

April 24, 2007

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

SUBJECT: BRAIDWOOD STATION, UNITS 1 AND 2; BYRON STATION, UNIT NOS. 1 AND 2; AND LASALLE COUNTY STATION, UNITS 1 AND 2 - REVIEW OF SITE-SPECIFIC DECOMMISSIONING COST ESTIMATES (TAC NOS. MD3928 THROUGH MD3932)

Dear Mr. Crane:

The Nuclear Regulatory Commission (NRC) staff completed its review of the Exelon Generation Company, LLC's (Exelon's), submittal dated December 18, 2006 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML063540225), "Site-specific Decommissioning Cost Estimates," and supplemental submittal dated February 27, 2007 (ADAMS Accession No. ML070600197), "Response to Request for Additional Information Regarding Site-specific Decommissioning Cost Estimate." The February 27, 2007, submittal was in response to an NRC facsimile dated February 7, 2007 (as documented in ADAMS Accession No. ML070590685, dated March 7, 2007). In addition, a conference call was held on February 22, 2007, to obtain clarification on the information requested and submitted. All of the above information was provided in response to the initial issues NRC identified based on the staff's review of the Exelon's submittal, "Report on the Status of Decommissioning Funding for Reactors" dated March 24, 2005 (ADAMS Accession No. ML050840550).

For the subject Exelon units, the NRC staff conducted an analysis of the decommissioning costs and projected trust fund balances. For the analysis, the NRC staff applied a 2 percent real rate of return credit to the trust fund balance for the licensed operating period for these units. Once the units were projected to enter into SAFSTOR, the NRC staff applied a 2 percent real rate of return on the annual fund; however, total annual costs were deducted annually before a 2 percent real rate of return was credited for each prospective years funds.¹

Based on Exelon's supplemental submittals, the NRC staff has concluded that Exelon has demonstrated reasonable assurance of decommissioning funding for Braidwood Station (Braidwood), Units 1 and 2, Byron Station (Byron), Unit Nos. 1 and 2, and LaSalle County Station (LaSalle), Units 1 and 2. This closes the issues raised by the Exelon submittal dated March 31, 2005.

¹ Once a licensee is no longer legally eligible to recover all decommissioning costs from non-bypassable charges, notwithstanding that some non-bypassable charges remain to be collected, the licensee is limited to a 2 percent real rate of return credit for the remaining operating period, and a 2 percent real rate of return credit on the trust fund balance, but only after the total annual costs for the SAFSTOR and decommissioning periods have been deducted.

C. Crane

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During the February 22, 2007, conference call, NRC the staff raised an issue with Exelon regarding its apparent intent to use funds from the decommissioning trust for non-radiological decommissioning costs, specifically the cost of spent fuel storage. The NRC staff referred to the annual costs identified in Tables A-1 (Braidwood, Unit 1) and Table A-2 (Braidwood, Unit 2); Table B-1 (Byron, Unit 1) and Table B-2 (Byron, Unit 2); and Table C-1 (LaSalle, Unit 1) and Table C-2 (LaSalle, Unit 2) of Exelon's submittal dated December 18, 2006. In these tables, Exelon included the cost of spent fuel storage in their estimated annual expenses for SAFSTOR. As we discussed during the conference call, the decommissioning trust funds are restricted to radiological decommissioning costs. Non-radiological costs or operating expenses cannot be deducted from the decommissioning trust fund, even in instances where sufficient funds are available to complete decommissioning and pay for non-radiological costs, as is the case at LaSalle County Station, Units 1 and 2.

If you have any questions, please contact me at 301-415-1055.

Sincerely,

/RA/

Christopher Gratton, Senior Project Manager
Plant Licensing Branch III-2
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. STN 50-456 and STN 50-457;
STN 50-454 and STN 50-455; 50-373 and 50-374

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C. Crane

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