

Exelon Decommissioning Funding Assurance

Adam H. Levin
Exelon Generation Company, LLC

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Decommissioning Funding Assurance

- In its biennial submission, Exelon did not meet NRC's Minimum Funding requirements of 10 CFR 50.75 for some of its nuclear units
 - NRC estimated shortfall - \$1,142M for eight units
 - Exelon estimated shortfall - \$184M for six units
- Exelon's remediation plan described actions to resolve shortfall
 - Project plan timeline
 - Updated site-specific SAFSTOR decommissioning cost estimates
 - Financial guarantee for any remaining underfunded position

Exelon Insights

- Attempting to close the funding gap in a short timeframe (less than project timeline) would be detrimental to funding efficiency
- Taking actions with fund assets to attempt recovery
 - Create distortions in investment strategy by shifting assets
 - Invitation to poor fund investment behavior
 - Generate taxes on unrealized gains – eroding fund long term
- Obtaining a Letter of Credit in an illiquid market – very costly, if available
- Parent guarantee
 - Though a viable option, the obligation to maintain six times tangible assets may impact corporate credit ratings

Conclusions

- Given the long-term liability, allow time for markets to sort themselves out
- Update decommissioning cost estimates for those units which appeared to be underfunded
- Develop and execute a cogent plan to provide financial assurance within two years of recognized shortfall