

10 CFR 50.54(bb)
10 CFR 50.75(f)TMI-09-051
April 17, 2009U. S. Nuclear Regulatory Commission
Attn: Document Control Desk
11555 Rockville Pike
Rockville, MD 20852Three Mile Island Nuclear Station, Unit 1
Facility Operating License No. DPR-50
NRC Docket No. 50-289**Subject:** Submittal of Preliminary Decommissioning Cost Estimate and Spent Fuel Management Plan**Reference:** Letter from Michael P. Gallagher (AmerGen Energy Company, LLC) to U. S. Nuclear Regulatory Commission, "Three Mile Island, Unit 1 License Renewal Application," dated January 8, 2008

The purpose of this letter is to submit a preliminary decommissioning cost estimate (10 CFR 50.75(f)(3)) and spent fuel management plan (10 CFR 50.54(bb)) for Three Mile Island Nuclear Station (TMI), Unit 1 per the applicable regulations.

In accordance with 10 CFR 50.75, "Reporting and recordkeeping for decommissioning planning," paragraph (f)(3), "Each power reactor licensee shall at or about 5 years prior to the projected end of operations submit a preliminary decommissioning cost estimate which includes an up-to-date assessment of the major factors that could affect the cost to decommission." Submitted herein as Attachment 1 is a preliminary decommissioning cost estimate for TMI, Unit 1.

The attached preliminary decommissioning cost estimate has been performed assuming that TMI, Unit 1 is granted license extension, since AmerGen Energy Company, LLC (now Exelon Generation Company, LLC) has applied for license renewal in the reference letter. This assumption was used in the cost estimate, since it is intended to reflect the most likely decommissioning scenario for TMI, Unit 1.

The attached preliminary decommissioning cost estimate evaluates three (3) options for decommissioning TMI, Unit 1. Exelon Generation Company, LLC (EGC) has not made a final determination of the decommissioning approach for TMI, Unit 1. For the purpose of choosing a decommissioning option to demonstrate adequacy of funding to meet regulatory requirements, the SAFSTOR option has been selected. EGC reserves the right to choose a decommissioning

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option in accordance with our business needs, recognizing that we need to assure the chosen option meets U. S. Nuclear Regulatory Commission requirements for decommissioning funding. As of December 31, 2008, our decommissioning trust fund balances totaled \$371.4 million, which exceeds the amount required to complete the radiological portion of the SAFSTOR cost estimate attached. The funding assurance demonstration herein does not include any credit for license renewal.

As discussed in 10 CFR 50.54(bb), "Conditions of licenses," a licensee shall "submit written notification to the Commission for its review and preliminary approval of the program by which the licensee intends to manage and provide funding for the management of all irradiated fuel at the reactor following permanent cessation of operation of the reactor until title to the irradiated fuel and possession of the fuel is transferred to the Secretary of Energy for its ultimate disposal in a repository." Submitted herein as Attachment 2 is the Spent Fuel Management Plan for your review and preliminary approval.

Attachment 3 contains the projected annual cash flow required for decommissioning TMI, Unit 1 based on the SAFSTOR scenario from the Attachment 1 cost estimate, in thousands of 2008 dollars. The costs for radiological decommissioning (license termination costs), spent fuel management costs, and non-radiological costs (site restoration) are provided. The costs presented in Attachment 3 occur 20 years earlier than those in the Attachment 1 preliminary decommissioning cost estimate to model the current license expiration date.

In accordance with 10 CFR 50.54(bb), a copy of this notification will be retained until the expiration of the TMI, Unit 1 operating license. Additionally, TMI, Unit 1 will notify the U. S. Nuclear Regulatory Commission of any significant changes in the proposed Spent Fuel Management Plan described in Attachment 2.

Although TMI, Unit 1 has applied for license renewal in the referenced letter, this preliminary decommissioning cost estimate and spent fuel management plan are being submitted since the facility operating license for TMI, Unit 1 currently expires on April 19, 2014.

There are no new regulatory commitments contained in this letter.

If you have any questions or require additional information, please contact Mr. Tom Loomis at 610-765-5510.

Very truly yours,

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Pamela B. Cowan
Director - Licensing & Regulatory Affairs
Exelon Generation Company, LLC

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Attachment 1 – Preliminary Decommissioning Cost Estimate for Three Mile Island Nuclear
Station, Unit 1

Attachment 2 – Spent Fuel Management Plan for Three Mile Island Nuclear Station, Unit 1

Attachment 3 – Annual SAFSTOR Decommissioning Cash Flow for Three Mile Island Nuclear
Station, Unit 1

cc: S. J. Collins, USNRC, Regional Administrator, Region I
D. M. Kern, USNRC, Senior Resident Inspector, TMI-1
P. J. Bamford, USNRC, Project Manager, TMI-1

ATTACHMENT 1

**PRELIMINARY DECOMMISSIONING COST ESTIMATE
FOR
THREE MILE ISLAND NUCLEAR STATION, UNIT 1**