

February 11, 2005

Mr. James A. Spina
Vice President Nine Mile Point
Nine Mile Point Nuclear Station, LLC
P.O. Box 63
Lycoming, NY 13093

SUBJECT: NINE MILE POINT NUCLEAR STATION, UNIT NO. 1 - REQUEST FOR
ADDITIONAL INFORMATION REGARDING IRRADIATED FUEL
MANAGEMENT PLAN PER 10 CFR 50.54(bb) (TAC NO. MC4399)

Dear Mr. Spina:

The Nuclear Regulatory Commission (NRC) staff is reviewing your August 23, 2004, submittal regarding the above subject. In a telephone conference on February 1, 2005, the NRC staff informed Mr. Don Shaw, et al., of your staff of the need for additional information in order to complete the review. Subsequently, the NRC staff issued a draft request for additional information (RAI, publicly available e-mail dated February 1, 2005; Accession No. ML050330337). Mr. Shaw requested the NRC staff to formally issue the RAI.

Enclosed please find the RAI. Mr. Shaw agreed to respond to this RAI within 90 days of the date of this RAI. If you need clarification on this RAI, please do not hesitate to call me at 301-415-1451.

Sincerely,

/RA/

Peter S. Tam, Senior Project Manager, Section 1
Project Directorate I
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket No. 50-220

Enclosure: As stated

cc w/encl: See next page

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REQUEST FOR ADDITIONAL INFORMATION

NINE MILE POINT NUCLEAR STATION, UNIT NO. 1 (NMP1)

IRRADIATED FUEL MANAGEMENT PLAN PER 10 CFR 50.54(bb)

Title 10 of the *Code of Federal Regulations*, Paragraph 50.54(bb) states:

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 occurs 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.

Accordingly, the licensee submitted "Notification of Irradiated Fuel Management Plan" on August 23, 2004. The submittal stated that the funding to support spent fuel management for NMP1 would be included as part of the operating cost that supports the Nine Mile Point Nuclear Station (NMPNS), since Unit 2 (NMP2) will continue to operate until October 31, 2027. The licensee 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 units. While the NRC staff is not disagreeing with the licensee's approach to fund the cost of the spent fuel management of NMP1 from the operating costs that support the site and operation of NMP2, the NRC staff 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 the NMP1 spent fuel management and funding program, the licensee needs to provide supplemental information to include:

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

Enclosure

Nine Mile Point Nuclear Station, Unit No. 1

cc:

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