Exelon Probed on Nuclear Funding Shortfall, U.S. Says

Exelon Corp. (EXC), the largest U.S. nuclear operator, “deliberately” under-reported for four years the amount of money needed to retire its reactors, the U.S. Nuclear Regulatory Commission said.

Exelon, based in Chicago, faces “escalated enforcement action” for the financial reporting errors that may total as much $140,000 for each day of the violation, Scott Burnell, a spokesman for the regulatory agency, said in a phone interview today. The agency asked Exelon to explain the errors for the years 2005-2007 and 2009 in a Jan. 31 letter.

The investigation is “very unusual” and may be the first related to contributions to a federal nuclear decommissioning trust fund, Anneliese Simmons, a financial analyst with the commission’s Office of Nuclear Reactor Regulation, said in a phone interview. The shortfall totaled $1 billion in 2009. The company is now in compliance, Simmons said.

Exelon “disputes” the commission’s findings and is conducting its own investigation of the matter, David Tillman, a spokesman for Exelon’s power generation unit, said in an e-mail.

“We are not aware of any evidence supporting a conclusion that Exelon employees performed or condoned deliberate misconduct or intentionally violated regulatory requirements,” Tillman said.

Exelon fell 1.3 percent to $31.03 at the close in New York.

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