Internal Revenue Service

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Department of the Treasury
Washington, DC 20224

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Person To Contact:
, ID No.

Telephone Number:

Refer Reply To:
CC:ECE:B2
PLR-102553-26

Date:
May 12, 2026

In Re: Extension of Time to Make Election

Legend:

Taxpayer	=
Subsidiary	=
Company A	=
Company B	=
Company C	=
Company D	=
Company E	=
Commission	=
Order	=
Docket	=
Fund	=
State A	=
State B	=
Unit	=
Submission Date	=
Supplement Date	=
Date 1	=
Date 2	=
Date 3	=
Date 4	=
Date 5	=

PLR-102553-26
Date 6 =
Date 7 =
Year 1 =
Year 2 =

Dear :

This letter responds to your request, dated Submission Date, as supplemented by an additional submission on Supplement Date, for an extension of time, pursuant to §§ 301.9100-1 and 301.9100-3 of the Procedure and Administration Regulations,[1] for Taxpayer to file a revised schedule of ruling amounts under § 468A(d)(1) of the Internal Revenue Code and § 1.468A-3(f)(1) of the Income Tax Regulations with respect to a nuclear decommissioning reserve fund that Taxpayer has established for Unit.

FACTUAL BACKGROUND

Taxpayer represents the following facts:

Taxpayer, a State A corporation, is the common parent of an affiliated group of entities that files a consolidated federal income tax return. Taxpayer is the parent of Subsidiary, a limited liability company organized under the laws of State A and classified as a corporation for federal income tax purposes. Pursuant to an internal reorganization to facilitate an acquisition transaction effective as of Date 1, Subsidiary owns all of the interests in Company A, a limited liability company organized under the laws of State A and engaged in the generation and sale of electric energy in State B. Company A is disregarded entity for federal income tax purposes, employs the accrual method of accounting and is included on the tax return of Taxpayer that is filed on a calendar year basis.

Company A is the successor to a structurally-separated and unregulated generation business formerly conducted by Company B. The transmission and distribution businesses formerly conducted by Company B is currently conducted by an entity unrelated to Taxpayer, Company C, and is regulated as to rates and conditions of service by Commission.

In Year 2, Company D, a limited liability company and a disregarded entity for federal income tax purposes, transferred ownership of Unit and its decommissioning liability to Company A. Company A owns Fund subject to the requirements of Section 468A to fund the decommissioning of Unit.

Company C includes the costs to decommission Company A’s nuclear generating units including Unit, in its Commission rate proceedings. Company A and Company C are parties to a decommissioning funds collection agent agreement whereby Company C collects an amount intended to fund the cost of decommissioning

[1] Unless otherwise specified, all “section” or “§” references are to sections of the Code or the Income Tax or to the Procedure and Administration Regulations.

Unit that Company C must immediately remit to Company A upon receipt. Company A deposits the amounts received into Fund. The annual amount collected by Company C to cover the cost of nuclear decommissioning is allocated between two units, as approved by Commission.

Taxpayer, as the parent of Company A, sought a revised schedule of ruling amounts following the transfer of ownership of Unit. The Service issued a private letter ruling approving the revised schedule of rulings amount from the Service on Date 2.

On Date 3, the Nuclear Regulatory Commission renewed and extended the Facility Operating License for Unit to Date 4. Following the renewal, Company A undertook Year 1 Decommissioning Study. Company A also undertook a Year 1 funding analysis for Fund, which assumed that the decommissioning costs to be included in the cost of service for ratemaking purposes for Unit as required by Order under Docket dated Date 5 were collected and contributed to Fund for Unit through Year 1. Order also adjusted the allocation within Fund.

Under § 1.468A-3(f)(1)(iv), the renewal of the operating license for Unit required Taxpayer to request a revised schedule of ruling amounts no later than Date 6. On Date 7, Taxpayer contracted with Company E to produce a new decommissioning study for Unit. By early Year 1, Taxpayer had not yet received the updated decommissioning study for Unit. The completion of the updated decommissioning study was critical to informing the completion of the updated funding analysis, which used contributions determined in a prior schedule of rulings amounts for taxable year through Year 1. Without completion of the updated decommissioning study and updated funding analysis, taxpayer was unable to present the Commission with updated decommissioning costs for Unit and Commission is not able to approve the updated decommissioning cost for Unit based on Unit's updated license to Date 4. Taxpayer represents that these are intervening events beyond Taxpayer's control that prevent them from filing a timely revised schedule of rulings amount by Date 6 pursuant to § 1.468A-3(f)(1)(iv).

RULING REQUESTED

Pursuant to §§ 301.9100-1 and 301.9100-3, Taxpayer requests an extension of time to file a request for a revised schedule of ruling amounts for purposes of § 468A and § 1.468A-3(f)(1)(i).

LAW AND ANALYSIS

Sections 468A(a) and 1.468A-1(a) provide that a taxpayer that elects the application of § 468A shall be allowed as a deduction for any taxable year the amount of any payments made by the taxpayer to a nuclear decommissioning fund during such taxable year. Section 1.468A-1(b)(1) provides that an eligible taxpayer is a taxpayer that possesses a qualifying interest in a nuclear power plant. Under § 1.468A-1(b)(2), the definition of the term "qualifying interest" includes a direct ownership interest.

Sections 468A(b) and 1.468A-2(b)(1) provide that the amount of payments made (or deemed made) by a taxpayer to a nuclear decommissioning fund during any taxable year shall not exceed the ruling amount applicable to such fund for such taxable year.

Section 468A(d)(1) provides that no deduction shall be allowed for any payment to a nuclear decommissioning fund unless the taxpayer requests and receives from the Secretary a schedule of ruling amounts. Section 468A(d)(1) further requires a Taxpayer to request a revised schedule of ruling amounts upon renewal of a nuclear power plant operating license.

Section 1.468A-3(f)(1)(iv) requires that a taxpayer who receives a renewal of an operating license of a nuclear power plant to which a qualified nuclear decommissioning fund relates must request a revised schedule of ruling amounts on or before the deemed payment deadline for the taxable year that includes the date on which the license was extended. In this case, Taxpayer was required to request the revised schedule of ruling amounts by Date 6.

Sections 301.9100-1 through 301.9100-3 provide the standards used to determine whether to grant an extension of time to make a regulatory election. Section 301.9100-1(a). Section 301.9100-2 allows automatic extensions of time for making certain elections. Section 301.9100-3 provides rules for requesting extensions of time for regulatory elections that do not meet the requirements of § 301.9100-2.

Section 301.9100-1(c) provides that the Commissioner has discretion to grant a reasonable extension of time under the rules set forth in §§ 301.9100-2 and 301.9100-3 to make certain regulatory elections. Section 301.9100-1(b) defines a “regulatory election” as an election with a due date that is prescribed by a regulation published in the Federal Register, or a revenue ruling, revenue procedure, notice or announcement published in the Internal Revenue Bulletin.

Section 301.9100-3(a) provides that requests 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.

Section 301.9100-3(b)(1) provides, in part, that a taxpayer is deemed to have acted reasonably and in good faith if the taxpayer requests relief before the failure to make the regulatory election is discovered by the Service or reasonably relied on a qualified tax professional, including a tax professional employed by the taxpayer, and the tax professional failed to make, or advise the taxpayer to make, the election.

Section 301.9100-3(b)(3) provides that a taxpayer will not be considered to have acted reasonably and in good faith if the taxpayer: (i) seeks to alter a return position for which an accuracy-related penalty has been or could be imposed under § 6662 at the time the taxpayer requests relief (taking into account § 1.6664-2(c)(3)) and the new position requires or permits a regulatory election for which relief is requested, (ii) was informed in all material respects of the required election and related tax consequences, but chose not to file the election, or (iii) uses hindsight in requesting relief. If specific facts have changed since the original deadline that make the election advantageous to a taxpayer, the Service will not ordinarily grant relief.

Section 301.9100-3(c)(1)(i) provides that the interests of the government are prejudiced if granting relief would result in the taxpayer having a lower tax liability in the aggregate for all taxable years affected by the election than the taxpayer would have had if the election had been timely made. Section 301.9100-3(c)(1)(ii) provides that the interests of the government are ordinarily prejudiced if the taxable year in which the regulatory election should have been made or any taxable years that would have been affected by the election had it been timely made are closed by the period of limitations on assessment.

Taxpayer's election is a regulatory election, as defined under § 301.9100-1(b), because the due date of the election is prescribed in § 1.468A-3(f)(1)(iv).

Taxpayer represents that it requested relief before the failure to make the regulatory election was discovered by the Service and that it failed to make the election because of intervening events beyond the taxpayer's control. Thus, under §§ 301.9100-3(b)(1)(i) and (ii), Taxpayer is deemed to have acted reasonably and in good faith. Taxpayer has also represented that none of the circumstances listed in § 301.9100-3(b)(3) apply.

Based on the information and representations made by Taxpayer, granting an extension of time to file the election will not prejudice the interests of the government under § 301.9100-3(c)(1). Taxpayer has represented that granting relief would not result in a lower tax liability in the aggregate for all taxable years affected by the election than Taxpayer would have had if the election had been timely made (taking into account the time value of money). Furthermore, Taxpayer has represented that the taxable year in which the regulatory election should have been made and any taxable years that would have been affected had it been timely made, are not closed by the period of assessment. Accordingly, Taxpayer's request for an extension of time to make a revised schedule of ruling amounts request is granted.

The rulings contained in this letter are based upon information and representations submitted by Taxpayer and accompanied by a penalties of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination.

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 authorized representatives.

Sincerely,

Maggie Stehn
Senior Counsel, Branch 2
Office of Associate Chief Counsel
Energy, Credits, & Excise Tax)

cc: