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Nuclear
10CFR50
10CFR51
10CFR54

July 2, 2001

Docket Nos. 50-277
50-278

License Nos. DPR-44
DPR-56

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

Subject: Peach Bottom Atomic Power Station, Units 2 and 3
Application for Renewed Operating Licenses

Reference: July 2, 2001 Letter from Jeffrey A. Benjamin to NRC Document Control Desk Regarding
License Renewal Boundary Drawings

Dear Sir/Madam:

In accordance with the requirements of 10CFR50, 51, and 54, Exelon Generation Company, LLC (Exelon) hereby applies for the renewal of the operating licenses for the Peach Bottom Atomic Power Station (PBAPS), Units 2 and 3. The current Unit 2 license (Facility Operating License No. DPR-44) expires on August 8, 2013, and the current Unit 3 license (Facility Operating License No. DPR-56) expires on July 2, 2014. By this license renewal application, Exelon seeks to extend the operating term for each unit by 20 years, so that the Unit 2 license will expire on August 8, 2033, and the Unit 3 license will expire on July 2, 2034.

Exelon submits the enclosed PBAPS License Renewal Application (LRA) in accordance with the applicable NRC operating license renewal requirements of 10CFR54 and 51. The LRA includes an environmental report entitled, "Applicant's Environmental Report – Operating License Renewal Stage," prepared in accordance with 10CFR54.23 and Subpart A of 10CFR51.

Exelon hereby submits the hardcopy original, 17 hardcopies and 30 copies in CD-ROM format of the LRA (including the Applicant's Environmental Report – Operating License Renewal Stage) to the NRC Document Control Desk, one LRA hardcopy to the NRC Regional Administrator, and one LRA hardcopy to the NRC Senior Resident Inspector for PBAPS. An additional 8 hardcopies and 15 copies in CD-ROM format of the Applicant's Environmental Report – Operating License Renewal Stage are being provided to the NRC Document Control Desk.

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w/ CD-ROM from
Steve Hoffmann

The reference letter transmitted 4 copies of the license renewal boundary drawings (not considered part of the LRA) to the NRC Document Control Desk to aid in the review of the LRA. Copies of the same license renewal boundary drawings were also transmitted to the NRC Regional Administrator and the NRC Senior Resident Inspector for PBAPS.

Exelon possesses the financial qualifications to meet the applicable requirements of 10CFR50.33(f), "Contents of Applications; General Information," for non-electric utility businesses. Specifically, Exelon possesses, or has reasonable assurance of obtaining, the funds necessary to cover the estimated operating costs for the period of the facility operating licenses, including the period of operation under renewed licenses, in accordance with 10CFR50.33(f)(2).

Exelon has prepared a Projected Income Statement for Exelon operations from January 1, 2001 through December 31, 2005, as well as a Consolidated Balance Sheet. This Projected Income Statement and Consolidated Balance Sheet are included in Attachment 1 and 1P. Attachment 1P is a separately bound proprietary addendum to this Application. Exelon is requesting that it be withheld from public disclosure, as described in the attached Affidavit of Jeffrey A. Benjamin, under 10CFR2.790 and 10CFR9.17. A redacted version, suitable for public disclosure, is provided as Attachment 1.

In accordance with the NRC Standard Review Plan on Power Reactor Licensee Financial Qualifications and Decommissioning Funding Assurance (NUREG-1557, Rev. 1) (SRP), this Projected Income Statement provides the estimated total annual operating costs for the nuclear facilities owned by Exelon. The source of funds to cover these operating costs will be operating revenues. The Projected Income Statement shows that the anticipated revenues from sales of capacity and energy by Exelon provide reasonable assurance of adequate funds to meet Exelon's ongoing operating expenses. The projected revenues from the sale of electricity from the nuclear units alone are expected to provide sufficient income to cover the total operating costs of Exelon's nuclear units. In addition, there are substantial additional revenues available from sales of electricity from the more than 5000 MWe of capacity in the fossil-fired and hydroelectric generating stations owned by Exelon, as well as revenue from power marketing and other business operations.

Exelon's projected assets and revenue streams are more than sufficient to cover its share of costs that might be associated with a six-month shutdown at one or more of the nuclear units owned by Exelon. The Exelon Projected Income Statement and Consolidated Balance Sheet provided in Attachment 1P demonstrate that Exelon has total assets of more than \$10 billion, and annual gross revenues of more than \$6 billion. Furthermore, based upon the financial stature of the company, Exelon has an investment-grade bond rating, which would enable it to raise additional funds as necessary. Accordingly, Exelon will fully meet or exceed the financial qualifications requirements of 10CFR50.33(f) and the guidelines of the SRP.

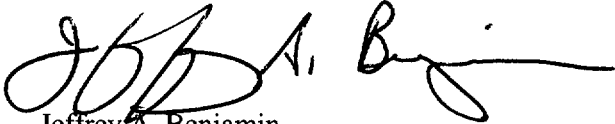
Exelon believes that the LRA provides the appropriate administrative, technical, and environmental information sufficient to support the findings required by 10CFR54.29. As required by 10CFR54, actions have been identified to manage the effects of aging on the structures and components subject to aging management review, such that their intended functions will be maintained consistent with the current licensing basis during PBAPS's renewed term of operation.

The technical information relating to plant design contained in the LRA is complete and accurate as of March 31, 2001. Current licensing basis changes that have a material effect on the content of the LRA will be identified in an amendment to the LRA that will be submitted annually while the LRA is under NRC review in accordance with 10CFR54.21(b).

The PBAPS LRA is organized in accordance with the August 2000 US NRC Draft Standard Review Plan for the Review of License Renewal Applications for Nuclear Power Plants and is consistent with the guidance provided by NEI 95-10, "Industry Guidelines for Implementing the Requirements of 10 CFR 54 - License Renewal Rule," Revision 3.

Exelon stands ready to provide assistance and information to facilitate a thorough, efficient review of this LRA to achieve the goal of timely issuance of the requested renewed operating licenses. If you have any questions, please do not hesitate to contact us.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jeffrey A. Benjamin". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jeffrey A. Benjamin
Vice President, Licensing and Regulatory Affairs

Enclosures: Affidavits, Attachment 1, 1P, LRA

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