

New Nuclear Build Case Study

- ✓ Using a 2004 DOE study, Exelon estimates an NRC minimum funding assurance requirement in 2011 dollars for a dual unit decommissioning of \$~1.5B
 - If we assume the units are decommissioned at the end of the 40-year licensing period and using 3% cost escalation, then the decommissioning costs grows to ~\$5.1B
 - A guarantee of that size would not only significantly breach the TNW test (as defined by the NRC) but would also be incremental to the estimated cost to construct a dual-unit site¹
 - For illustrative purposes, we contrasted the NRC's methodology with a net present value estimate

Est. Decommissioning Costs (Current \$)

Decom. Year	Dual-Unit Cost (2003\$)	Dual-Unit Cost (2011\$) ²
1	\$120	\$152
2	210	266
3	296	375
4	173	219
5	164	208
6	133	169
7	44	56
	\$1,141	\$1,445

Est. Decommissioning Costs (Post-Licensing)

	Future Value ³	Net Present Value ⁴
2011		
2012		
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2051	\$497	\$69
2052	893	118
2053	1,296	163
2054	781	93
2055	764	87
2056	639	69
2057	219	23
Total Est. Costs:	\$5,090	\$623
Implied TNW Requirement:	\$30,538	\$3,736

1) Source: Moody's June 2, 2008 Investor Services Report, "Costs for nuclear increase."

2) Assumes 3% cost escalation from 2003 to 2011.

3) Assumes 3% cost escalation from 2011.

4) Assumes 2% after-tax discount rate over relevant time periods.