

March 1, 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 PRELIMINARY
DECOMMISSIONING COST ESTIMATE PER 10 CFR 50.75(f)(2)
(TAC NO. MC5544)

Dear Mr. Spina:

The Nuclear Regulatory Commission (NRC) staff is reviewing your December 29, 2004, submittal regarding the above subject. In a telephone conference on February 22, 2005, the NRC staff discussed with Mr. Don Shaw, et al., of your staff a draft request for additional information (RAI) which was previously transmitted to your staff (publicly available e-mail dated February 8, 2005; Accession No. ML050410042). As a result of the telephone conference, the NRC staff agreed that two of the draft questions are no longer needed. Mr. Shaw requested the NRC staff to formally issue the RAI containing the remaining questions.

Enclosed please find the RAI. Your staff 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)

PRELIMINARY DECOMMISSIONING COST ESTIMATE PER 10 CFR 50.75(f)(2)

The Nuclear Regulatory Commission (NRC) staff is reviewing the licensee's submittal dated December 29, 2004. The licensee stated that the submittal is premised on the assumption that NMP1 will cease operation at the expiration of the current operating license on August 22, 2009, although the licensee is currently seeking license renewal.

10 CFR 50.75(f)(2) requires that a licensee "...shall at or about 5 years prior to the projected end of operations submit a preliminary decommissioning cost estimate which includes an up-to-date assessment of the major factors that could affect the cost to decommission." Section 50.75(f)(4) requires a licensee to include plans to adjust funding levels to demonstrate a reasonable level of financial assurance, if necessary, in the preliminary cost estimate. The cost estimate should include: (1) a comparison of the preliminary cost estimate with the minimum decommissioning funding required based on the formulas in 10 CFR 50.75(c), and (2) an assessment of the major factors that could affect the preliminary cost estimate. If necessary, as required by 10 CFR 50.75(f)(4), the preliminary cost estimate shall also include plans for adjusting levels of funds assured for decommissioning to demonstrate a reasonable level of assurance that funds will be available when needed to cover the cost of decommissioning.

The following factors were addressed in the licensee's submittal; however, the supporting basis for the information should be included to ensure the cost estimate is an up-to-date assessment of the cost to decommission:

- (1) Regarding the potential for known or suspected contamination of the facility or site to affect the cost of decommissioning, the licensee identified some soil contamination. A brief description should be included that estimates the extent of the known contamination with an estimate of the volume.
- (2) Regarding the preliminary schedule of decommissioning activities, for the SAFSTOR period, the licensee should indicate which parts of the costs are annual costs and what is the one-time cost associated with the \$296 million. If storage or monitoring of spent fuel is included in the cost estimate, it should be shown separately.
- (3) As to any other factors that could significantly affect the cost to decommission, the licensee should include a basis for the selection of a 20.4-percent contingency factor and a summary of the component escalation factors (NRC recommends a 25-percent contingency factor).
- (4) If demolition of uncontaminated structures and site restoration activities are included in the cost estimate, they should be shown separately.

Enclosure

Nine Mile Point Nuclear Station, Unit No. 1

cc:

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