

Internal Revenue Service

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Washington, DC 20224

Third Party Communication: None

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Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC:ECE:B02

PLR-105066-24

Date:

April 3, 2025

Re: Request for Extension of Time, Pursuant to § 301.9100 of the Procedure and Administration Regulations, to Withdraw an Excess Contribution Made to a Qualified Nuclear Decommissioning Fund Pursuant to § 468A of the Internal Revenue Code and § 1.468A-5(c)(2) of the Income Tax Regulations. Request for Revised Schedules of Ruling Amounts.

LEGEND

Taxpayer =

Purchaser =

Company A =

Company B =

Company C =

Company D =

Company E =

Company F =

Company G =

Company H =

Facility =

Location =

Commission =

Method =

Independent Study =

State	=
<u>a</u>	=
<u>b</u>	=
<u>c</u>	=
<u>d</u>	=
<u>e</u>	=
<u>f</u>	=
<u>g</u>	=
<u>h</u>	=
<u>i</u>	=
<u>j</u>	=
<u>k</u>	=
<u>l</u>	=
<u>m</u>	=
<u>n</u>	=
<u>o</u>	=
<u>p</u>	=
<u>q</u>	=
<u>r</u>	=
<u>s</u>	=
<u>t</u>	=
<u>u</u>	=
<u>v</u>	=
<u>w</u>	=
<u>x</u>	=
<u>y</u>	=
<u>z</u>	=
Date A	=
Date B	=
Date C	=
Date D	=
Date E	=
Date F	=
Date G	=
Date H	=
Date I	=
Date J	=
Year 1	=
Year 2	=
Year 3	=
Year 4	=
Year 5	=
Year 6	=
Year 7	=

Year 8 =

Dear :

This letter responds to your request, dated March 8, 2024, for an extension of time pursuant to § 301.9100-3 of the Procedure and Administration Regulations permitting Taxpayer to make a late election under § 1.468A-5(c)(2)(i) to withdraw certain excess contributions made to qualified nuclear decommissioning funds maintained in connection with Facility, pursuant to § 1.468A-5(c)(2), and, as part of your response for additional information, for revised schedules of ruling amounts pursuant to § 468A(d)(1) and § 1.468A-3(a)(1).

FACTS

Taxpayer represents the facts and information relating to its request for an extension of time as follows:

Taxpayer, a corporation for federal income tax purposes, is a holding company and the sole owner of Purchaser, a limited liability company, which is a disregarded entity for federal income tax purposes. Through its subsidiaries, Taxpayer is engaged in the sale of electricity, natural gas, and other energy related products to various types of customers across multiple geographic regions, and owns and operates nuclear, wind, solar, and hydroelectric assets throughout the United States.

Company A, a corporation for federal income tax purposes, is a holding company, which through its subsidiaries is engaged in the sale of electricity, natural gas, and home and power services nation-wide in the United States and Canada. Company A is the indirect sole owner of Company B, a corporation for federal income tax purposes. Company B is the sole owner of Company C and Company D, which we refer to collectively as “Sellers,” both of which are disregarded entities for federal income tax purposes. Prior to the transaction described below, Company C owned a percent general partnership interest and Company D owned a b percent limited partnership interest in Company E, which is treated a disregarded entity for federal income tax purposes.

Prior to Date A, Company E owned a d undivided interest in Units 1 and 2 of the Facility. Effective as of Date A, Company E acquired an additional c undivided interest in Units 1 and 2 of the Facility from Company F, along with Company F’s nuclear decommissioning trusts for the Units.

On Date I, Sellers and Purchaser entered into an Equity Purchase Agreement for the purchase and sale of Company C’s general partnership interest and Company D’s limited partnership interest in Company E to Purchaser. The transaction closed on Date J. Companies C, D, E, and Purchaser are all disregarded entities for federal income tax purposes. As a result, the transaction was treated for federal income tax purposes as a

purchase by Taxpayer, and a sale by Company B, of the Facility and the associated nuclear decommissioning funds.

The Facility is a two-unit nuclear powered electrical generating facility located in Location. The amended operating license for Unit 1 is scheduled to expire on Year 6 and the amended operating license for Unit 2 is scheduled to expire on Year 7. The two Units are subject to the ratemaking authority of Commission. Pursuant to the laws of State, Company E maintains two qualified funds for its c percent interests in the Facility's two Units, for which Company F is the collecting utility, and two qualified funds for its d percent interests in the Facility's two Units, for which Company G is the collecting utility (Qualified Fund, or, collectively, Qualified Funds).

Pursuant to Substantive Rule f of Commission and a final order issued on Date C in Commission Docket No. e, Company F was authorized to continue to collect nuclear decommissioning costs in a nonbypassable charge to its retail electric customers and to transfer those funds to the nuclear decommissioning trust funds related to Company E's c percent interest in the Facility. An amended and restated decommissioning funds collection agreement was entered into between Company E and Company F as of Date G (the "c Agreement"). Pursuant to the c Agreement, nuclear decommissioning funds collected by Company F from its retail customers as the "Collecting Utility" would be transferred directly on a weekly basis to the nuclear decommissioning trust funds related to Company E's c percent interest in the Facility.

By order issued on Date F, the Commission approved the transfer of responsibility for the administration of the nuclear decommissioning trust funds related to the c percent interest in Facility to Company E in Commission Docket No. g. Although the c Agreement has had minor revisions and the amount of the tariffs for collecting decommissioning costs from Company F's retail customers have changed over the years, the arrangement that was in place as of Date G remains substantially the same today.

Effective as of Date B, as approved by the Commission in Docket Nos. h and i, Company E and Company G entered into a decommissioning funds collection agreement (the "d agreement") with respect to Company E's d undivided percent interest in the Facility. Pursuant to the d Agreement, Company G, acting as the collecting utility for Company E, collects decommissioning costs from its customers and remits those funds by wire transfer directly on a weekly basis to the nuclear decommissioning trust funds related to Company E's d percent interest in Facility.

In Commission Docket No. j, Company E and Company G filed a request with the Commission to transfer sole responsibility for the administration of the nuclear decommissioning trust funds related to the d percent interest in Facility to Company E, which was granted by the Commission in its order issued on Date D. Similar to the c Agreement, except for certain minor revisions to the d Agreement, the arrangement that was in place as of Date B remains substantially the same today.

Company B was previously granted a schedule of ruling amounts with respect to the c interest in the Facility and a schedule of ruling amounts with respect to the d interest in the Facility. The prior rulings were issued on Date E and included a formulary amount for Year 1 through Year 2. Pursuant to § 1.468A-3(f)(1)(i)(A), Company B, as a subsidiary of Company A, should have filed a request for a new schedule of ruling amounts on or before Date H, but such filing did not occur.

According to the taxpayer, the combined effect of the Commission's ratemaking treatment, the c and d collection agreements, the formulary Schedule of Ruling Amounts, and personnel turnover in Company A, caused the need for new Schedules of Ruling Amounts to be overlooked. However, the automatic process of collecting nuclear decommissioning amounts from Company F and Company G ratepayers and the weekly transfer of those funds to the Qualified Funds pursuant to the collection agreements continued.

Pursuant to the terms of the c Agreement and the d Agreement, contributions were automatically made to the Qualified Funds after Year 2. However, without a renewed schedule of ruling amounts pursuant to a request filed on or before Date H, the ruling amount for the Qualified Funds would be deemed to be zero. Accordingly, any contributions to the Qualified Funds with respect to tax years after Year 2 are excess contributions within the meaning of § 1.468A-5.

The cost estimates used by Taxpayer in the preparation of its requests for these schedules of ruling amounts are based on those in the Independent Study, prepared by Company H. The proposed method of decommissioning the Facility is Method.

For Unit 1 of the Facility, the estimated cost of \$l (Year 3 dollars) was used as a base cost for decommissioning Taxpayer's c percent interest in Unit 1. The estimated cost of decommissioning Taxpayer's c percent interest in Unit 1 in future dollars is \$m. It is estimated that substantial decommissioning costs will first be incurred in Year 5 and that decommissioning will be substantially complete at the end of Year 8. The methodology used to convert the Year 3 dollars to future dollars was by escalating the estimated costs at an inflation rate of x percent to the year of estimated expenditure. The assumed after-tax rate of return to be earned by the amount collected for decommissioning is between y and z percent. The funding period begins in the first taxable year in which a deductible payment was made to the Qualified Fund for Taxpayer's c percent interest in Unit 1 and ends in the taxable year that includes the date Unit 1 of the Facility will no longer be included in Taxpayer's rate base for ratemaking purposes. As of Year 5, the projected balance of the Qualified Fund for Taxpayer's c percent interest in Unit 1 in future dollars is \$n, which exceeds the projected decommissioning cost of the Taxpayer's c percent interest in Unit 1 in future dollars.

For Unit 1 of the Facility, the estimated cost of \$o (Year 3 dollars) was used as a base cost for decommissioning Taxpayer's d percent interest in Unit 1. The estimated

cost of decommissioning Taxpayer's $\underline{d}$ percent interest in Unit 1 in future dollars is $\$p$. It is estimated that substantial decommissioning costs will first be incurred in Year 5 and that decommissioning will be substantially complete at the end of Year 8. The methodology used to convert the Year 3 dollars to future dollars was by escalating the estimated costs at an inflation rate of $\underline{x}$ percent to the year of estimated expenditure. The assumed after-tax rate of return to be earned by the amount collected for decommissioning is between $\underline{y}$ and $\underline{z}$ percent. The funding period begins in the first taxable year in which a deductible payment was made to the Qualified Fund for Taxpayer's $\underline{d}$ percent interest in Unit 1 and ends in the taxable year that includes the date Unit 1 of the Facility will no longer be included in Taxpayer's rate base for ratemaking purposes. As of Year 5, the projected balance of the Qualified Fund for Taxpayer's $\underline{d}$ percent interest in Unit 1 in future dollars is $\$q$, which exceeds the projected decommissioning cost of the Taxpayer's $\underline{d}$ percent interest in Unit 1 in future dollars.

For Unit 2 of the Facility, the estimated cost of $\$r$ (Year 3 dollars) was used as a base cost for decommissioning Taxpayer's $\underline{c}$ percent interest in Unit 2. The estimated cost of decommissioning Taxpayer's $\underline{c}$ percent interest in Unit 2 in future dollars is $\$s$. It is estimated that substantial decommissioning costs will first be incurred in Year 5 and that decommissioning will be substantially complete at the end of Year 8. The methodology used to convert the Year 3 dollars to future dollars was by escalating the estimated costs at an inflation rate of $\underline{x}$ percent to the year of estimated expenditure. The assumed after-tax rate of return to be earned by the amount collected for decommissioning is between $\underline{y}$ and $\underline{z}$ percent. The funding period begins in the first taxable year in which a deductible payment was made to the Qualified Fund for Taxpayer's $\underline{c}$ interest in Unit 2 and ends in the taxable year that includes the date Unit 2 of the Facility will no longer be included in Taxpayer's rate base for ratemaking purposes. As of Year 5, the projected balance of the Qualified Fund for Taxpayer's $\underline{c}$ percent interest in Unit 2 in future dollars is $\$t$, which exceeds the projected decommissioning cost of the Taxpayer's $\underline{c}$ percent interest in Unit 2 in future dollars.

For Unit 2 of the Facility, the estimated cost of $\$u$ (Year 3 dollars) was used as a base cost for decommissioning Taxpayer's $\underline{d}$ percent interest in Unit 2. The estimated cost of decommissioning Taxpayer's $\underline{d}$ percent interest in Unit 2 in future dollars is $\$v$. It is estimated that substantial decommissioning costs will first be incurred in Year 5 and that decommissioning will be substantially complete at the end of Year 8. The methodology used to convert the Year 3 dollars to future dollars was by escalating the estimated costs at an inflation rate of $\underline{x}$ percent to the year of estimated expenditure. The assumed after-tax rate of return to be earned by the amount collected for decommissioning is between $\underline{y}$ and $\underline{z}$ percent. The funding period begins in the first taxable year in which a deductible payment was made to the Qualified Fund for Taxpayer's $\underline{d}$ percent interest in Unit 2 and ends in the taxable year that includes the date Unit 2 of the Facility will no longer be included in Taxpayer's rate base for ratemaking purposes. As of Year 5, the projected balance of the Qualified Fund for Taxpayer's $\underline{d}$ percent interest in Unit 2 in future dollars is $\$w$, which exceeds the

projected decommissioning cost of the Taxpayer's d percent interest in Unit 2 in future dollars.

RULING REQUEST

Taxpayer requests an extension of time under §§ 301.9100-1 and 301.9100-3 to allow Taxpayer to withdraw excess contributions made to Facility's nuclear decommissioning trust Qualified Funds. Taxpayer requests that prior earnings on such excess contributions need not be withdrawn from the Qualified Funds. In addition, Taxpayer requests revised schedules of ruling amounts with respect to its c percent interest and d percent interest in Units 1 and 2 of the Facility.

ANALYSIS

Section 468A(a), as amended by the Energy Tax Incentives Act of 2005 (the Act), Pub. L. 109-58, 119 Stat. 594, allows an electing taxpayer to deduct payments made to a nuclear decommissioning reserve fund.

Section 468A(b) limits the amount that may be paid into the nuclear decommissioning fund in any year to the ruling amount applicable to that year. Prior to the changes made by the Act, the deduction was limited to the lesser of the amount included in the utility's cost of service for ratemaking purposes or the ruling amount. Generally, as a result, only regulated utilities could take advantage of § 468A. The Act amendment of § 468A eliminated the cost-of-service limitation. Accordingly, decommissioning costs of an unregulated nuclear power plant may now be funded by deductible contributions to a qualified nuclear decommissioning fund.

Section 468A(c)(1)(A) of the Code and section 1.468A-2(d)(1) of the regulations generally provide that the amount of any actual or deemed distribution from a nuclear decommissioning fund is includible in the gross income of the electing taxpayer for the tax year in which distribution occurs.

Prior to the changes made by the Act, deductible contributions were limited to the amount necessary for an electing taxpayer to fund the plant's post-1983 nuclear decommissioning costs (determined as if decommissioning costs accrued ratably over the estimated useful life of the plant), provided that the taxpayer elected to establish a fund in 1984. Prior law also did not allow a taxpayer electing to establish a fund later than 1984 to contribute to that fund any amount in excess of that amount necessary to fund the ratable portion of the plant's nuclear decommissioning costs beginning in the year the fund is established.

Section 468A(f)(1) now allows a taxpayer to contribute to a nuclear decommissioning fund the entire cost of decommissioning the plant, including both the pre-1984 amount that was denied under the law prior to the Act as well as any amount attributable to any year after 1983 in which a taxpayer had not established a fund under § 468A. Section 468A(f)(2)(A) provides that the deduction for the contribution of the

previously-excluded amount is allowed ratably over the remaining useful life of the nuclear plant.

Section 468A(d)(1) provides that no deduction shall be allowed for any payment to the nuclear decommissioning fund unless the taxpayer requests and receives from the Secretary a schedule of ruling amounts. The "ruling amount" for any tax year is defined under § 468A(d)(2) as the amount which the Secretary determines to be necessary to fund the total nuclear decommissioning cost of that nuclear power plant over the estimated useful life of the plant. This term is further defined to include the amount necessary to prevent excessive funding of nuclear decommissioning costs or funding of these costs at a rate more rapid than level funding, taking into account such discount rates as the Secretary deems appropriate.

Section 468A(h) provides that a taxpayer shall be deemed to have made a payment to the nuclear decommissioning fund on the last day of a taxable year if the payment is made on account of such taxable year and is made within 2 ½ months after the close of the tax year. This section applies to payments made pursuant to either a schedule of ruling amounts or a schedule of deduction amounts.

Section 1.468A-1(a) provides that an eligible taxpayer may elect to deduct nuclear decommissioning costs under section 468A of the Code. An "eligible taxpayer," as defined under § 1.468A-1(b)(1) of the regulations, is a taxpayer that has a "qualifying interest" in any portion of a nuclear power plant. A qualifying interest is, among other things, a direct ownership interest.

Section 1.468A-2(b)(1) provides that the maximum amount of cash payments made (or deemed made) to a nuclear decommissioning fund during any tax year shall not exceed the ruling amount applicable to the nuclear decommissioning fund for such taxable year. The limitation on the amount of cash payments for purposes of section 1.468A-2(b)(1) does not apply to any "special transfer" permitted under section 1.468A-8.

Section 1.468A-3(a)(1) provides that, in general, a schedule of ruling amounts for a nuclear decommissioning fund is a ruling specifying annual payments that, over the tax years remaining in the "funding period" as of the date the schedule first applies, will result in a projected balance of the nuclear decommissioning fund as of the last day of the funding period equal to (and in no event more than) the "amount of decommissioning costs allocable to the fund".

Section 1.468A-3(a)(2) provides that, to the extent consistent with the principles and provisions of this section, each schedule of ruling amounts shall be based on reasonable assumptions concerning the after-tax rate of return to be earned by the amounts collected for decommissioning, the total estimated cost of decommissioning the nuclear plant, and the frequency of contributions to a nuclear decommissioning fund for a taxable year. Under § 1.468A-3(a)(3), the Internal Revenue Service shall provide a schedule of ruling amounts identical to the schedule proposed by the taxpayer, but no

such schedule shall be provided by the Service unless the taxpayer's proposed schedule is consistent with the principles and provisions of that section.

Section 1.468A-3(a)(4) provides that the taxpayer bears the burden of demonstrating that the proposed schedule of ruling amounts is consistent with the principles of the regulations and that it is based on reasonable assumptions. That section also provides additional guidance regarding how the Service will determine whether a proposed schedule of ruling amounts is based on reasonable assumptions. For example, if a public utility commission established or approved the currently applicable rates for the furnishing or sale by the taxpayer of electricity from the plant, the taxpayer can generally satisfy this burden of proof by demonstrating that the schedule of ruling amounts is calculated using the assumptions used by the public utility commission in its most recent order. In addition, a taxpayer that owns an interest in a deregulated nuclear plant may submit assumptions used by a public utility commission that formerly had regulatory jurisdiction over the plant as support for the assumptions used in calculating the taxpayer's proposed schedule of ruling amounts, with the understanding that the assumptions used by the public utility commission may be given less weight if they are out of date or were developed in a proceeding for a different taxpayer. The use of other industry standards, such as the assumptions underlying the taxpayer's most recent financial assurance filing with the NRC, are described by the temporary regulations as an alternative means of demonstrating that the taxpayer has calculated its proposed schedule of ruling amounts on a reasonable basis. Section 1.468A-3(a)(4) further provides that consistency with financial accounting statements is not sufficient, in the absence of other supporting evidence, to meet the taxpayer's burden of proof.

Section 1.468A-3(b)(1) provides that, in general, the ruling amount for any tax year in the funding period shall not be less than the ruling amount for any earlier tax year. Under § 1.468A-3(c)(1), the funding period begins on the first day of the first tax year for which a deductible payment is made to the nuclear decommissioning fund and ends on the last day of the taxable year that includes the last day of the estimated useful life of the nuclear power plant to which the fund relates.

Section 1.468A-3(c)(2) provides rules for determining the estimated useful life of a nuclear plant for purposes of § 468A. In general, under § 1.468A-3(c)(2)(i)(A), if the plant was included in rate base for ratemaking purposes for a period prior to January 1, 2006, the date used in the first such ratemaking proceeding as the estimated date on which the nuclear plant will no longer be included in the taxpayer's rate base is the end of the estimated useful life of the nuclear plant. Section 1.468A-3(c)(2)(i)(B) provides that, if the nuclear plant is not described in § 1.468A-3(c)(2)(i)(A), the last day of the estimated useful life of the nuclear plant is determined as of the date the plant is placed in service. Under § 1.468A-3(c)(2)(i)(C), any reasonable method may be used in determining the estimated useful life of a nuclear power plant that is not described in § 1.468A-3(c)(2)(i)(A).

Section 1.468A-3(d)(1) provides that the amount of decommissioning costs allocable to a nuclear decommissioning fund is the taxpayer's share of the total estimated cost of decommissioning the nuclear power plant. Section 1.468A-3(d)(3) provides that a taxpayer's share of the total estimated cost of decommissioning a nuclear power plant equals the total estimated cost of decommissioning such plant multiplied by the taxpayer's qualifying interest in the plant.

Section 1.468A-3(e) provides the rules regarding the manner of requesting a schedule of ruling amounts. Section 1.468A-3(e)(1)(v) provides that the Service will not provide or revise a ruling amount applicable to a taxable year in response to a request for a schedule of ruling amounts that is filed after the deemed payment date (as defined in § 1.468A-2(c)(1)) for such taxable year.

Section 1.468A-3(e)(2) enumerates the information required to be contained in a request for a schedule of ruling amounts filed by a taxpayer in order to receive a ruling amount for any taxable year.

Section 1.468A-3(e)(3) provides that the Service may prescribe administrative procedures that supplement the provisions of § 1.468A-3(e)(1)-(2). In addition, that section provides that the Service may, in its discretion, waive the requirements of § 1.468A-3(e)(1) and (2) under appropriate circumstances.

Section 1.468A-3(f)(1) describes the circumstances in which a taxpayer must request a revised schedule of ruling amounts. Section 1.468A-3(f)(1)(iv) requires that a taxpayer request a revised schedule of ruling amounts for the fund if the operating license of the nuclear plant to which the fund relates is extended. The request for the revised schedule of ruling amounts must be submitted on or before the deemed payment deadline for the taxable year that includes the date on which the license extension is granted.

Section 1.468A-3(f)(2) provides that any taxpayer that has previously obtained a schedule of ruling amounts may request a revised schedule of ruling amounts. Such a request must be made in accordance with the rules of § 1.468A-3(e). The Service shall not provide a revised schedule of ruling amounts applicable to a taxable year in response to a request for a schedule of ruling amounts that is filed after the deemed payment deadline date for such taxable year.

Section 1.468A-5(c)(2) provides that a nuclear decommissioning fund will not be disqualified under paragraph (c)(1) of this section by reason of an excess contribution or the withdrawal of an excess contribution if the withdrawal is performed before the later of the date the tax return is due for the taxable year to which the contribution relates or 30 days after the date the taxpayer receives the ruling amount. Section 1.468A-5(c)(3) states that, if all or any portion of a nuclear decommissioning fund is disqualified under paragraph (c)(1), the portion of the fund that is disqualified is treated as distributed to the electing taxpayer on the date of disqualification. In addition, the electing taxpayer

must include in gross income for the taxable year that includes the date of disqualification an amount equal to the fair market value of the distributable assets of the nuclear decommissioning fund multiplied by the fraction of the nuclear decommissioning fund that was disqualified under paragraph (c)(1) of this section.

Section 301.9100-1(c) provides that the Commissioner may grant a reasonable extension of time under the rules set forth in §§ 301.9100-2 and 301.9100-3 to make a regulatory election, or a statutory election (but no more than six months except in the case of a taxpayer who is abroad), under all subtitles of the Code, except subtitles E, G, H, and I.

Section 301.9100-1(b) provides that the term “election” includes an application for relief in respect of tax.

Sections 301.9100-2 and 301.9100-3 provide the standards the Commissioner will use to determine whether to grant an extension of time to make an election. Section 301.9100-2 provides automatic extensions of time for making certain elections. Section 301.9100-3 provides extensions of time for making elections that do not meet the requirements of § 301.9100-2. A request for relief under § 301.9100-3 will be granted when the taxpayer provides evidence to establish to the satisfaction of the Commissioner that the taxpayer acted reasonably and in good faith, and that granting relief will not prejudice the interests of the government.

CONCLUSION

Based solely on the facts and representations submitted, we conclude that the requirements of §§ 301.9100-1 and 301.9100-3 have been satisfied. Accordingly, Taxpayer’s request for an extension of time to withdraw the excess contributions is granted. Any after-tax earnings on the excess contributions must also be withdrawn. Such withdrawal will be considered timely if made within 120 days of the date of this letter.

In addition, based solely on the facts and representations submitted, we have reached the following conclusions:

1. Pursuant to § 1.468A-3(a)(4), Taxpayer has met its burden of demonstrating that the proposed schedules of ruling amounts are consistent with the principles of the Code and regulations and are based on reasonable assumptions.
2. Taxpayer has a qualifying interest in the Facility, a nuclear power plant, and is, therefore, an eligible taxpayer under § 1.468A-1(b)(1) of the regulations.

3. Taxpayer, as an eligible taxpayer under § 1.468A-1(b)(1), has calculated its share of the total decommissioning costs under § 1.468A-3(d)(3) of the regulations.
4. The proposed schedules of ruling amounts were derived by following the cost estimates contained in an independent decommissioning study that Taxpayer has represented is a standard type of study used in the industry. The funding period is determined appropriately under § 1.468A-3(c). The annual payments specified in the proposed schedules of ruling amounts are based on reasonable assumptions and determinations and will result in projected fund balances at the end of the funding period equal to or less than the amount of decommissioning costs allocable to the Qualified Funds. Based on these representations, Taxpayer has demonstrated, pursuant to § 1.468A-3(a)(4), that the proposed schedules of ruling amounts are based on reasonable assumptions and are consistent with the principles of § 468A and the regulations thereunder.
5. The maximum amount of cash payments made (or deemed made) to the Qualified Funds during any tax year is restricted to the ruling amount applicable to the Qualified Funds, as set forth under § 1.468A-2(b)(1) of the regulations.

Based solely on the determinations above, we conclude that the Taxpayer's proposed schedules of ruling amounts satisfy the requirements of § 468A of the Code.

APPROVED SCHEDULES OF RULING AMOUNTS

Unit 1 of the Facility, c percent interest

Year	Ruling Amount
Year 4 – Year 6	\$ <u>k</u>

Unit 1 of the Facility, d percent interest

Year	Ruling Amount
Year 4 – Year 6	\$ <u>k</u>

Unit 2 of the Facility, c percent interest

Year	Ruling Amount
Year 4 – Year 6	\$ <u>k</u>

Unit 2 of the Facility, <u>d</u> percent interest	
Year	Ruling Amount
Year 4 – Year 6	\$ <u>k</u>

Approval of these schedules of ruling amounts is contingent on there being no change in the facts and circumstances, known or assumed, at the time the current ruling is issued. If any of the events described in § 1.468A-3(f)(1) occur in future years, the Taxpayer must request a review and revision of the schedules of ruling amounts. Generally, the Taxpayer is required to file such a request on or before the deemed payment deadline date for the first taxable year in which the rates reflecting such action became effective. When no such event occurs, the Taxpayer must file a request for a revised schedule of ruling amounts on or before the deemed payment deadline of the tenth taxable year following the close of the tax year in which the most recent schedule of ruling amounts was received.

Except as specifically determined above, no opinion is expressed or implied concerning the Federal income tax consequences of the facts described above.

This ruling is directed only to the Taxpayer who requested it. Section 6110(k)(3) of the Code provides it may not be used or cited as precedent. In accordance with the power of attorney on file with this office, a copy of this letter is being sent to your designated representatives. Pursuant to § 1.468A-7(a), a copy of this letter must be attached (with the required Election Statement) to the Taxpayer's federal income tax return for each tax year in which the Taxpayer claims a deduction for payments made to the Qualified Funds.

Sincerely,

/s/

Patrick S. Kirwan
Senior Counsel, Branch 02
Office of Associate Chief Counsel
(Energy, Credits, and Excise Tax)

PLR-105066-24

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cc: