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10 CFR 50.75(f)(1)

RS-09-041

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

Braidwood Station, Units 1 and 2
Facility Operating License Nos. NPF-72 and NPF-77
NRC Docket Nos. STN 50-456 and STN 50-457

Byron Station, Units 1 and 2
Facility Operating License Nos. NPF-37 and NPF-66
NRC Docket Nos. STN 50-454 and STN 50-455

Clinton Power Station, Unit 1
Facility Operating License No. NPF-62
NRC Docket No. 50-461

Dresden Nuclear Power Station, Units 1, 2 and 3
Facility Operating License No. DPR-2
Renewed Facility Operating License Nos. DPR-19 and DPR-25
NRC Docket Nos. 50-10, 50-237 and 50-249

LaSalle County Station, Units 1 and 2
Facility Operating License Nos. NPF-11 and NPF-18
NRC Docket Nos. 50-373 and 50-374

Limerick Generating Station, Units 1 and 2
Facility Operating License Nos. NPF-39 and NPF-85
NRC Docket Nos. 50-352 and 50-353

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

Peach Bottom Atomic Power Station, Units 1, 2, and 3
Facility Operating License No. DPR-12
Renewed Facility Operating License Nos. DPR-44 and DPR-56
NRC Docket Nos. 50-171, 50-277, and 50-278

Salem Generating Station, Units 1 and 2
Facility Operating License Nos. DPR-70 and DPR-75
NRC Docket Nos. 50-272 and 50-311

Quad Cities Nuclear Power Station, Units 1 and 2
Renewed Facility Operating License Nos. DPR-29 and DPR-30
NRC Docket Nos. 50-254 and 50-265

Three Mile Island Nuclear Station, Unit 1
Facility Operating License No. DPR-50
NRC Docket No. 50-289

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. Letter from Patrick R. Simpson (Exelon Generation Company), to U. S. NRC, "Report on Status of Decommissioning Funding for Reactors," dated March 21, 2007
2. Letter from Jeffrey L. Hansen (Exelon Generation Company), to U. S. NRC, "Report on Status of Decommissioning Funding for Reactors," dated March 28, 2008
3. Letter from J. J. McNulty (Pennsylvania Public Utility Commission), to B. D. Crowe (PECO Energy Company), "Approval of Restructuring Plan for PECO Energy Company under Section 2806 of the Public Utility Code; Docket No. R-00973953," dated May 3, 2001
4. Letter from Pamela B. Cowan (Exelon Generation Company), to U. S. Nuclear Regulatory Commission, "Notice of Change in Trustee for Nuclear Decommissioning Trust Funds," dated May 22, 2008

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

Attachment 1 contains the amount of radiological decommissioning funds estimated to be required pursuant to 10 CFR 50.75(b) and (c). For Braidwood Station, Byron Station, LaSalle County Station, Peach Bottom Atomic Power Station Unit 1, and Zion Nuclear Power Station, the funds estimated to be required are based on previously reported site-specific decommissioning cost estimates. For Dresden Nuclear Power Station Unit 1

and Oyster Creek Nuclear Generating Station, an updated site-specific decommissioning cost estimate has been prepared since the last annual report. For Clinton Power Station and Quad Cities Nuclear Power Station, the funds estimated to be required are now based upon site-specific decommissioning cost estimates and scenarios. All of these cost estimates are greater than the amount specified in 10 CFR 50.75(c), and are based on a period of safe storage that is specifically described in the estimates. The decommissioning cost estimates in Attachment 1 do not include the costs of dismantling non-radiological systems and structures or the costs of managing and storing spent fuel onsite.

Attachment 2 contains the amount of radiological decommissioning funds accumulated through December 31, 2008.

For the operating sites not within 5 years of shutdown, the only disbursements from the funds were for allowed administrative costs and other incidental expenses of the funds in connection with the operation of the fund per 10 CFR 50.75(h)(1)(iv). All other reductions in the amount of radiological funds since the last biennial decommissioning fund status report (i.e., Reference 1) are due to the reduction in the market value of the funds.

For the shutdown units, and the units within 5 years of shutdown, only Dresden 1 had a disbursement for decommissioning expenses other than those for allowed administrative costs and other incidental expenses of the funds in connection with the operation of the fund per 10 CFR 50.75(h)(1)(iv). All other reductions in the amount of radiological funds since the last annual decommissioning fund status report (i.e., Reference 2) are due to the reduction in the market value of the funds.

Attachment 3 contains a schedule of annual amounts to be collected through the final year of collection.

With the exception of the plants specifically addressed below, a 2.0% annual real rate of return is being assumed on the decommissioning trust funds and financial assurance for decommissioning is provided by the prepayment method, coupled with an external trust fund, in accordance with 10 CFR 50.75(e)(1)(i).

There are no contracts relied upon pursuant to 10 CFR 50.75(e)(1)(v) for any of the EGC units.

The trust agreements for Clinton Power Station, Limerick Generating Station, Oyster Creek Nuclear Generating Station, Peach Bottom Atomic Power Station, Salem Generating Station, and Three Mile Island Nuclear Station Unit 1 have been modified to change the Trustee from Mellon Bank, N.A to The Bank of New York Mellon (BNYM) as specified in Reference 4.

The trust agreements for Clinton Power Station, Oyster Creek Generating Station, and Three Mile Island Nuclear Station, have been modified to reflect the change in licensee from AmerGen Energy Company, LLC to EGC.

There were no other material changes to any trust agreements.

Limerick Generating Station, Peach Bottom Atomic Power Station, and Salem Generating Station

For each of these stations, a 3.0% annual real rate of return is being assumed on the decommissioning trust funds. As documented in Reference 3, the Pennsylvania Public Utility Commission (PaPUC) approved this real rate of return as part of the approval of the restructuring plan for PECO Energy Company.

Financial assurance for decommissioning these reactors continues to be 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 funds is a non-bypassable charge approved by the PaPUC authorizing PECO Energy Company to continue to collect decommissioning funds for EGC.

Effect of Current Market Conditions on Decommissioning Funding

Due to the financial market conditions as of December 31, 2008, the amount of funds accumulated has decreased since the last reports to the NRC (see Attachment 2). As a result, several of the EGC sites, specifically Braidwood Station, Byron Station, LaSalle County Station, and Limerick Generating Station, do not currently meet the 10 CFR 50.75(b) and (c) minimum funding criteria as of December 31, 2008.

For Limerick Generating Station, any needed adjustments will be made in the next filing of the Nuclear Decommissioning Cost Adjustment to the Pennsylvania Public Utilities Commission. This cost adjustment is made every five years pursuant to PaPUC Electric Tariff No. 3. The last adjustment was effective January 1, 2008.

For Braidwood Station, Byron Station, and LaSalle County Station, EGC is currently evaluating the alternate funding mechanisms, as allowed by 10 CFR 50.75, to address these funding shortfalls, and meet the 10 CFR 50.75 funding assurance requirements consistent with the guidance in Regulatory Guide 1.159, "Assuring the Availability of Funds for Decommissioning Nuclear Reactors," Revision 1.

EGC remains confident that sufficient funds will be available to decommission all EGC sites when required. For the three sites that do not have access to a non-bypassable charge, and a funding shortfall exists, the shutdown dates are at least 13 years away, and up to an additional 60 years can be used to safely decommission these sites, allowing sufficient time for the market value of the funds to recover. Furthermore, EGC intends to pursue a 20-year license extension for all of these sites, allowing an additional 20 years of fund return before decommissioning commences. If, as we anticipate, license extension is successful, all sites would meet minimum funding assurance requirements as of December 31, 2008.

There are no regulatory commitments contained within this letter.

If you have any questions about this letter, please contact Patrick Simpson at (630) 657-2823.

Respectfully,

Patrick R. Simpson
Manager – Licensing

Attachments:

Attachment 1 – "Amount of Radiological Decommissioning Funds Estimated to be Required"

Attachment 2 – "Amount of Radiological Decommissioning Funds Accumulated Through December 31, 2008"

Attachment 3 – "Schedule of the Annual Amounts Remaining to be Collected"

ATTACHMENT 1

AMOUNT OF RADIOLOGICAL DECOMMISSIONING FUNDS

ESTIMATED TO BE REQUIRED[1][2]

Reactor	$, in millions
Braidwood Station, Unit 1	310.7[3]
Braidwood Station, Unit 2	317.4[3]
Byron Station, Unit 1	310.3[3]
Byron Station, Unit 2	313.9[3]
Clinton Power Station, Unit 1	399.6[3]
Dresden Nuclear Power Station, Unit 1	210.4[3]
Dresden Nuclear Power Station, Unit 2	517.2
Dresden Nuclear Power Station, Unit 3	517.2
LaSalle County Station, Unit 1	349.2[3]
LaSalle County Station, Unit 2	343.2[3]
Limerick Generating Station, Unit 1	529.9
Limerick Generating Station, Unit 2	529.9
Oyster Creek Nuclear Generating Station	420.6[3]
Peach Bottom Atomic Power Station, Unit 1	167.9[3]
Peach Bottom Atomic Power Station, Unit 2	265.0[4]
Peach Bottom Atomic Power Station, Unit 3	265.0[4]
Quad Cities Nuclear Power Station, Unit 1	241.3[3] [5]
Quad Cities Nuclear Power Station, Unit 2	179.9[3] [5]
Salem Generating Station, Unit 1	163.3[6]
Salem Generating Station, Unit 2	163.3[6]

ATTACHMENT 1

AMOUNT OF RADIOLOGICAL DECOMMISSIONING FUNDS

ESTIMATED TO BE REQUIRED[1][2]

Reactor	$, in millions
Three Mile Island Nuclear Station, Unit 1	366.6
Zion Nuclear Power Station, Unit 1	265.5[3]
Zion Nuclear Power Station, Unit 2	208.0[3]

(1) The amount of decommissioning funds for the operating reactors is determined in accordance with 10 CFR 50.75(b) and the applicable formulas in 10 CFR 50.75(c) and is reported in beginning of year 2009 dollars.

(2) 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 2009 dollars.

(3) This amount reflects the radiological-only funds required for those units utilizing site-specific decommissioning cost estimates reported in beginning of year 2009 dollars.

(4) Since Exelon Generation Company, LLC is a 50% owner of Peach Bottom Atomic Power Station, Units 2 and 3, the value shown is 50% of the amount estimated to be required pursuant to 10 CFR 50.75(b) and (c). The other licensee, PSEG Nuclear, LLC, is submitting decommissioning funding information separately for its 50% ownership interest.

(5) Since Exelon Generation Company, LLC is a 75% owner of Quad Cities Nuclear Power Station, the value shown is 75% of the amount estimated to be required pursuant to 10 CFR 50.75(b) and (c). The other licensee, MidAmerican Energy Company, is submitting decommissioning funding information separately for its 25% ownership interest.

(6) Since Exelon Generation Company, LLC is a 42.59% owner of Salem Generating Station, the value shown is 42.59% of the amount estimated to be required pursuant to 10 CFR 50.75(b) and (c). The other licensee, PSEG Nuclear, LLC, is submitting decommissioning funding information separately for its 57.41% ownership interest.

ATTACHMENT 2

AMOUNT OF RADIOLOGICAL DECOMMISSIONING FUNDS

ACCUMULATED THROUGH DECEMBER 31, 2008

Reactor	$, in millions
Braidwood Station, Unit 1	165.1[(1)]
Braidwood Station, Unit 2	183.2[(1)]
Byron Station, Unit 1	185.8[(1)]
Byron Station, Unit 2	180.0[(1)]
Clinton Power Station, Unit 1	281.5[(1)]
Dresden Nuclear Power Station, Unit 1	211.0[(1)]
Dresden Nuclear Power Station, Unit 2	358.2
Dresden Nuclear Power Station, Unit 3	366.4
LaSalle County Station, Unit 1	258.7[(1)]
LaSalle County Station, Unit 2	251.6[(1)]
Limerick Generating Station, Unit 1	171.1
Limerick Generating Station, Unit 2	172.5
Oyster Creek Nuclear Generating Station	514.2[(1)]
Peach Bottom Atomic Power Station, Unit 1	33.5[(1)]
Peach Bottom Atomic Power Station, Unit 2	143.2[(2)]
Peach Bottom Atomic Power Station, Unit 3	153.4[(2)]
Quad Cities Nuclear Power Station, Unit 1	224.0[(1) (2)]
Quad Cities Nuclear Power Station, Unit 2	256.7[(1) (2)]
Salem Generating Station, Unit 1	112.3[(2)]
Salem Generating Station, Unit 2	98.0[(2)]

ATTACHMENT 2

AMOUNT OF RADIOLOGICAL DECOMMISSIONING FUNDS

ACCUMULATED THROUGH DECEMBER 31, 2008

Reactor	$, in millions
Three Mile Island Nuclear Station, Unit 1	371.4
Zion Nuclear Power Station, Unit 1	262.2[1]
Zion Nuclear Power Station, Unit 2	291.7[1]

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

(2) This amount reflects the percentage of Exelon Generation Company, LLC ownership interest.

ATTACHMENT 3

SCHEDULE OF THE ANNUAL AMOUNTS

REMAINING TO BE COLLECTED

Reactor	Annual Amount $, in thousands	Final Year of Collection
Braidwood Station, Unit 1	0	N/A
Braidwood Station, Unit 2	0	N/A
Byron Station, Unit 1	0	N/A
Byron Station, Unit 2	0	N/A
Clinton Power Station, Unit 1	0	N/A
Dresden Nuclear Power Station, Unit 1	0	N/A
Dresden Nuclear Power Station, Unit 2	0	N/A
Dresden Nuclear Power Station, Unit 3	0	N/A
LaSalle County Station, Unit 1	0	N/A
LaSalle County Station, Unit 2	0	N/A
Limerick Generating Station, Unit 1	7,170	2023
Limerick Generating Station, Unit 2	11,747	2028
Oyster Creek Nuclear Generating Station	0	N/A
Peach Bottom Atomic Power Station, Unit 1	2,208	2032
Peach Bottom Atomic Power Station, Unit 2	0	N/A
Peach Bottom Atomic Power Station, Unit 3	0	N/A
Quad Cities Nuclear Power Station, Unit 1	0	N/A
Quad Cities Nuclear Power Station, Unit 2	0	N/A
Salem Generating Station, Unit 1	4,841[(1)]	2015
Salem Generating Station, Unit 2	3,195[(1)]	2019

ATTACHMENT 3

SCHEDULE OF THE ANNUAL AMOUNTS

REMAINING TO BE COLLECTED

Reactor	Annual Amount $, in thousands	Final Year of Collection
Three Mile Island Nuclear Station, Unit 1	0	N/A
Zion Nuclear Power Station, Unit 1	0	N/A
Zion Nuclear Power Station, Unit 2	0	N/A

(1) This amount reflects the percentage of Exelon Generation Company, LLC ownership interest.