enclosure 1. The applicant agreed to respond in writing to the RAIs in Enclosure 3. In addition, the NRC staff requests that the applicant review the summaries in Enclosure 1, and provide clarifications to any mischaracterizations of positions given with their responses to the RAIs in Enclosure 3.

*/RA/*

David L. Solorio, Senior Reactor Engineer  
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License Renewal and Environmental Impacts Program  
Division of Regulatory Improvement Programs  
Office of Nuclear Reactor Regulation

Docket Nos.: 50-277 and 50-278

Enclosures:

1. Requests for Additional Information
2. List of Call Participants
3. Requests for Additional Information

cc w/encl: See next page

LICENSEE: Exelon Generation Company, LLC (Exelon)

FACILITY: Peach Bottom Atomic Power Station, Units 2 and 3

SUBJECT: CONFERENCE CALL SUMMARY WITH EXELON CORPORATION TO DISCUSS MATTERS RELATED TO THE NRC STAFF REVIEW OF THE PEACH BOTTOM ATOMIC POWER STATION (PBAPS) LICENSE RENEWAL APPLICATION AND A REQUEST FOR ADDITIONAL INFORMATION

On March 28, 2003, NRC staff and Exelon (the applicant) representatives participated in a conference call to discuss a request for additional information (RAI) concerning financial qualifications (Enclosure 1) to complete the staff's review of whether the applicant's financial qualifications meet the applicable requirements of 10 CFR 50.33(f), "Contents of Applications; General Information." Enclosure 2 is a list of the call participants.

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DISTRIBUTION: Summary of Telecon with Exelon Re: PBAPS RAIs, Dated: April 3, 2003

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REQUEST FOR ADDITIONAL INFORMATION  
LICENSE RENEWAL APPLICATION  
PEACH BOTTOM ATOMIC POWER STATION (PBAPS) UNITS 2 and 3  
DOCKET NOS. 50-277 and 50-278

Financial Qualifications

Pursuant to 10 CFR 50.33(f)(2), the applicant shall submit estimates for total annual operating costs for each of the first five years of operation of the facility. Accordingly, the following are to be provided:

1. The Projected Income Statement from 2003 through 2008 for Peach Bottom Atomic Power Station, Units 2 and 3. Identify the revenues and the costs breakdown by major line item.

RESOLUTION: Exelon stated that it does not have the revenues for each individual plant because Exelon pools all of its generation production. However, Exelon can provide the required operating expenses for PBAPS, Units 2 and 3. Therefore, the staff is forwarding question 1 in Enclosure 3.

2. Supporting Key Assumptions to include total generation (Gwh), total market sales (Gwh) average market price (\$/MWh), total generation revenues, and assumed nuclear capacity factor for each of the forecasted period. Also, provide explanations as to the basis for the assumed average market price and the assumed capacity factor.

RESOLUTION: Since expenses and revenue for the entire corporation were provided, the above request is not necessary for PBAPS Units 2 and 3. However, Exelon can provide the capacity factor. Therefore, the staff is forwarding question 2 in Enclosure 3.

3. The latest FERC Form 1 report for each unit.

RESOLUTION: Exelon stated that because they are not regulated by FERC they are not required to file FERC Form 1. Therefore, the staff does not need to forward this question.

In addition, responses to specific questions as described below are requested.

Questions for Exelon

1. In the latest Projected Income Statement dated January 14, 2003, regarding Total Operating Expenses, clarify whether these costs are for the nuclear facilities only or do they include the operating costs of fossil, hydro, and any other generating assets?

RESOLUTION: Exelon stated that it is for all of its generating assets. The staff requests Exelon confirm this in writing.

2. By application dated July 2, 2001, and revised on August 23, 2001, Exelon stated that, "this Projected Income Statement provides the estimated total annual operating costs for the nuclear facilities owned by Exelon."

A. Please verify that the Total Operating Expenses line item on the Projected Income Statement includes the costs for nuclear facilities only and does not include the operating cost of fossil, hydro and any other generating assets.

RESOLUTION: The response to this question is bounded by the previous question. Therefore, a response to this question is not needed as long as the staff receives a response to the previous question.

B. Provide information that demonstrates Exelon's statement that, "The projected revenues from the sales of electricity from the nuclear units alone are expected to provide sufficient income to cover the total operating costs of Exelon's nuclear units."

RESOLUTION: Exelon acknowledged that their submission did not break down nuclear revenue and costs. However, the staff can make a finding from company wide information submitted.

C. Provide information that demonstrates the following statement, "Exelon's projected assets and revenue streams are more than sufficient to cover its share of costs that might be associated with a six-month shutdown at one or more of the nuclear units owned by Exelon." Indicate how many more nuclear units that can be shut down for six months and be sufficiently supported by Exelon's projected assets and revenue streams.

RESOLUTION: Exelon was not able to provide the basis for this statement during the conference call. However, the staff determined that a response was not needed to complete the review because this statement is not required by 10 CFR 50.33. Therefore, a response to this question is no longer requested.

#### Question for PSEG

1. Explain the basis for the assumed 'Nuclear Capacity Factor' for each of the projected periods.

RESOLUTION: Exelon cannot answer for PSEG. The staff will contact PSEG directly.

List of Call Participants for Conference Call on March 28, 2003

**Attendees**

**Affiliation**

Al Fulvio	EXELON
Alvin Henry	NRC
Dave Helker	EXELON
Steve Hom	NRC
Erach Pattel	EXELON
Fred Polaski	EXELON
David Solorio	NRC
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REQUEST FOR ADDITIONAL INFORMATION  
LICENSE RENEWAL APPLICATION  
PEACH BOTTOM ATOMIC POWER STATION UNITS 2 and 3  
DOCKET NOS. 50-277 and 50-278

Financial Qualifications

Pursuant to 10 CFR 50.33(f)(2), the applicant shall submit estimates for total annual operating costs for each of the first five years of operation of the facility. Accordingly, the following are to be provided:

1. Exelon is requested to provide the annual projected costs for the Peach Bottom Atomic Power Station, Units 2 and 3 (the facility), for five years beginning with 2003.
2. Exelon is requested to provide the annual capacity factor for each unit for the next five years beginning with 2003.

In addition, confirmation in writing is requested for the following.

Questions for Exelon

1. In the latest Projected Income Statement dated January 14, 2003, regarding Total Operating Expenses, clarify whether these costs are for the nuclear facilities only or do they include the operating costs of fossil, hydro, and any other generating assets?

Peach Bottom Atomic Power Station, Units 2 and 3

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