



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

June 28, 2010

LICENSEE: Exelon Generation Company, LLC

FACILITIES: Braidwood Station, Units 1 and 2
Byron Station, Unit No. 1

SUBJECT: SUMMARY OF A TELEPHONE CONFERENCE HELD ON JUNE 2, 2010, WITH EXELON GENERATION COMPANY, LLC, REGARDING DECOMMISSIONING FUNDING SHORTFALLS (TAC NOS. ME0489, ME0490, AND ME0496)

On June 2, 2010, a teleconference was held between the U.S. Nuclear Regulatory Commission (NRC) staff and representatives of Exelon Generation Company, LLC (EGC, the licensee) regarding the decommissioning funding assurance for Braidwood Station (Braidwood), Units 1 and 2, and Byron Station (Byron), Unit No. 1. The NRC staff has been reviewing the status of funding assurance for the three units since the licensee submitted its March 31, 2009 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML090900463), "Report on Status of Decommissioning Funding for Reactors." In letters dated June 18, 2009 (ADAMS) Accession Nos. ML091600336, ML091600194 and ML091600240, respectively, the NRC staff informed the licensee that, based on its internal review, the NRC staff believed there was a decommissioning funding assurance shortfall for Braidwood, Units 1 and 2, and Byron, Unit No. 1.

In response to the June 18, 2009, decommissioning funding assurance shortfall letter, the licensee submitted its decommissioning funding assurance plan on July 29, 2009 (ADAMS Accession No. ML092120165), documenting the licensee's funding assurance for Braidwood, Units 1 and 2, and Byron, Unit No. 1.

During its review, the NRC staff issued requests for additional information (RAIs) on October 2, 2009, and January 7, 2010 (ADAMS Accession Nos. ML092730496 and ML100060167, respectively), to which the licensee replied on October 27, 2009, and February 15, 2010 (ADAMS Accession Nos. ML093010121 and ML100480006, respectively). Review of the responses generated additional RAIs on April 20, 2010 (ADAMS Accession No. ML101100338) and May 26, 2010 (ADAMS Accession No. ML101440323). The licensee is currently in the process of responding to these latest RAIs. The purpose of the June 2, 2010, conference call was to clarify information requested in the RAIs and to discuss, in general, the information required to document decommissioning funding assurance.

During the conference call, the NRC staff emphasized the importance of addressing the documentation deficiencies regarding funding assurance for the subject units. The NRC staff emphasized that the responses to the April 20 and May 26, 2010, RAIs should fully address the funding assurance concerns. Exelon participants indicated that they understood the questions and would contact NRC staff if further clarification to the RAIs was needed.

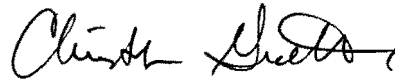
One item of concern for the licensee was whether NRC regulations required the guarantor of a parent company guarantee (PCG) to set aside assets worth at least six times the amount of the guarantee, such that the assets could not be used for any other purpose. The staff stated that

the regulations of Appendix A to Title 10 of the *Code of Federal Regulations*, Part 30 state that the guarantor must "have" tangible net worth and assets at least six times the amount guaranteed. The staff stated the regulation requires that the parent company possess the required amount of tangible net worth and assets, but the regulation does not require the assets to be "set aside." Exelon said it would consider sending a letter requesting a written explanation of the regulatory requirements.

The licensee expressed a concern during the call that the requirements surrounding the documentation of funding assurance were not clear. The NRC staff responded that it is currently considering ways to communicate the requirements to licensees in a manner that is clear and unambiguous. The licensee also expressed concerns that current requirements associated with the use of PCGs may affect the parent company's liquidity. The NRC staff stated that it discussed the issue of PCGs with the Securities and Exchange Commission and a major credit rating agency. Both organizations confirmed that the use of a PCG does not affect liquidity. The staff requested that the licensee provide evidence of how a PCG sets aside assets in a manner that affects liquidity.

The licensee discussed other options for ensuring it would comply with funding assurance requirements, such as adding a license condition and a confirmatory order to provide financial assurance. The NRC staff indicated that other options are available, but that licensees need to comply with the current requirements on funding assurance while other options are considered. The NRC staff encouraged the licensee to continue to keep lines of communication open and to address the documentation issues associated with demonstrating decommissioning funding assurance that are identified in the most recent NRC staff RAIs.

Please direct any inquiries to me at 301-415-1055, or Christopher.Gratton@nrc.gov.



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

Dockets Nos. 50-456, 50-457, and 50-454

Enclosure:
List of Attendees

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LIST OF ATTENDEES

JUNE 2, 2010, TELECONFERENCE WITH EXELON GENERATION COMPANY, LLC

REGARDING DECOMMISSIONING FUNDING ASSURANCE

Name	Affiliation
Keith Jury	Exelon Nuclear
Patrick Simpson	Exelon Nuclear
Adam Levin	Exelon Nuclear
Darin Benyak	Exelon Nuclear
Tamra Domeyer	Exelon Nuclear
Timothy McGinty	NRR/DPR
Thomas Fredrichs	NRR/DPR
Robert Carlson	NRR/DPR
Anneliese Simmons	NRR/DPR
Nick DiFrancesco	NRR/DORL

the regulations of Appendix A to Title 10 of the *Code of Federal Regulations*, Part 30 state that the guarantor must "have" tangible net worth and assets at least six times the amount guaranteed. The staff stated the regulation requires that the parent company possess the required amount of tangible net worth and assets, but the regulation does not require the assets to be "set aside." Exelon said it would consider sending a letter requesting a written explanation of the regulatory requirements.

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/RA/

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ADAMS Accession No. ML101680357

NRC-001

*via email

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