

June 10, 2009
L-09-164

10 CFR 50.75

ATTN: Document Control Desk
U. S. Nuclear Regulatory Commission
Washington, DC 20555-0001

SUBJECT:

Perry Nuclear Power Plant
Docket No. 50-440, License No. NPF-58
Supplemental Information for the Perry Nuclear Power Plant Decommissioning Funding Report

Pursuant to 10 CFR 50.75(f)(1), the FirstEnergy Nuclear Operating Company (FENOC), on behalf of the subsidiaries of the FirstEnergy Corp., submitted the Decommissioning Funding Reports for the Beaver Valley Power Station Units 1 and 2, the Davis-Besse Nuclear Power Station, and the Perry Nuclear Power Plant (letter dated March 27, 2009) for the year ending December 31, 2008. On June 4, 2009, a telephone conference was held between the Nuclear Regulatory Commission (NRC) and FENOC to discuss the Decommissioning Funding Reports for Beaver Valley Power Station Unit 1 and Perry Nuclear Power Plant. As a result of this discussion, supplemental information is being provided by FENOC to clarify the calculations used in the Decommissioning Funding Report for the Perry Nuclear Power Plant (PNPP).

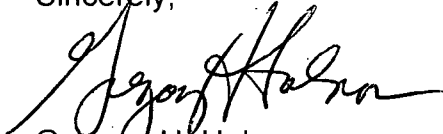
The FENOC calculations for PNPP used the following adjustment factors: 2.240 for Labor, 1.830 for Energy, and 11.198 for Burial. The inputs for the Labor and Energy adjustment factors were obtained from the Bureau of Labor Statistics (BLS). The fourth quarter data was used for the Labor factor and December data was used for the Energy factor. Formulas contained in NUREG-1307, Revision 13 were used to calculate the adjustment factors. The Burial factor was taken directly from NUREG-1307, *Report on Waste Burial Charges: Changes in Decommissioning Waste Disposal Costs at Low-Level Waste Burial Facilities*, Revision 13. The use of BLS data for the Labor and Energy factors is consistent with the requirements of 10 CFR 50.75. Attachment 1 provides the calculation of the Energy adjustment factor used in the Decommissioning Funding Report. Attachment 2 provides a minimum assurance calculation using a future value calculation methodology for 17.3 years followed by a future value calculation for an additional 3.5 years.

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There are no regulatory commitments contained in this letter. If there are any questions, or if additional information is required, please contact Mr. Thomas A. Lentz, Manager – Fleet Licensing, at (330) 761-6071.

Sincerely,



Gregory H. Halnon
Director, Fleet Regulatory Affairs

Attachments:

1. Energy Factor Calculation
2. Perry Nuclear Power Plant – NRC Minimum Assurance Calculation

cc: NRC Region III Administrator
NRC Resident Inspector
NRR Project Manager

Attachment 1
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Energy Factor Calculation
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ENERGY FACTOR

| $P(\text{Dec. '08}) / P(\text{Jan. '86})^1$ | $F(\text{Dec. '08}) / F(\text{Jan. '86})^1$ | PWR ² | BWR ³ |
|---|---|------------------|------------------|
| 190.6/114.2 = 1.669 | 165.5/82.0 = 2.018 | 1.816 | 1.830 |

1. Values for the January 1986 reference data were obtained from Section 3.2 of NUREG-1307, Revision 13 (November 2008). Values for December 2008 for electric power (P) and fuel oil (F) were obtained from the Producer Price Indexes (PPI), available in the "PPI Detailed Report," published by the U.S. Department of Labor, Bureau of Labor Statistics. P is taken from data for industrial electric power (PPI Commodity code 0543), and F is taken from data for light fuel oils (PPI Commodity code 0573). The values are preliminary and are subject to final adjustment up to four months after original publication. Appendix C to NUREG 1307, Revision 13 (November 2008) states that the requisite information can be obtained on the internet by entering the following URL: <http://www.bls.gov/data/>; then clicking on the item labeled "Series Report;" and then entering into the box labeled "Enter series id(s) below," one id per line. The series ids are wpu0543 (industrial electric power) and wpu0573 (light fuel oils).
2. $E = 0.58P + 0.42F$. See Section 3.2 of NUREG-1307, Revision 13 (November 2008).
3. $E = 0.54P + 0.46F$. See Section 3.2 of NUREG-1307, Revision 13 (November 2008).



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Data extracted on: February 04, 2009 (11:33 AM)

PPI Commodity Data

Series Catalog:

Series ID : wpu0543

Not Seasonally Adjusted

Group : Fuels and related products and power

Item : Industrial electric power

Base Date : 198200

Data:

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Ann |
|------|----------------------------------|-------|-------|-------|-------|-------|-------|-------|--------------|--------------|--------------|--------------|--------------|
| 2008 | 181.9 | 180.0 | 183.1 | 185.2 | 189.5 | 191.9 | 196.1 | 197.1 | 195.5 (p) | 191.6 (p) | 189.4 (p) | 190.6 (p) | 189.3 (p) |
| 2009 | No data available for this year. | | | | | | | | | | | | |

p : Preliminary. All indexes are subject to revision four months after original publication.

Series Catalog:

Series ID : wpu0573

Not Seasonally Adjusted

Group : Fuels and related products and power

Item : Light fuel oils

Base Date : 198200

Data:

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Ann |
|------|----------------------------------|-------|-------|-------|-------|-------|-------|-------|--------------|--------------|--------------|--------------|--------------|
| 2008 | 273.8 | 280.2 | 339.6 | 352.5 | 384.9 | 410.5 | 423.8 | 343.9 | 336.0 (p) | 282.4 (p) | 220.2 (p) | 165.5 (p) | 317.8 (p) |
| 2009 | No data available for this year. | | | | | | | | | | | | |

p : Preliminary. All indexes are subject to revision four months after original publication.

Employment Cost Index (NAICS)

Series Catalog:

Attachment 2
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Perry Nuclear Power Plant – NRC Minimum Assurance Calculation
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Perry Nuclear Power Plant – NRC Minimum Assurance Calculation
(Future Value Calculation Methodology)

| | <u>Calculation</u> | <u>NRC Minimum Funding Estimate*</u> | <u>(Shortfall) / Excess</u> |
|---|---|--|-----------------------------|
| A | Trust Balance at 12/31/2008 | 375,521,252 | |
| B | FV Escalation Factor (2%, 17.3 years**) | 1.41 | |
| C | Future Value of Trust Balance | 528,953,496 | 561,330,000 (32,376,504) |
| D | FV Escalation Factor (2%, 3.5 years***) | 1.07 | |
| E | Future Value of Trust Balance | 566,915,189 | 561,330,000 5,585,189 |
| A | 3/27/09 Submittal, Enclosure D | | |
| B | $+(1.02)^{17.25}$ | | |
| C | A times B | | |
| D | $+(1.02)^{3.5}$ | | |
| E | D times C | | |

* 3/27/09 Submittal, Enclosure D

** 3/16/2026 – 12/31/2008 = 17.3 years

*** 3.5 Years represents the mid point of the dismantlement period