

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  
License Renewal Section  
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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OFFICE	PM:RLEP:DRIP	LA:DRIP	SC:RLEP:DRIP
NAME	DSolorio*	EHylton*	SLee
DATE	03/31/03	03/31/03	4/3/03

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

**HARD COPY**

RLEP R/F

A. Henry

D. Solorio

**E-MAIL:**

PUBLIC

W. Borchardt

D. Matthews

F. Gillespie

RidsNrrDe

R. Barrett

E. Imbro

G. Bagchi

K. Manoly

W. Bateman

J. Calvo

C. Holden

P. Shemanski

H. Nieh

G. Holahan

H. Walker

S. Black

B. Boger

D. Thatcher

G. Galletti

C. Li

J. Moore

R. Hoefling

R. Weisman

M. Mayfield

A. Murphy

W. McDowell

S. Smith (srs3)

T. Kobetz

C. Munson

RLEP Staff

-----

J. Boska

D. Lew

M. Modes

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  
Alvin Henry  
Dave Helker  
Steve Hom  
Erach Pattel  
Fred Polaski  
David Solorio  
Chutima Taylor

EXELON  
NRC  
EXELON  
NRC  
EXELON  
EXELON  
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

cc:

Vice President, General Counsel and  
Secretary  
Exelon Generation Company, LLC  
300 Exelon Way  
Kennett Square, PA 19348

Site Vice President  
Peach Bottom Atomic Power Station  
Exelon Generation Company, LLC  
1848 Lay Road  
Delta, PA 17314

Plant Manager  
Peach Bottom Atomic Power Station  
Exelon Generation Company, LLC  
1848 Lay Road  
Delta, PA 17314

Regulatory Assurance Manager  
Peach Bottom Atomic Power Station  
Exelon Generation Company, LLC  
1848 Lay Road  
Delta, PA 17314

Resident Inspector  
U.S. Nuclear Regulatory Commission  
Peach Bottom Atomic Power Station  
P.O. Box 399  
Delta, PA 17314

Regional Administrator, Region I  
U.S. Nuclear Regulatory Commission  
475 Allendale Road  
King of Prussia, PA 19406

Mr. Roland Fletcher  
Department of Environment  
Radiological Health Program  
1800 Washington Blvd.  
Baltimore, MD 21230

Correspondence Control Desk  
Exelon Generation Company, LLC  
200 Exelon Way, KSA 1-N-1  
Kennett Square, PA 19348

Rich Janati, Chief  
Division of Nuclear Safety  
Bureau of Radiation Protection  
Department of Environmental Protection  
Rachel Carson State Office Building  
P.O. Box 8469  
Harrisburg, PA 17105-8469

Board of Supervisors  
Peach Bottom Township  
545 Broad Street Ext.  
Delta, PA 17314-9203

Mr. Richard McLean  
Power Plant and Environmental  
Review Division  
Department of Natural Resources  
B-3, Tawes State Office Building  
Annapolis, MD 21401

Dr. Judith Johnsrud  
National Energy Committee  
Sierra Club  
433 Orlando Avenue  
State College, PA 16803

Manager-Financial Control & Co-Owner  
Affairs  
Public Service Electric and Gas Company  
P.O. Box 236  
Hancocks Bridge, NJ 08038-0236

Manager Licensing-Limerick and Peach  
Bottom  
Exelon Generation Company, LLC  
Nuclear Group Headquarters  
Correspondence Control  
P.O. Box 160  
Kennett Square, PA 19348

Mr. Alan P. Nelson  
Nuclear Energy Institute  
1776 I Street, NW., Suite 400  
Washington, DC 20006-3708



Peach Bottom Atomic Power Station, Units 2 and 3

cc:

Director - Licensing  
Mid-Atlantic Regional Operating Group  
Exelon Generation Company, LLC  
Nuclear Group Headquarters  
Correspondence Control  
P.O. Box 160  
Kennett Square, PA 19348

Vice President-Licensing and Regulatory  
Affairs  
Exelon Generation Company, LLC  
4300 Winfield Road  
Warrenville, IL 60555

Senior Vice President  
Mid-Atlantic Regional Operating Group  
Exelon Generation Company, LLC  
200 Exelon Way, KSA 3-N  
Kennett Square, PA 19348

Senior Vice President, Nuclear Services  
Exelon Generation Company, LLC  
4300 Winfield Road  
Warrenville, IL 60555

Vice President, Mid-Atlantic Operations  
Support  
Exelon Generation Company, LLC  
200 Exelon Way, KSA 3-N  
Kennett Square, PA 19348

Manager License Renewal  
Exelon Generation Company, LLC  
200 Exelon Way  
Kennett Square, PA 19348

Mr. Oliver D. Kingsley, President  
Exelon Nuclear  
Exelon Generation Company, LLC  
200 Exelon Way, KSA 3-E  
Kennett Square, PA 19348

Public Service Commission of Maryland  
Engineering Division  
Chief Engineer  
6 St. Paul Center  
Baltimore, MD 21202-6806

Chief Operating Officer  
Exelon Generation Company, LLC  
4300 Winfield Road  
Warrenville, IL 60555