



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

August 23, 2024

Mark D. Humphrey  
Senior Manager - Licensing  
Constellation Energy Generation, LLC  
4300 Winfield Road  
Warrenville, IL 60555

SUBJECT: PEACH BOTTOM ATOMIC POWER STATION, UNIT NO. 1 - U.S. NUCLEAR REGULATORY COMMISSION'S ANALYSIS OF CONSTELLATION ENERGY GENERATION'S DECOMMISSIONING FUNDING STATUS REPORT (DOCKET NO. 50-171)

Dear Mark Humphrey:

By letter dated March 22, 2024, the U.S. Nuclear Regulatory Commission (NRC) received the decommissioning funding status (DFS) report for the Peach Bottom Atomic Power Station, Unit 1 (Peach Bottom Unit 1) (Agencywide Documents Access and Management System Accession No. ML24082A195), which was submitted by Constellation Energy Generation, LLC (CEG, the licensee).

The NRC has reviewed and analyzed the site-specific decommissioning cost estimates for the facilities, as required by Section 50.82, "Termination of license – For power reactor licensees," of Title 10 of the *Code of Federal Regulations* (10 CFR). The NRC staff also verified the amounts stated within the licensee's decommissioning trust funds for Peach Bottom Unit 1 as of December 31, 2023, as well as earnings assumptions. Based on the reported decommissioning trust fund (DTF) balances, the NRC has determined that as of December 31, 2023, the licensee is providing a total amount of radiological decommissioning funding assurance in the amount of \$162,289,000 in 2023 dollars for Peach Bottom Unit 1.

The NRC staff notes that Peach Bottom Unit 1 had a shortfall in decommissioning funding, which was self-identified by the licensee in the March 22, 2024, submittal and confirmed by the NRC staff. In the cash flow analysis used to evaluate the decommissioning of this unit through license termination in 2034, the licensee experiences a shortfall of approximately \$7.95 million following radiological decommissioning expenditures of over \$249 million.

However, the licensee identified a solution to the Peach Bottom Unit 1 shortfall in the DFS submittal, which states:

Due to recent market performance, Peach Bottom, Unit 1, did not meet the minimum funding assurance criteria under 10 CFR 50.75 and 10 CFR 50.82 as of December 31, 2023, based solely on the trust fund balance. Financial assurance for decommissioning this reactor is provided by the external sinking fund method, coupled with an external trust fund, in accordance with 10 CFR 50.75(e)(1)(ii). The source of revenue for the external sinking fund is a "nonbypassable charge" approved by the

Pennsylvania Public Utilities Commission (PaPUC) authorizing PECO Energy Company to continue to collect decommissioning funds for CEG. The amount to be collected will be adjusted, as necessary, in accordance with the applicable tariff in the next submission to the PaPUC of the Nuclear Decommissioning Cost Adjustment (NDCA) to cover any funding shortfall that exists at that time. This cost adjustment is made every five years pursuant to PaPUC Electric Tariff No. 4. The most recent rate adjustment was effective January 1, 2023. CEG's ability to adjust the amount collected for Peach Bottom, Unit 1, is consistent with the guidance in Regulatory Guide 1.159, "Assuring Availability of Funds for Decommissioning Nuclear Reactors," Revision 2, Page 13, which provides that, "Adjustments to the annual amount of funds being set aside may be made to coincide with rate cases considered by a licensee's public utility commission (PUC)."

The NRC staff agrees that the licensee's approach is an acceptable means to address the DTF shortfall for Peach Bottom Unit 1. Coupled with its current DTF balance of \$162,289,000 (December 31, 2023), reliance on future contributions from the rate setting authority (PaPUC) as stated above to address the DTF shortfall meets the intent of decommissioning funding assurance for utility licensees. Accordingly, no further action is required at this time to address this shortfall.

This letter confirms the correspondence, described above, regarding DFS reports for permanently shut down power reactors as required under 10 CFR 50.82(a)(8)(v) - (vi). As of the date of this letter, considering the available information, the NRC has determined that the licensee has satisfied the decommissioning funding assurance requirements of 10 CFR 50.82 for Peach Bottom Unit 1 as of December 31, 2023.

In accordance with 10 CFR 2.390, "Public inspections, exemptions, requests for withholding," of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records component of NRC's ADAMS. ADAMS is accessible from the NRC website at <https://www.nrc.gov/reading-rm/adams.html>.

If you or your staff have any questions regarding the above, please contact me at 301-415-1387 or via email at [Tanya.Hood@nrc.gov](mailto:Tanya.Hood@nrc.gov).

Sincerely,



Signed by Hood, Tanya  
on 08/23/24

Tanya E. Hood, Project Manager  
Reactor Decommissioning Branch  
Division of Decommissioning, Uranium Recovery  
and Waste Programs  
Office of Nuclear Material Safety  
and Safeguards

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(DOCKET NO. 50-171) DATE: August 23, 2024

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