

PMComanchePeakPEm Resource

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Sent: Wednesday, May 20, 2009 3:16 PM
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Subject: TXNB-09019 COLA Part 1 Update Tracking Report
Attachments: TXNB-09019 COLA Part 1 UTR.pdf

Luminant has submitted the attached Update Tracking Report for COLA Part 1 that declassifies the decommissioning funding information. If there are any questions regarding the letter, please contact me or contact Don Woodlan at 254-897-6887, Donald.Woodlan@luminant.com.

Thanks,

John Conly
COLA Project Manager NuBuild
Luminant Power
(254) 897-5256

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Subject: TXNB-09019 COLA Part 1 Update Tracking Report
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CP-200900704
Log # TXNB-09019

Ref. # 10 CFR 52

May 20, 2009

U. S. Nuclear Regulatory Commission
Document Control Desk
Washington, DC 20555
ATTN: David B. Matthews, Director
Division of New Reactor Licensing

**SUBJECT: COMANCHE PEAK NUCLEAR POWER PLANT, UNITS 3 AND 4
DOCKET NUMBERS 52-034 AND 52-035
COMBINED LICENSE APPLICATION UPDATE TRACKING REPORT**

Dear Sir:

Luminant Generation Company LLC (Luminant) hereby submits this Combined License Application (COLA) Update Tracking Report for Comanche Peak Nuclear Power Plant Units 3 and 4. The marked-up pages in the report reflect planned changes to COLA Part 1, "General and Financial Information." Luminant has reconsidered the decision that Part 1, Attachment 9, "Decommissioning Funding Assurance," is proprietary under 10 CFR 2.309 and has deleted the "Proprietary" markings accordingly.

Two versions of COLA Part 1 were initially prepared, one "Proprietary" and one "Non-Proprietary." Both versions have been marked-up and the changed pages are attached. Note also that the deleted sentence on COLA Part 1 page 13 of 34 erroneously refers to Attachment 10, which does not exist.

Should you have any questions regarding these marked-up COLA Part 1 pages or matters relating more generally to Luminant's nuclear generation development program, please contact Don Woodlan (254-897-6887, Donald.Woodlan@luminant.com) or me.

There are no commitments in this letter.

I state under penalty of perjury that the foregoing is true and correct.

Executed on May 20, 2009.

Sincerely,

Luminant Generation Company LLC

Rafael Flores

Attachment: Combined License Application Update Tracking Report – COLA Part 1

c-

Email Distribution w/ attachment

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May 20, 2009

**Comanche Peak Nuclear Power Plant, Units 3 & 4
COL Application**

**Part 1,
General and Financial Information
Update Tracking Report**

Revision 0

Tracking Report Revision List

| Change ID No. | Section | Rev. 0 Page | Reason for change | Change Summary | Rev. of T/R |
|---------------------------------------|-------------------|-------------|-----------------------------------|--|-------------|
| COLA Part 1 (Proprietary Version) | | | | | |
| CTS-00705 | Cover Sheet | | Erratum | Corrected "Administrative" to read "General" | 0 |
| CTS-00705 | 1.4 | 13 of 34 | Information no longer proprietary | Deleted proprietary statement | 0 |
| CTS-00705 | 1.4 | 13 of 34 | Erratum | Deleted statement regarding Attachment 10 | 0 |
| CTS-00705 | Att 9 | 33 of 34 | Information no longer proprietary | Deleted proprietary header | 0 |
| CTS-00705 | Att 9 Table 1.4-1 | 34 of 34 | Information no longer proprietary | Deleted proprietary header | 0 |
| COLA Part 1 (Non-Proprietary Version) | | | | | |
| CTS-00705 | Cover Sheet | | Erratum | Corrected "Administrative" to read "General" | 0 |
| CTS-00705 | 1.4 | 13 of 34 | Information no longer proprietary | Deleted proprietary statement | 0 |
| CTS-00705 | 1.4 | 13 of 34 | Erratum | Deleted statement regarding Attachment 10 | 0 |
| CTS-00705 | Att 9 | 33 of 34 | Information no longer proprietary | Deleted proprietary header; inserted declassified description of the decommissioning study | 0 |
| CTS-00705 | Att 9 Table 1.4-1 | 34 of 34 | Information no longer proprietary | Deleted proprietary header; inserted declassified tabular information. | 0 |

**Comanche Peak Nuclear Power Plant
Units 3 and 4**

COL Application

Part 1

**General
Administrative and Financial Information
Revision 0**

(Proprietary Version)

Comanche Peak Nuclear Power Plant, Units 3 & 4
COL Application
Part 1, General and Financial Information

1.4 Decommissioning Funding Assurance

The plant owners certify that prior to initial fuel load they will provide financial assurance for decommissioning based upon the NRC minimum "formula" amount calculated pursuant to 10 CFR 50.75(c). Table 1.4-1 (Attachment 9) provides the current calculation of the NRC formula amount, which is the same for CPNPP 1 and 2. This amount will be adjusted annually in accordance with 10 CFR 50.75(b)(2). The applicants' funding proposals to cover those costs in accordance with 10 CFR 50.75 are set forth below.

In accordance with the terms of 10 CFR 50.75(e)(1)(vi), Luminant will provide decommissioning funding assurance for its obligation for decommissioning using the external sinking fund method consistent with provisions of 10 CFR 50.75(e)(1)(ii), except that Luminant will not ordinarily collect funding from ratepayers. In accordance with the requirements of 10 CFR 50.75(e)(1)(ii), Luminant will set aside funds periodically, no less frequently than annually, in a trust fund account segregated from its assets and outside its administrative control and in which the total amount of funds will be sufficient to fund decommissioning at the time permanent cessation of operations is expected. However, the funds periodically set aside are expected to be generated from sales of power. Although Luminant does not technically qualify to use the sinking fund method as its exclusive mechanism under the provisions of 10 CFR 50.75(e)(1)(ii)(A)&(B), exclusive reliance of this mechanism should be acceptable, because of House Bill 1386 passed by the Texas Legislature on May 28, 2007 and signed into law by the Governor on June 15, 2007. This became Texas Law effective September 1, 2007, and provides that ratepayers would be obligated to fund the total cost of decommissioning in the event that Luminant fails to periodically set aside funds as planned (per Tex. Util. Code Ann. § 39.206 (Vernon 1998 and Supp. 2007)). Thus, if Luminant does not provide periodic funding from its own revenues, Texas Law would provide for a mechanism for funding decommissioning that does meet the requirements of 10CFR 50.75(e)(1)(ii)(A).

A Decommissioning Report and certifications are provided in Attachment 9, Table 1.4-1 consistent with the requirements of 10 CFR 50.75(b) and 10 CFR 50.75(e)(3). ~~Luminant requests that Attachment 9 be withheld from public disclosure, as described in the Section 2.390 Affidavits provided in Part 0 of this COLA. Redacted versions of these documents, suitable for public disclosure, are contained in Attachment 10.~~

CTS-00705

1.5 Foreign Ownership or Control

Texas Energy Future Capital Holdings LLC (Texas Energy GP) owns over 90% of the outstanding capital stock of Texas Energy Future Holdings Limited Partnership (Texas Energy LP), the direct parent of Energy Future Holdings Corp. and the ultimate parent of Luminant Holding Company LLC, Luminant, and thus the indirect parent of the licensee is not owned, controlled, or dominated by any alien, foreign corporation, or foreign government. This conclusion is demonstrated by a functional analysis of the governance structure of Texas Energy LP and its investors, consistent with the Commission's Final Standard Review Plan on Foreign Ownership, Control, or Domination, 64 Fed. Reg. 52,355 (Sept. 28, 1999) ("SRP"). Fifteen of the sixteen individuals who are currently on the EFH Board of Directors are U.S. citizens; the sixteenth is a citizen of South Africa. The appointment of one citizen of South Africa as a director of EFH has no material impact on EFH's current compliance with foreign ownership, control, or influence ("FOCI") regulations. Texas Holdings is a Delaware limited partnership domiciled in the United States.

**Comanche Peak Nuclear Power Plant, Units 3 & 4
COL Application
Part 1, General and Financial Information**

**ATTACHMENT 9
Decommissioning Funding Assurance**

**Report and Certification Regarding
Decommissioning Funding Assurance**

Decommissioning Study

The following reports the calculation of the formula amount as of April 20, 2007 for each of the two nuclear powered generating plants designated as CPNPP Units 3 and 4, calculated in accordance with the provisions of 10 CFR 50.75(c) and the guidance provided in NUREG-1307, Rev. 12. The Applicants will annually adjust the minimum formula amount calculation in accordance with 10 CFR 50.75(b)(2).

The Applicants hereby certify that, no later than 30 days after the Commission publishes a notice in the *Federal Register* under 10 CFR 52.103(a), they will provide decommissioning funding assurance using the methods in accordance with 10 CFR 50.75(e)(1), as described in COLA Part 1, Section 1.4, or as otherwise permitted by 10 CFR 50.75(e)(1) after having provided prior written notice to the NRC Staff of any proposed change(s) in the method of providing decommissioning funding assurance. They further certify that they will provide such funding assurance in amounts not less than the formula amount calculation.

Taking into account credit for projected earnings on trust fund balances and annual contributions using a two percent real rate of return, as permitted by 10 CFR 50.75(e)(1), the annual funding for each plant would be expected to be in the range of \$9,000,000 per unit in current year dollars. The actual annual contributions by Luminant Generation Company LLC will be established in connection with proceedings to be conducted by the Public Utility Commission of Texas.

In addition, both two years and one year before the scheduled date of initial loading of fuel, and consistent the schedule required by 10 CFR 50.75(e)(3), the Applicants will submit a report updating this certification and the information provided in this report, as well as copies of the form(s) of financial instrument(s) to be used in providing financial assurance for decommissioning), e.g., a decommissioning trust agreement for an external sinking fund.

Comanche Peak Nuclear Power Plant, Units 3 & 4
COL Application
Part 1, General and Financial Information

ATTACHMENT 9
Decommissioning Funding Assurance

Table 1.4-1 Decommissioning Funding Assurance

| NRC Decommissioning Cost Using 10 CFR 50.75(c) Formulas | | | | | | |
|---|----------|--------------------|---|------------------------------------|---|-------------------------|
| <u>Factor</u> | | <u>Weight</u> | | <u>Inflation Factor</u> | = | <u>Weighted</u> |
| Labor | South | 65% | x | 2.0400 | = | 1.3260000 |
| Energy | PWR | 13% | x | 2.1520 | = | 0.2797600 |
| | SC, | | | | | |
| | Non- | | | | | |
| Waste | Atlantic | 22% | x | 8.6830 | = | 1.9102600 |
| Composite | | | | | | |
| Inflation | | | | | | |
| Factor = | | | | | | <u>3.5160200</u> |
| Actual inflation factors through 12/2006: | | | | | | |
| Note: Uses the NRC methodology in 10 CFR 50.75(c) to calculate an inflation factor to apply to a cost estimate. | | | | | | |
| <hr/> | | | | | | |
| <u>NRC Decommissioning</u> | | | | | | |
| <u>Cost</u> | | | | | | |
| <u>Unit # 3</u> | | | | | | |
| 1986 NRC Decommissioning | | 105,000,000 | | Cost for a PWR plant over 3,400 MW | | |
| Cost | | | | | | |
| Composite Escalation | | | | | | |
| Factor | X | <u>3.51602</u> | | | | |
| 2006 Decommissioning Cost | | <u>369,182,100</u> | | | | |
| Based on a generic pressurized water reactor inflated to a 2006 cost using the NRC methodology | | | | | | |

**Comanche Peak Nuclear Power Plant
Units 3 and 4**

COL Application

Part 1

**General
Administrative and Financial Information
Revision 0**

CTS-00705

(Non-Proprietary Version)

Comanche Peak Nuclear Power Plant, Units 3 & 4
COL Application
Part 1, General and Financial Information

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**Comanche Peak Nuclear Power Plant, Units 3 & 4
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Part 1, General and Financial Information**

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[-----]

[[See attached replacement page]]

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Taking into account credit for projected earnings on trust fund balances and annual contributions using a two percent real rate of return, as permitted by 10 CFR 50.75(e)(1), the annual funding for each plant would be expected to be in the range of \$9,000,000 per unit in current year dollars. The actual annual contributions by Luminant Generation Company LLC will be established in connection with proceedings to be conducted by the Public Utility Commission of Texas.

In addition, both two years and one year before the scheduled date of initial loading of fuel, and consistent the schedule required by 10 CFR 50.75(e)(3), the Applicants will submit a report updating this certification and the information provided in this report, as well as copies of the form(s) of financial instrument(s) to be used in providing financial assurance for decommissioning, e.g., a decommissioning trust agreement for an external sinking fund.

**Comanche Peak Nuclear Power Plant, Units 3 & 4
COL Application
Part 1, General and Financial Information**

**ATTACHMENT 9
Decommissioning Funding Assurance**

Table 1.4-1 Decommissioning Funding Assurance



[[See attached replacement page]]

**Comanche Peak Nuclear Power Plant, Units 3 & 4
COL Application
Part 1, General and Financial Information**

**ATTACHMENT 9
Decommissioning Funding Assurance**

Table 1.4-1 Decommissioning Funding Assurance

| NRC Decommissioning Cost Using 10 CFR 50.75(c) Formulas | | | | | |
|--|--------------|---------------|---|-------------------------|---|
| <u>Factor</u> | | <u>Weight</u> | | <u>Inflation Factor</u> | <u>Weighted</u> |
| Labor | South | 65% | x | 2.0400 | = 1.3260000 |
| Energy | PWR | 13% | x | 2.1520 | = 0.2797600 |
| | SC, | | | | |
| Waste | Non-Atlantic | 22% | x | 8.6830 | = 1.9102600 |
| | | | | | Composite Inflation Factor = 3.5160200 |

Actual inflation factors through 12/2006:
Note: Uses the NRC methodology in 10 CFR 50.75(c) to calculate an inflation factor to apply to a cost estimate.

| <u>NRC Decommissioning Cost</u> | <u>Unit # 3</u> | |
|---------------------------------|--------------------|------------------------------------|
| 1986 NRC Decommissioning Cost | 105,000,000 | Cost for a PWR plant over 3,400 MW |
| Composite Escalation Factor | X <u>3.51602</u> | |
| 2006 Decommissioning Cost | <u>369,182,100</u> | |

Based on a generic pressurized water reactor inflated to a 2006 cost using the NRC methodology