



NORTHERN TRUST

April 10, 2017

Mr. William M. Dean
Director, Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
11555 Rockville Pike
Rockville, MD 20852

Subject: Notice of Disbursement from Decommissioning Trusts for Exelon Generation Company, LLC units

Dear Mr. Dean:

The purpose of this letter is to provide notice of the disbursement of funds from the unit decommissioning trust funds for the Exelon Generation Company, LLC units specified in the table below. In accordance with various facility operating licenses, the Master Terms for Trust Agreements Applicable to Second Amended and Restated Qualified Nuclear Decommissioning Master Trust Agreement dated as of July 1, 2013 between Exelon Generation Consolidation, LLC and The Northern Trust Company, as Trustee and Second Amended and Restated Nonqualified Nuclear Decommissioning Master Trust Agreement dated as of July 1, 2013 among the NQF Companies identified therein and The Northern Trust Company, as Trustee (the "Master Terms"), require that the Trustee provide thirty (30) days written notice to the NRC, Director of the Office of Nuclear Reactor Regulation, prior to disbursing any funds from the decommissioning trust funds to reimburse Exelon Generation Company, LLC for Decommissioning Costs. The Master Trust further provides that no reimbursements from the trust funds will be made for any costs to which the NRC Director Office of Nuclear Reactor Regulation provides written objects within the thirty (30) day review period. The NRC's regulations at 10 C.F.R. 50.75(h)(1)(iv) require notice of thirty (30) *working* days. To address this discrepancy, Northern Trust will not make any disbursements from the funds until after thirty (30) *working* days from the date of this written notice to the NRC. Furthermore, Northern Trust will not make any disbursements for any Decommissioning Costs to which the NRC objects within the 30 working day period. Barring any objection from the NRC, Northern Trust will make the disbursements noted below for Decommissioning Costs.

The transfer of funds will reimburse Exelon Generation Company, LLC (ECG) for Decommissioning Costs for decommissioning planning (primarily decommissioning cost studies) incurred from 2004 to 2014. The amount of Decommissioning Costs to be disbursed from each unit trust fund is specified in the table that appears below in the column labeled "Decommissioning Costs."

Exelon Generation also seeks disbursement of funds from the unit trust funds for administrative costs incurred during the 2004 to 2014 period. The costs itemized in the column heading



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“Administrative Costs” in the table that appears below were incurred to obtain IRS Tax Rulings with respect to a pour-over from the non-qualified funds to the qualified funds. In addition, the costs under this column heading for Braidwood Units 1 and 2, Byron Unit 2, and Limerick Unit 1 include costs incurred to satisfy the financial test (calculations to demonstrate sufficient assets) for parent guarantees as required by the NRC’s regulations, 10 C.F.R. § 50.75(e)(1)(iii)(B). To the extent the balances in the funds for these units were not, at one point, sufficient to meet the NRC minimum funding assurance requirements, Exelon Generation obtained parent guarantees to provide additional financial assurance to cover the decommissioning trust fund shortfalls. When the trust fund balances increased to the point that the shortfalls were resolved, Exelon Generation terminated the parent guarantees for these units. Exelon Generation has determined that the costs for the IRS Tax Rulings and to satisfy the financial test for the parent guarantees constitute ordinary administrative costs (including taxes and tax liabilities) and other incidental expenses of the trusts (including legal, accounting, actuarial, and trustee expenses) in connection with the operation of the funds. Notice to the NRC is not required prior to disbursing funds from the trust funds to pay administrative costs. However, to the extent that the costs for obtaining IRS Rulings and for satisfying the parent guarantee financial test requirements are not specifically described in the NRC’s regulations as constituting ordinary administrative costs or other incidental expenses of the funds, Northern Trust provides notice to the NRC of the reimbursement request for these administrative costs to allow the NRC an opportunity to review the request and object in writing prior to Northern Trust making any disbursements from the trust funds to cover these administrative costs.

In the absence of an objection from the NRC prior to expiration of the thirty working day period, the Northern Trust Company will process the disbursements from the following Unit trusts for Decommissioning Costs and administrative costs in the amounts detailed below.

Unit	Decommissioning Costs (Planning)	Administrative Costs
Braidwood Unit 1	\$179,980.83	\$5,000 parent guarantee financial test \$7,000 IRS Ruling
Braidwood Unit 2	\$179,980.83	\$5,000 parent guarantee financial test \$7,000 IRS Ruling
Byron Unit 1	\$217,253.82	\$7,000 IRS Ruling
Byron Unit 2	\$217,253.82	\$5,000 parent guarantee financial test \$7,000 IRS Ruling
Dresden Unit 2	\$154,745.16	
Dresden Unit 3	\$154,745.16	
LaSalle Unit 1	\$190,412.45	\$7,000 IRS Ruling
LaSalle Unit 2	\$190,412.44	\$7,000 IRS Ruling
Quad Cities Unit 1	\$166,716.66	
Quad Cities Unit 2	\$166,716.66	
Limerick Unit 1	\$133,131.81	\$15,000 parent guarantee financial test
Limerick Unit 2	\$131,666.66	



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Unit	Decommissioning Costs (Planning)	Administrative Costs
Peach Bottom Unit 2	\$63,466.67	\$4,666.67 IRS Ruling
Peach Bottom Unit 3	\$63,466.66	\$4,666.67 IRS Ruling
Salem Unit 1	\$63,466.66	\$18,000 IRS Ruling
Salem Unit 2	\$63,466.67	\$18,000 IRS Ruling
Three Mile Island Unit One	\$427,973.81	\$14,000 IRS Ruling
Oyster Creek Nuclear Generating Station	\$304,716.80	\$14,000 IRS Ruling
Total Disbursement Request	3,069,573.57	\$145,333.34

If you have any questions about this letter, please contact me at (312) 444-2247.

Respectfully,

Danu Thomas
Vice President, Northern Trust Company
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cc: NRC Document Control Desk
Beth Mizuno, NRC Office of General Counsel (via email at beth.mizuno@nrc.gov)
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