

4300 Winfield Road Warrenville, Illinois 60555 Writer's Direct Dial: 630/657-3753 Tamra.Domeyer@exeloncorp.com

#### Via E-Mail

June 30, 2017 .

The Honorable Kathleen H. Burgess Secretary to the Commission New York State Public Service Commission Empire State Plaza Agency Building 3 Albany, NY 12223-1350

Re: Matter 13-01288 - In the Matter of Financial Reports for Lightly Regulated Utility Companies

Dear Secretary Burgess:

In accordance with the Public Service Commission's (the "Commission") Order Adopting Annual Reporting Requirements Under Lightened Ratemaking Regulation, dated January 23, 2013, Constellation Energy Nuclear Group, LLC, as indirect owner, hereby submits the redacted version of the 2016 Annual Report of the R.E. Ginna and Nine Mile Point nuclear power plants. A complete version of the 2016 Annual Report, which contains trade secret and/or confidential commercial information, has been provided to the Records Access Officer, as per the Commission's rules.

Respectfully submitted,

/s/ Tamra Domeyer

Tamra Domeyer
Associate General Counsel
Exelon Generation Company, LLC
On behalf of Constellation Energy Nuclear Group, LLC
Nine Mile Point Nuclear Station, LLC, and
R.E. Ginna Nuclear Power Plant, LLC

cc: K. Overacker (via email) Enclosure

<sup>&</sup>lt;sup>1</sup> Case 11-M-0294: In the Matter of the Filing of Annual Reports by Electric and Gas Corporations Subject to Lightened Ratemaking Regulation, Order Adopting Annual Reporting Requirements Under Lightened Ratemaking Regulation (January 23, 2013).

# LIGHTLY REGULATED Gas, Electric and Steam Companies

## **ANNUAL REPORT**

OF

Constellation Energy Nuclear Group, LLC, Nine Mile Point Nuclear Station, LLC, & R.E. Ginna Nuclear Power Plant, LLC

1310 Point Street

Baltimore, MD 21231

(Address of principal business office at end of year)

FOR THE

**YEAR ENDED 12/31/16** 

TO THE

STATE OF NEW YORK

**PUBLIC SERVICE COMMISSION** 

Name, title, address and telephone number (including area code), of the person to contact concerning this report:

Tamra Domeyer, Associate General Counsel, 4300 Winfield Road, Warrenville, Illinois 60502

telephone number: 630-657-3753

#### GENERAL INSTRUCTIONS

- 1 This form of annual report is for those electric companies, gas companies and steam companies that have obtained an order providing for lightened regulation from the Public Service Commission of the State of New York, as provided by statutes of the said State.
- 2 The word *respondent*, wherever used in this report, means the person, firm, association, company, partnership, or corporation in whose behalf the report is made.
- The Annual Report should be filed electronically. If the Annual Report is filed confidentially, a redacted and unredacted report should be filed. Both should be filed electronically to the respective e-mail addresses provided at dps.ny.gov. The verification page should be printed, signed by the authorized company representative, notarized and mailed to the Hon. Jaclyn A. Brilling, Secretary, Public Service Commission, 3 Empire State Plaza, Albany, New York 12223. Do not file the entire report in paper, only the verification page.
- 4 If it is necessary or desirable to insert additional statements for the purpose of further explanation of schedules, they should be properly identified electronically. Inserts for each schedule should be numbered and line Numbers, where needed, shown on the margin of each sheet. This also applies to all special or unusual entries not provided for in this form. Where information called for herein is not given, state fully the reason for its omission.
- 5 Every annual report should in all particulars be complete in itself, and reference to reports of former years or to other reports should not be made to take the place of required entries except as otherwise specifically authorized.
- This report form is designed to cover the calendar year. If the respondent makes a report for any other period, the beginning and the end of the period must be clearly stated on the front cover, and throughout the report the appropriate cancellations of printed dates must be made. When operations cease during the year because of the disposition of property, the balance sheet and supporting schedules should consist of balances and items immediately prior to transfer (for accounting purposes), and the income statement and supporting schedules should be to the date of such transfer (for accounting purposes). If the books are not closed as of that date, the data in this report should be supported by information set forth in, or as a part of, the respondent's books of account.
- 7 Cents are to be omitted on all schedules except where they apply to averages and figures per unit where cents are important. The amounts shown on all supporting schedules shall agree with the item in the statement they support.

Name of Respondent	This Report is:	Year of Report
Constellation Energy Nuclear Group, LLC (CENG, LLC)	(1) [X] An Original	2016
	(2) [ ] A Resubmission	
		i

## OFFICERS AND MANAGEMENT

Name (b)	Address (U.S mail & E-mail) (c)	. Telephone Number (d)
William Von Hoene, Jr. (President and Chief Executive Officer)	10 S. Dearborn St. Chicago, IL 60603 william.vonhoene@exeloncorp.com	312-394-3430
Christopher H. Mudrick (Chief Operating Officer)	200 Exelon Way Kennett Square, PA 19348 christopher.mudrick@exeloncorp.com	610-765-5600
Dennis Moore (Mgr. Licensing - NMP)	HR OPS1 NM2 PO Box 63 Lycoming, NY 13093 dennis.moore@exeloncorp.com	315-349-5219
Kyle Garnish (Mgr. Site Regulatory Assurance - Ginna)	1503 Lake Rd. Ontario, NY 14519 kyle.gamlsh <b>@</b> exeloncorp.com	315-791-5321
	(b)  William Von Hoene, Jr. (President and Chief Executive Officer)  Christopher H. Mudrick (Chief Operating Officer)  Dennis Moore (Mgr. Licensing - NMP)  Kyle Gamish	(b) (c)  William Von Hoene, Jr. (President and Chief Executive Officer)  Christopher H. Mudrick (Chief Operating Officer)  Dennis Moore (Mgr. Licensing - NMP)  Kyle Garnish (Mgr. Site Regulatory Assurance - Ginna)  (Mgr. Site Regulatory Assurance - Ginna)

e of Respondent G, LLC			This Report is: (1) [X] An Original (2) [ ] A Resubmission	Year of Report 2016
CONTROL OF STOCK		NS		
(8 so organish the requested information concerning shareholders of the respondent who at a date of the latest closing of the stock-book prior to the actual filing of this report het is per centum or more of the voling capital stock or the respondent. If the stock-book is not closed within one year, show such shareholders as of the end of the year.			orlion of the number of si	hares held, give full
	Numbe	r of voting shares held (	date) 12/31/16	
Name of Shareholder	Common		erred	Other securitles with
. (a)	(b)	First (c)	Second (d)	voting power (e)
·				

If not incorporated, identify below each partner/member/other owner holding more than a 10% interest in the lightly regulated company making this Report, and the size of that interest as of the end of the reporting year.

Note: CENG, LLC is a Maryland limited liability company. CENG, LLC's members and their respective member interests are as follows: 49.11% by Constellation Nuclear, LLC, .90% by CE Nuclear, LLC, and 49.99% by EDF inc.

	e of Respondent • G, LLC	This Report is: (1) [X] An Original	Year of Report 2016
	COMPARATIVE BALANCE SHEET (ASSETS AND OTHER D	(2) [ ] A Resubmission	
	COMPANATIVE BALANCE SHEET (ASSETS AND OTHER D		D-1
	T:1 / A	Balance at	Balance at
Line	Title of Account	Beg. of Year	End of Year
No.	(a)	(b)	(c)
1	PLANT		
2	Plant		
3	Construction Work in Progress		
4	TOTAL Plant (Enter Total of lines 2 and 3)		
	(Less) Accum. Prov. for Depr. Amort. Depl.		
6	Net Plant (Enter Total of line 4 less 5)		
7	OTHER PROPERTY AND INVESTMENTS		
	Other Property .		
9	(Less) Accum. Prov. for Depr. and Amort.		
10	Investments in Associated Companies		
11	Investment in Subsidiary Companies		
12	Other Investments		
13	Special Funds		
14	TOTAL Other Property and Investments (Total of lines 8-9, 10-13)		
15	CURRENT AND ACCRUED ASSETS		
16	Cash and Cash Equivalents		
	Notes Receivable		
	Accounts Receivable		
	(Less) Accum. Prov. for Uncollectible AcctCredit		
	Notes Receivable from Associated Companies		
	Receivables from Assoc. Companies		
	Fuel Stock		
	Plant Materials and Operating Supplies		
	Merchandise		
	Other Materials and Supplies		
	Inventories		
	Prepayments		
	Interest and Dividends Receivable		
	Rents Receivable		
	Accrued Revenues		
	Miscellaneous Current and Accrued Assets		
_	TOTAL Current and Accrued Assets (Enter Total of lines 16 thru 31)		
33	DEFERRED DEBITS		
	Unamortized Debt Expense Extraordinary Property Losses		
	Clearing Account		
	Miscellaneous Deferred Debits		
	Accumulated Deferred Income Taxes		
	TOTAL Deferred Debits (Enter Total of lines 34 thru 38)		
40	TOTAL Assets and Other Debits (Enter Total of lines 6, 14, 32, 39)		

If a holding company, identify New York subsidiaries and their relationship to respondent below

CENG, LLC is a Maryland limited liability company. The New York subsidiaries wholly consolidated in CENG's financial statements are Nine Mile Point Nuclear Power Station, LLC (NMP) and R.E. Ginna Nuclear Power Plant, LLC. The assets above exclude amounts associated with Long Island Power Authority's (LIPA) 18% ownership interest in NMP Unit 2. LIPA reimburses CENG for its portion of the assets and reports those assets in its financial statements. LIPA also calculates its own depreciation, ARO accretion, nuclear fuel amortization, and property tax amortization for its ownership portion of NMP Unit 2.

Please note the following explanations for various line items above:

- (8) Other property represents nuclear fuel in process and in reactor
- (9) Accumulated Prov. For Depr. And Amort. represents accumulated amortization of nuclear fuel
- (12) Other investments represent the fair value of investments in the nuclear decommissioning trust funds
- (37) Miscellaneous deferred debits include noncurrent Power Sale Agreement fair value assets, non-current portion of Department of Energy (DOE) unbilled receivable for the storage of spent nuclear fuel, deposits and other non-current prepaid assets.

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Name of Respondent*	This Report is:	Year of Report
CENG, LLC	(1) [X] An Original	2016
	(2) [ ] A Resubmission	

	COMPARATIVE BALANCE SHEET (LIABILITIES AND O	THER CREDITS)	
		Balance at	Balance at
Line	Title of Account	Beg. of Year	End of Year
No.	(a)	(b)	(c)
1	PROPRIETARY CAPITAL		
2	Common Stock Issued		
3	Preferred Stock Issued		
4	Premium on Capital Stock		
5	Other Paid-in Capital		
	Retained Earnings		
7	Unappropriated Undistributed Subsidiary Earnings		
8	TOTAL Proprietary Capital (Enter Total of lines 2 thru 7)		
9	LONG-TERM DEBT ,		
10	Bonds		
11	Advances from Associated Companies		
	Other Long-Term Debt		
13	TOTAL Long-Term Debt (Enter Total of Lines 10 thru 12)		
14	OTHER NONCURRENT LIABILITIES		
15	Obligations Under Capital Leases - Noncurrent		
16	Accumulated Miscellaneous Operating Provisions		
17	TOTAL Other Noncurrent Liabilities (Enter Total of lines 15 thru 16)		
18	CURRENT AND ACCRUED LIABILITIES		
19	Notes Payable		
20	Accounts Payable		
21	Payables to Associated Companies		
22	Taxes Accrued .		
23	Interest Accrued		
24	Dividends Declared		
	Matured Long-Term Debt		
26	Miscellaneous Current and Accrued Liabilities		
27	Obligations Under Capital Leases - Current		
28	TOTAL Current and Accrued Liabilities (Enter Total of lines 19 - 27)		
29	DEFERRED CREDITS		
30	Accumulated Deferred Investment Tax Credits		
31	Other Deferred Credits		
32	Other Liabilities		
33	Accumulated Deferred Income Taxes		
34	TOTAL Deferred Credits (Enter Total of lines 30 thru 33)		
35	TOTAL Liabilities and Other Credits (Enter Total of lines 8, 13, 17, 28 and 3		

If a holding company, identify New York subsidiaries and their relationship to respondent below

CENG, LLC is a Maryland limited liability company. The New York subsidiaries wholly consolidated in CENG's financial statements are Nine Mile Point Nuclear Power Station, LLC and R.E. Ginna Nuclear Power Plant, LLC.

The liabilities above exclude amounts associated with LIPA's 18% ownership interest in NMP Unit 2. LIPA maintains its portion of certain liabilities in their financial statements.

Please note the following explanations for various line items above:

Certain prior year amounts have been reclassified between line items for comparative purposes. (Lines 11, 19, 20, 21, 22, 26, and 32)

- (2) CENG, LLC is a limited liability company. Amounts reported on this line represent membership units rather than common stock
- (6) Retained earnings includes accumulated other comprehensive income (AOCI) associated with unrealized nuclear decommissioning trust fund earnings.
- (11) The advances from associated companies balance represents the principle balance plus accrued interest for the long-term note due to one of CENG's members.
- (16) Accumulated Miscellaneous Operating Provisions represents the asset retirement obligation liability associated with the eventual decommissioning of the plants
- (19) The notes payable balance represents the balance due on short-term borrowings from
- (26) Miscellaneous Current and Accrued Liabilities represents miscellaneous accruals and, for 2016 only, the deferred revenue related to the clawback provision of the Ginna Reliability Services Support Agreement (RSSA) of \$
- (32) Other liabilities includes non-current portion of low level radiated waste disposal costs.
- (33) Accumulated deferred income taxes represent deferred income taxes associated with qualified nuclear decommissioning trust fund earnings

Nam	e of Respondent*	This Report is:	Year of Report
CENG, LLC		(1) [X] An Original	2016
		(2) [ ] A Resubmission	
	STATEMENT OF INCOME FOR THE Y		
		TOT	AL
Line	Account	Current Year	Previous Year**
No.			
	(a)	(b)	(c)
1	REVENUES	2000年,在日本市场中的14	
2	Operating Revenues		
3	Other Revenues		
4	TOTAL Revenue (Enter Total of lines 2-3)		
5	EXPENSES		
6	Operation and Maintenance Expenses		
7	Depreciation Expense		
8	Amortizations		
9	Interest Expense		
10	Amortization of Debt Discount/Expense		
11	Taxes Other Than Income Taxes		
12	TOTAL Expenses (Enter Total of lines 6-11)		
13	Net Operating Income (Enter Total of line 4 less 12)		
14	OTHER INCOME AND DEDUCTIONS/EXTRAORDINARY ITEMS		
15	Gains/Losses - Net		
16	Extraordinary Income		
_17	Extraordinary Deductions		
	Net Other Income and Deductions (Enter Total of lines 15 and 16 less line 17		
19	Net Income before Income Taxes (Enter Total of lines 13 and 18)		
20	INCOME TAXES		
21	Income Taxes Federal		
22	Other		
23	Provision for Deferred Income Taxes - Net		
24	Investment Tax Credit Adj.		
25	TOTAL Income Taxes (Enter Total of lines 21 thru 24)		

- If a holding company, identify New York subsidiaries and their relationship to respondent below
- \*\* The prior year figures need not be provided in the first year of reporting.

Please note the following explanations for various line items above:

Certain prior year amounts have been reclassified between line items for comparative purposes. (Lines 6, 7, 8 15, and 21)

- (2) Operating revenues include energy sales, ancillary revenues, and revenues from the Ginna Reliability Support Services Agreement
- (3) Other revenues include only capacity revenues

26 Net Income (Enter Total of line 19 less 25)

- (6) Operation and maintenance expenses include purchased energy, scheduling and dispatch costs, expenses traditionally classified as O&M including reimbursements from LIPA for its portion of these expenses, and the effect of an adjustment related to the asset retirement obligation liability made in December of 2016 of \$
- (8) Amortizations include the amortization of nuclear fuel in the reactor, intangible asset amortization, and accretion of asset retirement obligation liabilities
- (15) Gains/Losses Net represents nuclear decommissioning trust fund investment earnings including dividends and Interest net of taxes
- (21) Income Taxes Federal As a pass through entity for Federal and State income tax purposes, CENG does not record income taxes in its financial statements.

Name of Respondent CENG, LLC		This Report is: (1) [X] An Original (2) [ ] A Resubmission	Year of Report 2016
	Lightly Regulated Generation Facilities Generation Unit Annual Operational Data		
N	ame of Generation Unit: Nine Mile Point Unit 1		
	Location of Generation Unit: Scriba, NY		
Item (a)	Amount (Annually by (b)	Reporting Year)	
Summer Capability (MW)	• 630.4		
Winter Capability (MW)	Winter '15-'16 633.9, W	inter '16-'17 628.1	
DMNC Test (MW)	626.1		
Minimum Generation Level (MW)			
Total Available Hours			
Total Synchronous Hours			
Hours of Planned Maintenance Outage			
Hours on Forced Outage	·		
Hours on Partial Forced Outage			
Average Full Load Heat Rate (btu/kWh)			
	- th the at to also - Word by the Atan Work London	S	
Supply a separate sneet for each generation u	nit that is classified by the New York Independent	System Oberator as a se	parate unit.

ame of Respondent ENG, LLC		This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Year of Report 2016	
	Lightly Regulated Generation Facilities Generation Unit Annual Operational Data			
	Name of Generation Unit: Nine Mile Point 2			
	Location of Generation Unit: Scriba, NY			
item (a)	Amount (Annually by Reporting Yea (b)	ır)		
Summer Capability (MW)	1184.3			
Winter Capability (MW)	Winter '15-'16 1191, Winter '16-'17 12	11.2		
DMNC Test (MW)	DMNC Test (MW) 1289.6			
Minimum Generation Level (MW)				
Total Available Hours	Fotal Available Hours			
Total Synchronous Hours				
Hours of Planned Maintenance Outage				
Hours on Forced Outage	·		•	
Hours on Partial Forced Outage				
Average Full Load Heat Rate (btu/kWh)				
Supply a separate sheet for each generation unit that is classified by the New York Independent System Operator as a separate unit.				

Name of Respondent CENG, LLC		This Report is: (1) [X] An Original (2) [ ] A Resubmission	Year of Report 2016
	Lightly Regulated Generation Facilities Generation Unit Annual Operational Data		
	Name of Generation Unit: R.E. Ginna		
	Location of Generation Unit: Ontario, NY		
Item (a)	Amount (Annually by Reporting Yea (b)	ir)	
Summer Capability (MW)	. 578		
Winter Capability (MW)	Winter '15-'16 575.5, Winter '16-'17 58	30.6	ľ
DMNC Test (MW)	581.4		
Minimum Generation Level (MW)			
Total Available Hours			
Total Synchronous Hours			
Hours of Planned Maintenance Outage			
Hours on Forced Outage			
Hours on Partial Forced Outage			
Average Full Load Heat Rate (btw/kWh)			
Supply a separate sheet for each generation unit that is classified by the New York Independent System Operator as a separate unit.			

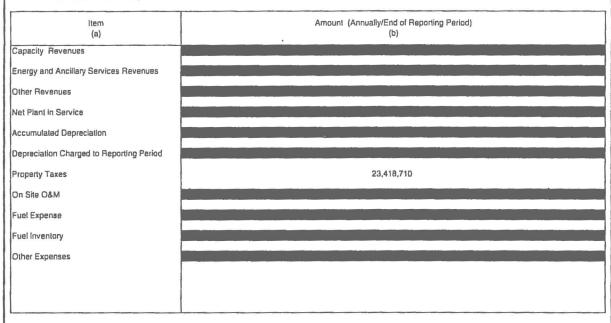
Name of Respondent CENG, LLC	This Report is: (1) [X] An Original (2) [ ] A Resubmission	Year of Report 2016

Lightly Regulated Generation Facilities Site Specific Revenues and Expenses

Name of Holding Company, CENG, LLC

Name of Generation Subsidiary Nine Mile Point Nuclear Station, LLC

Location of Generation Site: Scriba, NY



Supply a separate sheet for each generation subsidiary that is classified by the holding company as a separate subsidiary.

- 1- O&M includes services bought directly from Exelon under the terms of the Nuclear Operating Serivces Agreement (NOSA) to operate the plants
- 2- Fuel Inventory consists of nuclear fuel inventory as well as fuel in the reactor net of accumulated amortization
- 3- Other expenses include purchased energy, amortization of Intangible assets, accretion of the asset retirement liability, and earnings and associated income taxes on the nuclear decommissioning trust fund assets

Note: amounts above are net of any costs allocated to Long Island Power Authority and do not reflect amounts accounted for on Long Island Power Authority books

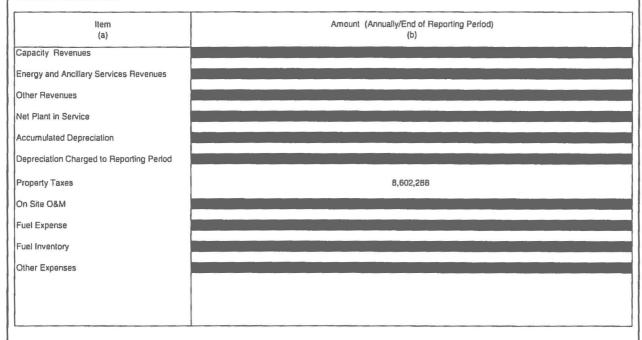
nis Report is:	Year of Report
) [X] An Original	2016
) [ ] A Resubmission	
)	[X] An Original

Lightly Regulated Generation Facilities Site Specific Revenues and Expenses

Name of Holding Company: CENG, LLC

Name of Generation Subsidiary: R.E. Ginna Nuclear Power Plant, LLC

Location of Generation Site:



Supply a separate sheet for each generation subsidiary that is classified by the holding company as a separate subsidiary.

- 1- Other revenues are revenues earned under the Ginna Support Services Agreement (RSSA).
- 2- O&M includes services bought directly from Exelon under the terms of the Nuclear Operating Serivces Agreement (NOSA) to operate the plants.
- 3- Other expenses include purchased energy, amortization of intangible assets, accretion of the asset retirement liability, interest income related to the RSSA, earnings and associated income taxes on the nuclear decommissioning trust fund assets, and the effect of an adjustment related to the asset retirement obligation liability made in December of 2016 of \$

Name of Respondent Nine Mile Nuclear Station, LLC	This Report is: (1) [X] An Original (2) [ ] A Resubmission	Year of Report 2016
	P. 2	

# ELECTRIC PLANT (Lightly Regulated Companies)

ltem (a)	Description (b)
Real Property	Appr. 845 acres along the shore of Lake Ontario
Structures	Power Station and ancillary structures including cooling tower, administrative buildings spent fuel storage facility, training facility, security building, sewage treatment facility, warehouse, and hazardous materials storage facility
Generation Units	Two GE boiling water reactors (nuclear)
Reservoirs, Dams and Waterways	
Electric Delivery Lines	
No. of Retail Service Connections	

Provide a separate sheet for each separate site listed at Page 7.

Name of Respondent	This Report is:	Year of Report
R.E. Ginna Nuclear Power Plant, LLC	(1) [X] An Original	2016
	(2) [ ] A Resubmission	
	· ·	l .

## ELECTRIC PLANT (Lightly Regulated Companies)

ltem (a)	Description (b)
Real Property	Appr. 426 acres along the shore of Lake Ontario
Structures	Power Station and ancillary structures including cooling tower, administrative buildings spent fuel storage facility, training facility, security building, sewage treatment facility, warehouse, and hazardous materials storage facility
Generation Units	One Westinghouse two loop pressurized water reactor (nuclear)
Reservoirs, Dams and Waterways	
Electric Delivery Lines	
No. of Retail Service Connections	
No. of Retail Service Connections	•

Provide a separate sheet for each separate site listed at Page 7.

## DIRECTIONS CONCERNING VERIFICATION OF THIS REPORT

Section 66, subdivision 5, and Section 80, subdivision 5, of the Public Service Law, contain the following: "it shall be the duty of every." (lightly regulated gas, electric and steam) corporation to file with the Commission an annual report, verified by the eath of the president, vice president, treasurer, secretary, manager, or receiver, if any, or by the person required to file the same."

The dependent shall specify those portions of the foregoing report concerning which the dependent does not possess actual knowledge, identifying them by page numbers and schedules where indicated below. If the portion, excepted is only a part of a schedule, the numbers of the lines excepted must also be shown.

VERIFI	CATION	
State of	ss.: County of DuPage	
Jeanne Jones	boing duly sworn deposes and says:	
I am the <u>Chief Financial Officer</u> c  (Here insert the official title of the deponent.)	Constellation Energy Nuclear Group, LLC  Here insert the exact name of the respondent.)	
I have examined the foregoing annual report of the said company which consists of _15 printed pages, being pages _1 to _9_, both inclusive and insert pages 7-9_, and to the best of my knowledge, information and belief all statements of fact contained in this annual report are correct statements in all material respects regarding the business affairs of the respondent, and the financial statements and other financial information contained in this annual report conform in all material respects to the respondent's books and records kept in accordance with its accounting practices.  As to the foregoing matters stated upon my information and belief instead of my knowledge, I believe the annual report to be true in all material respects. The sources of my information and belief as to the matters not stated upon my knowledge are as follows:		
Subscribe and sworn to before me,  af Warrenville, IL	(signature)	
in and for the state and county above named, this 3012 day of 120 20 18  My commission expires 120 20 20 20 20 20 20 20 20 20 20 20 20 2	"OFFICIAL SEAL" CAROLYN V POLOS Notary Public, State of Illinois My Commission Expires 1/26/2018  (Affix seal or stamp)	

The foregoing oath must be executed and this report filed with the State of New York, Department of Public Service, Public Service Commission, Albany, N.Y. 12223, on or before July 1, next following the end of year of reporting.