

**An Exelon Company**

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## Nuclear

Exelon Generation  
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10 CFR 50.75(f)(1)

RS-08-041

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U.S. Nuclear Regulatory Commission  
ATTN: Document Control Desk  
Washington, DC 20555-0001

Dresden Nuclear Power Station, Unit 1  
Renewed Facility Operating License Nos. DPR-2  
NRC Docket Nos. 50-10

Oyster Creek Generating Station  
Facility Operating License No. DPR-16  
NRC Docket No. 50-219

Peach Bottom Atomic Power Station, Unit 1  
Facility Operating License No. DPR-12  
NRC Docket Nos. 50-171

Zion Nuclear Power Station, Units 1 and 2  
Facility Operating License Nos. DPR-39 and DPR-48  
NRC Docket Nos. 50-295 and 50-304

**Subject:** Report on Status of Decommissioning Funding for Reactors

- References:**
- 1) Pennsylvania Public Utility Commission Order, in the matter of Pennsylvania Public Utility Commission, Office of Consumer Advocate, and Eric Joseph Epstein v. PECO Energy Company, Docket No. R-00038102, adopted September 5, 2003
  - 2) Letter from J. McNulty (Pennsylvania Public Utility Commission) to B. D. Crowe (Philadelphia Electric Company), "Pennsylvania Public Utility Commission v. PECO Energy Company," dated December 31, 2007

In accordance with 10 CFR 50.75, "Reporting and recordkeeping for decommissioning planning," paragraph (f)(1), we are submitting a report on the status of decommissioning funding for the reactors owned by Exelon Generation Company, LLC (EGC) and AmerGen Energy Company, LLC (AmerGen).

Attachment 1 contains the amount of decommissioning funds estimated to be required for the permanently shutdown reactors based on site-specific decommissioning cost estimates. These decommissioning cost estimates do not include the costs of dismantling non-radiological systems and structures or the costs of managing and storing spent fuel on-site. Attachment 2 contains the amount of decommissioning funding accumulated through December 31, 2007. Attachment 3 contains a schedule of annual amounts to be collected through the final year as indicated. Additional information regarding assumptions used for decommissioning cost escalation rates and trust fund earnings rates, and the method of providing financial assurance is included below. With respect to each of the above units, there are no contracts relied upon pursuant to 10 CFR 50.75(e)(1)(v), nor have there been any material changes to the trust agreements. Additional information regarding assumptions used for decommissioning cost escalation rates and trust fund earnings rates and the method of providing financial assurance is included below.

For Dresden Nuclear Power Station and Oyster Creek Nuclear Generating Station, a 2.0% annual real rate of return is being assumed on the decommissioning trust funds. Financial assurance for decommissioning continues to be provided by the prepayment method, coupled with an external trust fund, in accordance with 10 CFR 50.75(e)(1)(i).

For Peach Bottom Atomic Power Station, Unit 1, the rate of escalation assumed in decommissioning costs is approximately 3.5% (gross domestic product deflator) and the rate of earnings assumed for the decommissioning funds is 6.5% (Reference 1). As documented in Reference 2, the Pennsylvania Public Utility Commission approved a revision to the annual amount to be collected for Peach Bottom Atomic Power Station, Unit 1, to \$2.280 million to reflect changes in the estimated cost of decommissioning and in the period of collection. Financial assurance for decommissioning this reactor is provided by the external sinking fund method in accordance with 10 CFR 50.75(e)(1)(ii). The funding mechanism being used as the source of revenues for the external sinking fund is a "non-by-passable charge."

There are no regulatory commitments contained within this letter. Should you have any questions about this letter, please contact Michelle Yun at (630) 657-2818.

Respectfully,



Jeffrey L. Hansen  
Manager, Licensing

- Attachment 1: Amount of Decommissioning Funds Estimated to be Required
- Attachment 2: Amount of Decommissioning Funds Accumulated through December 31, 2007
- Attachment 3: Schedule of the Annual Amounts Remaining to be Collected

**ATTACHMENT 1**  
**AMOUNT OF DECOMMISSIONING FUNDS**  
**ESTIMATED TO BE REQUIRED<sup>(1)(2)</sup>**

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<u>Reactor</u>	<u>\$, in millions</u>
Dresden Nuclear Power Station, Unit 1	223.8
Oyster Creek Nuclear Generating Station	501.4 <sup>(3)</sup>
Peach Bottom Atomic Power Station, Unit 1	166.2
Zion Nuclear Power Station, Unit 1	310.2
Zion Nuclear Power Station, Unit 2	309.9

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- (1) The amount of decommissioning funds for the permanently shutdown reactors is based upon site-specific decommissioning cost estimates and is reported in beginning of year 2008 dollars.
- (2) This amount reflects the radiological-only funds required for those units utilizing site-specific decommissioning cost estimates reported in beginning of year 2008 dollars.
- (3) The site-specific, radiological-only, Delayed DECON preliminary cost estimate for Oyster Creek is \$657.8 million before adjusting for growth of the trust funds through the decommissioning period.

**ATTACHMENT 2**  
**AMOUNT OF DECOMMISSIONING FUNDS**  
**ACCUMULATED THROUGH DECEMBER 31, 2007<sup>(1)</sup>**

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<u>Reactor</u>	<u>\$, in millions</u>
Dresden Nuclear Power Station, Unit 1	275.6
Oyster Creek Nuclear Generating Station	650.8
Peach Bottom Atomic Power Station, Unit 1	42.7
Zion Nuclear Power Station, Unit 1	286.5
Zion Nuclear Power Station, Unit 2	380.8

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(1) This amount reflects the radiological-only funds available for those units utilizing site-specific decommissioning cost estimates.

**ATTACHMENT 3**  
**SCHEDULE OF THE ANNUAL AMOUNTS**  
**REMAINING TO BE COLLECTED**

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<b>Reactor</b>	<b>Annual Amount \$. in thousands</b>	<b>Final Year of Collection</b>
Dresden Nuclear Power Station, Unit 1	0	N/A
Oyster Creek Nuclear Generating Station	0	N/A
Peach Bottom Atomic Power Station, Unit 1	2,280	2034
Zion Nuclear Power Station, Unit 1	0	N/A
Zion Nuclear Power Station, Unit 2	0	N/A

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