



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

June 28, 2012

Mr. Michael J. Pacilio
President and Chief Nuclear Officer
Exelon Generation Company, LLC
4300 Winfield Road
Warrenville, IL 60555

SUBJECT: LIMERICK GENERATING STATION, UNIT NO. 1 - STATUS OF
DECOMMISSIONING FUNDING ASSURANCE (TAC NO. ME8248)

Dear Mr. Pacilio:

By letter dated March 31, 2011 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML110980080), Exelon Generation Company, LLC (Exelon, the licensee) submitted to the U.S. Nuclear Regulatory Commission (NRC) the 2011 Decommissioning Funding Status (DFS) report for Limerick Generating Station (LGS), Unit 1, as required under Title 10 of the *Code of Federal Regulations* (10 CFR) Section 50.75, "Reporting and recordkeeping for decommissioning planning." This letter reflected funding considerations as of December 31, 2010. On July 27, 2011 (ADAMS Accession No. ML112092312), Exelon submitted supplemental information in response to a request for additional information (RAI) from the NRC staff regarding the status of the decommissioning funds. Subsequently, by letter dated January 11, 2012 (ADAMS Accession No. ML113540721), based on an NRC-calculated shortfall as of December 31, 2010, the NRC requested further information from Exelon. Specifically, the NRC requested that Exelon provide its most current plan to meet the NRC's financial assurance requirements for LGS, Unit 1. On February 23, 2012 (ADAMS Accession No. ML12054A256), Exelon provided a response to this second RAI. In that letter, Exelon provided its plan, the current decommissioning trust fund amount, and the minimum funding according to the calculation in 10 CFR 50.75(c), as of December 31, 2011.

In a letter dated March 27, 2012 (ADAMS Accession No. ML120720382), the NRC staff informed Exelon it had closed out its review of the 2011 DFS report for LGS, Unit 1 (i.e., decommissioning information as of December 31, 2010). The letter also stated that the NRC staff would continue its review of the decommissioning information provided as of December 31, 2011, for LGS, Unit 1, in order to determine there was reasonable assurance that funds will be available for the decommissioning process.

On April 20, 2012 (ADAMS Accession No. ML121080344), the NRC staff requested additional information from Exelon regarding its submittal dated February 23, 2012. Exelon provided its response to this RAI in a letter dated May 21, 2012 (ADAMS Accession No. ML121420477).

Using the information provided in Exelon's letters dated February 23, and May 21, 2012, the NRC staff performed an analysis, equivalent to a DFS report analysis, to determine if the plan of action provided decommissioning funding assurance. The reported amount of decommissioning funds estimated to be required by the formula in 10 CFR 50.75(c) by Exelon was \$660.4 million and independently determined by the NRC staff to be \$639.1 million. In the May 21, 2012, letter, you stated that the certification amount that must be covered by your financial assurance method is \$639.1 million.

M. Pacilio

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Based on the reported decommissioning trust balance as of December 31, 2011, the earnings credit specified under NRC regulations, the parent company guarantee and your filing with the Pennsylvania Public Utilities Commission for a proposed cost adjustment to the collection of annual payments from ratepayers, the NRC determined that the amount of decommissioning financial assurance you provided based on your plan of action was equal to or greater than the minimum required amount based on 10 CFR 50.75(c). As such, the NRC staff concludes that there is reasonable assurance that funds will be available for the decommissioning process for LGS, Unit 1. The NRC staff's DFS report analysis is enclosed.

If you have any questions, please contact me at (301) 415-1420.

Sincerely,

A handwritten signature in black ink, appearing to read 'R B Ennis', with a stylized flourish at the end.

Richard B. Ennis, Senior Project Manager
Plant Licensing Branch I-2
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-352

Enclosure:
As stated

cc w/encl: Distribution via Listserv

Plant name: Limerick Generating Station, Unit 1

Docket Number: 50-352

1 The minimum financial assurance (MFA) estimate pursuant to 10 CFR 50.75(b) & (c):¹ \$660.4 million

Did the licensee identify the amount of estimated radiological funds? (Y/N) Y

2 The total amount of dollars accumulated at the end of the appropriate year: (see below)

Licensee:	% Owned:	Category:	Amount in Trust Fund:
Exelon Generation Company, LLC	100.00%	1	\$256,541,000

Total Trust Fund Balance \$256,541,000

3 Schedule of the annual amounts remaining to be collected: (provided/none) provided

4 Assumptions used in determining rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections: (see below)

Rate of Return on Earnings	Escalation Rate	Rate(s) of Other Factors	Real Rate of Return	PUC Verified (Y/N)	Allowed through Decom (Y/N)	RAI Needed (Y/N)	Post-RAI		
							PUC Verified (Y/N)	Allowed through Decom (Y/N)	Rates Determined (Y/N)
3.00%			3.00%	Y	Y	N			

5 Any contracts upon which the licensee is relying? (Y/N) N

6 Any modifications to a licensee's method of providing decommissioning funding assurance? (Y/N) Y²

7 Any material changes to trust agreements? (Y/N) N

If a change has occurred, the reviewer will document on this sheet that a change has occurred and identify the reviewer who will evaluate the change: (see below)

¹ Licensee calculated MFA higher than NRC calculations. Justification, including factors used, were provided to NRC for review. No further review required. Licensee is certifying to NRC calculated minimum of \$639.1m.

² Financial Assurance is provided by the external sinking fund method coupled with a parent company guarantee and predicted rate relief

Datasheet 2

Plant name: Limerick Generating Station, Unit 1 **Docket Number:** 50-352

Date of Operation: Month: 12 Day: 31 Year: 2011
Termination of Operations: 10 26 2024

BWR/PWR	MWth	1986\$	ECI	Base Lx		Lx	Px	Latest Month Px	Base Px	Fx	Latest Month Fx	Base Fx		Ex		Bx
BWR	3458	\$135,000,000	116.1	2.16	0.65	2.51	1.786	204.0	114.2	3.677	301.5	82.0	0.13	2.656	0.22	12.54

NRC Minimum: \$639,100,000

Site Specific:

Licensee:	% Owned:	Category	Amount of NRC Minimum/Site Specific:	Amount in Trust Fund:
Exelon Generation Company, LLC	100.00%	1	\$639,100,000	\$256,541,000
Total Fund Balance:			\$256,541,000	

Step 1:
Earnings Credit:

Trust Fund Balance:	Real Rate of Return per year	Years Left in License	Total Earnings:	Does Licensee Pass:
\$256,541,000	2%	12.82	\$330,679,935	NO

Step 2:

Accumulation:

Value of Annuity per year

(amount/See Annuity Sheet)	Real Rate of Return per year	Number of Annual Payments:	Total Annuity:
see annuity sheet	See Annuity Sheet		See Total Step 2

Total Annuity	Real Rate of Return per year	Years remaining after annuity	Total Step 2:
See Total Step 2	See Annuity Sheet	N/A	\$110,684,362

Total Step 1 + Step 2	Does Licensee Pass:
\$441,364,297	NO

Step 3:

Decom Period:

Total Earnings:	Real Rate of Return per year	Decom Period:	Total Earnings for Decom:
\$441,364,297	2%	7	\$32,812,273

Parent Company Guarantee	Total of Steps 1 thru 3:	Does Licensee Pass:	Shortfall:
\$115,000,000	\$589,176,569	NO	(\$49,923,431)

Signature: Aaron L. Szabo
Date: 5/25/2012
Signature: Jo Ann Simpson
Date: 6/1/2012

Spreadsheet created by: Aaron Szabo, Shawn Harwell
Formulas verified by: Clayton Pittiglio

Plant name: Limerick Generating Station, Unit 1 **Docket Number:** 50-352

Date of Operation: Month: 12 Day: 31 Year: 2011

Termination of Operations: 10 26 2024

If licensee is granted greater than 2% RRR

Step 4:

Earnings Credit:

Trust Fund Balance:	Real Rate of Return per year	Years Left in License	Total Earnings:	Does Licensee Pass:
\$256,541,000	3.00%	12.82	\$374,735,912	NO

Step 5:

Accumulation:

Value of Annuity per year see annuity sheet	Real Rate of Return per year	Number of Annual Payments:	Total Annuity:
See Annuity Sheet	See Annuity Sheet	0	See Total Step 4

Total Annuity See Total Step 4	Real Rate of Return per year	Years remaining after annuity	Total Step 5
See Annuity Sheet	See Annuity Sheet	N/A	\$119,157,498

Total Step 4 + Step 5	Does Licensee Pass:
\$493,893,410	NO

Step 6:

Decom Period:

Total Earnings:	Real Rate of Return per year	Decom Period:	Total Earnings for Decom:
\$493,893,410	3.00%	7	\$56,766,594

Parent Company Guarantee	Total of Steps 4 thru 6:	Does Licensee Pass:	Shortfall:
\$115,000,000	\$665,660,004	YES	NO

Signature: Aaron L. Szabo
Date: 5/25/2012
Signature: Jo Ann Simpson
Date: 6/1/2012

Spreadsheet created by: Aaron Szabo, Shawn Harwell
Formulas verified by: Clayton Pittiglio

ANNUITY

Termination of Operations: 10 26 2024

Year	Annuity:	Real Rate of Return:	Total Accumulation
2012	\$7,170,000	2%	\$9,242,383
2013	\$8,041,000	2%	\$10,161,895
2014	\$8,041,000	2%	\$9,962,642
2015	\$8,041,000	2%	\$9,767,296
2016	\$8,041,000	2%	\$9,575,780
2017	\$8,041,000	2%	\$9,388,020
2018	\$8,041,000	2%	\$9,203,941
2019	\$8,041,000	2%	\$9,023,472
2020	\$8,041,000	2%	\$8,846,541
2021	\$8,041,000	2%	\$8,673,079
2022	\$8,041,000	2%	\$8,503,019
2023	\$8,041,000	2%	\$8,336,293
2024	\$0	2%	\$0

Total: \$110,684,362

Signature: Aaron L. Szabo

Date: 5/25/2012

Signature: Jo Ann Simpson

Date: 6/1/2012

Spreadsheet created by: Aaron Szabo, Shawn Harwell
Formulas verified by: Clayton Pittiglio

ANNUITY

Termination of Operations: 10 26 2024

If licensee is granted greater than 2% RRR

Year	Annuity:	Real Rate of Return:	Total Accumulation
2012	\$7,170,000	3.00%	\$10,473,895
2013	\$8,041,000	3.00%	\$11,404,123
2014	\$8,041,000	3.00%	\$11,071,964
2015	\$8,041,000	3.00%	\$10,749,479
2016	\$8,041,000	3.00%	\$10,436,388
2017	\$8,041,000	3.00%	\$10,132,415
2018	\$8,041,000	3.00%	\$9,837,296
2019	\$8,041,000	3.00%	\$9,550,773
2020	\$8,041,000	3.00%	\$9,272,595
2021	\$8,041,000	3.00%	\$9,002,520
2022	\$8,041,000	3.00%	\$8,740,311
2023	\$8,041,000	3.00%	\$8,485,738
2024	\$0	3.00%	\$0

Total: \$119,157,498

Signature: Aaron L. Szabo

Date: 5/25/2012

Signature: Jo Ann Simpson

Date: 6/1/2012

Spreadsheet created by: Aaron Szabo, Shawn Harwell

Formulas verified by: Clayton Pittiglio

M. Pacilio

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Sincerely,

/ra/

Richard B. Ennis, Senior Project Manager
Plant Licensing Branch I-2
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-352

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As stated

cc w/encl: Distribution via Listserv

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