

**From:** Peter Tam  
**To:** Don Shaw; John Dosa; Steven Leonard  
**Date:** 2/1/05 3:36PM  
**Subject:** NMP1: Draft RAI re. 10 CFR 50.54(bb) **(TAC MC4399)**

Don:

Pursuant to 10 CFR 50.54(bb), "For nuclear power reactors licensed by the NRC, the licensee shall, within 2 years following permanent cessation of operation of the reactor or 5 years before expiration of the reactor operating license, whichever comes first, submit written notification to the Commission for its review and preliminary approval of the program by which the licensee intends to manage and provide funding for the management of all irradiated fuel at the reactor following permanent cessation of the reactor until title to the irradiated fuel and possession of the fuel is transferred to the Secretary of Energy (DOE) for its ultimate disposal in a repository....."

The NRC staff's review is based on the your submittal dated August 23, 2004, entitled, "Notification of Irradiated Fuel Management Plan." Your submittal stated that the funding to support the spent fuel management for Nine Mile Point Unit 1 (NMP1) would be included as part of the operating cost that supports the Nine Mile Point Nuclear Station (NMPNS), since Nine Mile Point Unit 2 (NMP2) will continue to operate until October 31, 2027. You also committed, at 5 years prior to shut down of NMP2, to submit a spent fuel management program that would address both the cost of the spent fuel management and funding program for both NMP1 and NMP2. While the NRC is not disagreeing with your approach to fund the cost of the spent fuel management of the NMP1 from the operating costs that support the site and operation of NMP2, the NRC would like to clarify that the purpose of the decommissioning trust fund is to support radiological decommissioning of the facility and not spent fuel management. The licensee has the option of establishing a separate trust fund or sub-account to address spent fuel management costs but cannot use the radiological decommissioning trust funds to support spent fuel management.

For the NRC to evaluate and provide preliminary approval of your spent fuel management and funding program, your summittal should be supplemented to include:

- the estimated cost to isolate the spent fuel pool and fuel handling systems, or the cost to construct an ISFSI;
- the estimated annual cost for the operation of the selected option (wet or dry storage or a combination of the two) until DOE takes possession of the fuel;
- the estimated cost for the preparation, packaging, and shipping the fuel to DOE;
- the estimated cost to decommission the spent fuel storage facility; and
- a brief discussion of each of the areas identified above and the estimated time periods for these activities.

Please let me know if you would like us to formally issue this RAI to you. If you wish, we can hold a conference call with you to explain this draft RAI.

**This e-mail does not formally state an NRC staff position, nor does it formally request for additional information. We look forward to discussing disposition of this draft RAI in a telephone call.**

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Office of Nuclear Reactor Regulation

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**CC:** Clayton Pittiglio