



Explanation of Draft Regulatory Guidance DG-1229

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Overview

- **Regulatory history**
 - Timing of adjustments to financial assurance
- **Significant changes in RG 1.159**
- **Reasons for changes in RG 1.159**
 - DG-1229
- **Contact for comments**



Regulatory History

- **Regulations – 10 CFR 50.75**
 - 1988 original issue
 - 1998 update for deregulation
- **Regulatory Guidance RG 1.159**
 - 1990
 - 2003 Revision 1



Regulatory History: Regulations

- **1988 original issue**
 - **“Utility” and “non-utility” licensees**
 - **Power reactors were all utilities**
 - **Minimum assurance amount specified**
 - **“Non-utility” meant research and test reactors**
 - **Minimum assurance amount not specified**

Regulatory History: Regulations (cont'd)

- **1998 update for deregulation**
 - **Deregulation changed meaning of “non-utility”**
 - **“Power” and “non-power” reactors**
 - **More assurance methods permitted**
 - **Earnings credit allowed**
 - **External sinking fund limitations**

Regulatory History: Regulations (cont'd)

- **1998 update for deregulation (cont'd)**
 - **Rate-regulated power reactors**
 - **Cost recovery through cost-of-service rates or non-bypassable charges set by ratemaking regulation**
 - **Non-rate-regulated power reactors**
 - **No cost recovery through ratemaking regulation**

Regulatory History: RG 1.159

- **1990**
 - **Timing of adjustments to financial assurance**
 - **Utilities: next rate case but no longer than 5 years**
 - **Non-utilities: unspecified**

Regulatory History: RG 1.159 (cont'd)

- **2003**
 - **Timing of adjustments to financial assurance**
 - **Rate-regulated power reactors: 6 years**
 - **Non-rate-regulated power reactors: 2 years to coincide with biennial funding status report**



Significant changes in RG 1.159

- **2009 (draft for comment)**
 - **Timing of adjustments to financial assurance**
 - **Rate-regulated power reactors: next rate case**
 - **Non-rate-regulated power reactors: annually by Dec. 31 of following year**
 - **Reference to cost estimation guidance**
 - **SAFSTOR earnings credit**
 - **Account for storage costs**

Reasons for changes to RG 1.159

- **Timing of adjustments to financial assurance**
 - **Rate-regulated power reactor: emphasize each rate case should address decommissioning costs**
 - **Non-rate-regulated power reactor: consistency with 50.75(b) which states, “the amount ... must be adjusted annually.”**

Reasons for changes to RG 1.159 (cont'd)

- **Reference to cost estimation guidance**
 - Identify guidance issued since 2003
- **SAFSTOR earnings credit**
 - Reduce credit by the storage costs

Summary History of RG 1.159

Timing of Adjustments for Power Reactors

RG 1.159 (1990)		RG 1.159, Rev.1 (2003)		DG-1229 (2009)	
Utility	Non-utility	Rate-Regulated	Non-Rate-Regulated	Rate-Regulated	Non-Rate-Regulated
5 years	No non-utility power reactors held a license	6 years	2 years	Every rate case	Annually by Dec. 31 of following year



Contact for Comments

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 - **Aaron.Szabo@nrc.gov**
- **Mail**
 - Rulemaking and Directives Branch**
 - Office of Administration**
 - U.S. Nuclear Regulatory Commission**
 - Washington, DC 20555–0001**
- **Written comments given at this meeting**
- **September 9, 2009 due date**



Explanation of DG-1229

Questions
or
Comments

