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Nuclear

10CFR54  
10CFR50

April 11, 2003

U.S. Nuclear Regulatory Commission  
ATTN: Document Control Desk  
Washington, DC 20555

Peach Bottom Atomic Power Station, Units 2 and 3  
Facility Operating License Nos. DPR-44 and DPR-56  
NRC Docket Nos. 50-277 and 50-278

Subject: Response to Request for Additional Information Related to License Renewal

Reference: 1. Conference call between Exelon and NRC staff on March 28, 2003  
2. Letter from David L. Solorio (USNRC) to Exelon Generation, LLC confirming conference call summary, dated April 3, 2003

Dear Sir/Madam:

Exelon Generation Company, LLC (Exelon) hereby submits the following responses to the request for additional information from the above referenced letter and conference call.

Attachment 1P is a separately bound proprietary addendum to this letter. Exelon is requesting that Attachment 1P be withheld from public disclosure, as described in the Affidavit of Ronald J. DeGregorio, under 10CFR2.790 and 10CFR9.17. A redacted version, suitable for public disclosure, is provided with the responses in Attachment 1. Attachment 1 provides the requested additional financial information.

If you have any questions or require additional information, please do not hesitate to call.

I declare under penalty of perjury that the foregoing is true and correct.

Respectfully,

Executed on 04-11-03 Michael P. Gallagher  
Michael P. Gallagher  
Director, Licensing & Regulatory Affairs  
Mid-Atlantic Regional Operating Group

Enclosures: Affidavit  
Attachments 1P, 1


cc: H. J. Miller, Administrator, Region I, USNRC  
A. C. McMurtry, USNRC Senior Resident Inspector, PBAPS

AP01

**Affidavit of Ronald J. DeGregorio**

I, Ronald J. DeGregorio, Vice President, do hereby affirm and state:

1. I am authorized to execute this affidavit on behalf of Exelon Generation Company, LLC ("EGC").
2. EGC is providing this information in support of its Application for License Renewal for the Peach Bottom Atomic Power Station Units 2 and 3 ("PBAPS," NRC Facility Operating License Nos. DPR-44 and DPR-56; Docket Nos. 50-277 and 50-278. The documents contained in Attachment 1P contain EGC's financial projections related to the continued operation of PBAPS. These documents constitute proprietary commercial and financial information that should be held in confidence by the NRC under 10 C.F.R. 2.790(a)(4) and 10 C.F.R. 9.17(a)(4), because:
  - i. This information is and has been held in confidence by EGC.
  - ii. This information is of a type that is held in confidence by EGC and there is a rational basis for doing so because it is sensitive financial and commercial information concerning EGC's projected operating revenues and expenses.
  - iii. This information is being transmitted to the NRC in confidence.
  - iv. This information is not available in public sources and could not be gathered readily from other publicly available information.
  - v. Public disclosure of this information would create substantial harm to the competitive position of EGC by disclosing EGC's internal financial projections.
3. Accordingly, EGC requests that Attachment 1P be withheld from public disclosure under 10 C.F.R. 2.790 (a)(4) and 10 C.F.R. 9.17 (a)(4).

  
Ronald J. DeGregorio  
Vice President

Commonwealth of Pennsylvania  
County of Chester

Subscribed and sworn to before me, a Notary Public, in and for the County and Commonwealth above named, this 10<sup>th</sup> day of April, 2003.

  
Notary Public

My Commission Expires:

Notarial Seal  
Vivia V. Gallimore, Notary Public  
Kennett Square Boro, Chester County  
My Commission Expires Oct. 6, 2003

Member, Pennsylvania Association of Notaries

**ATTACHMENT 1**

**Exelon Generation Company, LLC (Exelon)  
License Renewal Application  
Peach Bottom Atomic Power Station, Units 2 and 3**

Request for Additional Information

Financial Qualifications

Pursuant to 10 CFR 50.33(f)(2), the applicant shall submit estimates for total annual operating costs for each of the first five years of operation of the facility. Accordingly, the following are to be provided:

1. Exelon is requested to provide the annual projected costs for the Peach Bottom Atomic Power Station, Units 2 and 3 (the facility), for five years beginning with 2003.
2. Exelon is requested to provide the annual capacity factor for each unit for the next five years beginning with 2003.
3. In addition confirmation is requested of the following:

In the latest Projected Income Statement dated January 14, 2003, regarding Total Operating Expenses, clarify whether these costs are for the nuclear facilities only or do they include the operating costs of fossil, hydro, and any other generating assets?

Response to RAIs 1 and 2:

Exelon is providing the annual projected costs for the Peach Bottom Atomic Power Station, Units 2 and 3 (the facility) for five years beginning with 2003 in response to your request. Exelon is also providing the annual capacity factor for the facility for the next five years beginning with 2003. A redacted version of the financial qualification information is provided below. A proprietary version of the financial qualification information is provided in Attachment 1P.

Response to RAI 3:

This is to confirm that the Total Operating Expenses provided in Exelon letter to the NRC dated January 14, 2003 are for Exelon Generation, LLC as a whole, which includes nuclear facilities, fossil, hydro, and any other generating assets.

**Peach Bottom Atomic Power Station, Units 2 and 3**  
**Operating Expenses**  
**(\$ Millions)**

	2003	2004	2005	2006	2007
<b>Operating Expenses</b>					
Fuel & Purchased Power					
Operation & Maintenance					
Depreciation & Amortization					
Administrative & Other					
Decommissioning Expense					
Decommissioning Recoveries					
<b>Total Operating Expenses</b>					

**Capacity Factor**

**PROPRIETARY ADDENDUM TO**  
**PBAPS LICENSE RENEWAL APPLICATION**

**ATTACHMENT 1P**

**CONFIDENTIAL**

CONTAINS CONFIDENTIAL INFORMATION PURSUANT TO  
10CFR2.790 AND 10CFR9.17(a)(4)