

UNITED STATES
NUCLEAR REGULATORY COMMISSION
OFFICE OF NUCLEAR REACTOR REGULATION
WASHINGTON, D.C. 20555-0001

February 23, 2001

**NRC REGULATORY ISSUE SUMMARY 2001-07
10 CFR 50.75(f)(1) REPORTS ON THE STATUS OF
DECOMMISSIONING FUNDS (DUE MARCH 31, 2001)**

ADDRESSEES

All holders of operating licenses for nuclear power reactors.

INTENT

The U. S. Nuclear Regulatory Commission (NRC) is issuing this regulatory issue summary (RIS) to clarify the reporting requirements of 10 CFR 50.75(f)(1) regarding the status of decommissioning funding. Licensees submitting financial reports pursuant to the requirements of 10 CFR 50.75(f)(1) (due by March 31, 2001) are expected to separate funding estimates related to the costs of decommissioning included in the NRC's definition of decommissioning in 10 CFR 50.2, from those related to other decommissioning costs not so included.

BACKGROUND INFORMATION

Pursuant to 10 CFR 50.75(f)(1), power reactor licensees are required to report the financial status of decommissioning funds to the NRC every two years, with the first reports being submitted by March 31, 1999. The information in the March 31, 1999 reports included:

- (1) the amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75 (b) and (c)
- (2) the amount accumulated to the end of the calendar year preceding the date of the report (December 31, 1998)
- (3) a schedule of the annual amounts remaining to be collected
- (4) the assumptions used in determining rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections
- (5) any contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v)

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(6) any modifications occurring to a licensee's current method of providing financial assurance since the last submitted report

(7) any material changes to trust agreements.

Licensees are to estimate the funding needed for radiological decommissioning either by using the formulas included in 10 CFR 50.75(c) or by using a site-specific methodology. The site-specific decommissioning estimate cannot be lower than the decommissioning estimate using the 10 CFR 50.75(c) formulas. According to NUREG-1577, Revision 1, "Standard Review Plan on Power Reactor Licensee Financial Qualifications and Decommissioning Funding Assurance" (SRP), the NRC formulas in 10 CFR 50.75(c) include only decommissioning costs incurred by licensees to remove a facility or site safely from service and reduce residual radioactivity to a level that permits (1) release of the property for unrestricted use and termination of the license, or (2) release of the property under restricted conditions and termination of the license. The formulas do not include the costs of dismantling non-radiological systems and structures or the costs of managing and storing spent fuel on site. Therefore, the SRP states that licensees should either omit these costs in their calculations or list them separately. The NRC staff compiles this information to assist the Commission in assessing the status of decommissioning funding assurance. In 1999, some licensees reporting under 10 CFR 50.75(f) indicated a combined total and did not distinguish between the radiological and non-radiological estimates. The staff is issuing this RIS to inform licensees of the need to preserve the distinction between NRC-defined cost estimates and all other decommissioning cost estimates in the reports they must submit by March 31, 2001.

SUMMARY OF ISSUE

In reporting the financial status of decommissioning funds, licensees should either omit or list separately, the costs of non NRC-defined decommissioning activities, such as dismantling non-radiological systems and structures and the costs of managing and storing spent fuel on site. These non-radiological costs are not counted as part of NRC's required decommissioning funding assurance.

BACKFIT DISCUSSION

This RIS requires no action or written response and is, therefore, not a backfit under 10 CFR 50.109. Consequently, the staff did not perform a backfit analysis.

FEDERAL REGISTER NOTIFICATION

A notice of opportunity for public comment was not published in the *Federal Register* because this RIS is informational and pertains to a matter that was open to public comment during its promulgation.

PAPERWORK REDUCTION ACT STATEMENT

This RIS does not request the collection of any new information.

This RIS requires no specific action or written response. If you have any questions about this matter, please contact the person listed below or the Office of Nuclear Reactor Regulation project manager for your specific nuclear power plant.

/RA/

David B. Matthews, Director
Division of Regulatory Improvement Programs
Office of Nuclear Reactor Regulation

Contact: Michael A. Dusaniwskyj
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LIST OF RECENTLY ISSUED
NRC REGULATORY ISSUE SUMMARIES

Regulatory Issue Summary No.	Subject	Date of Issuance	Issued to
2001-06	Criteria for Triggering a Review Under 10 CFR 50-80 for Non-Owner Operator Service Companies	02/15/01	All holders of operating licenses for nuclear power reactors
2001-05	Guidance on Submitting Documents to the NRC by Electronic Information Exchange or on CD-ROM	01/25/01	All holders of operating licenses for nuclear reactors and all vendors who are required to make submittals to the U.S. Nuclear Regulatory Commission (NRC) pursuant to Part 50 of Title 10 of the Code of Federal Regulations (10 CFR Part 50), "Domestic Licensing of Production and Utilization Facilities."
2001-04	Issuance of Updated Guidance on the Transfer of Ownership or Control of Licensed Activities (NUREG-1556, Volume 15)	01/24/01	All material and fuel cycle licensees.
2001-03	Changes, Tests, and Experiments	01/23/01	All U.S. NRC Part 50 and Part 72 licensees and Part 72 Certificate of Compliance holders.
2001-02	Guidance on Risk-Informed Decisionmaking in License Amendment Reviews	01/18/01	All holders of operating licenses for nuclear power reactors, except those who have permanently ceased operations and have certified that fuel has been permanently removed from the reactor vessel.
2001-01	Eligibility of Operator License Applicants	01/18/01	All holders of operating licenses for nuclear power reactors, except those who have permanently ceased operations and have certified that fuel has been permanently removed from the reactor vessel.