



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

September 29, 2009

Site Vice President
Entergy Nuclear Operations, Inc.
Vermont Yankee Nuclear Power Station
P.O. Box 250
Governor Hunt Road
Vernon, VT 05354

SUBJECT: REQUEST FOR ADDITIONAL INFORMATION TO SUPPORT THE REVIEW OF
THE VERMONT YANKEE NUCLEAR POWER STATION DECOMMISSIONING
FINANCIAL ASSURANCE PLANS (TAC NO. ME0583)

Dear Sir or Madam:

By letter dated August 13, 2009, Entergy Nuclear Vermont Yankee, LLC submitted a proposed plan of action to cover deficiencies in providing decommissioning funding assurance discovered in the Vermont Yankee Nuclear Power Station (Vermont Yankee) Biennial Decommissioning Funding Report.

The Nuclear Regulatory Commission staff has been reviewing the submittal and has determined that additional information is needed to complete its review. The specific questions are found in the enclosed request for additional information (RAI). A response to this RAI is requested to be provided within 30 days.

Sincerely,

A handwritten signature in black ink, reading "James Kim", is positioned above the typed name.

James Kim, Project Manager
Plant Licensing Branch I-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-271

Enclosure:
As stated

cc w/encl: Distribution via Listserv

REQUEST FOR ADDITIONAL INFORMATION BY THE OFFICE OF
NUCLEAR REACTOR REGULATION
DECOMMISSIONING FINANCIAL ASSURANCE PLANS
2009 BIENNIAL DECOMMISSIONING REVIEW
VERMONT YANKEE NUCLEAR POWER STATION

The Nuclear Regulatory Commission (NRC) staff has reviewed your submittal, dated August 13, 2009 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML092260720), outlining Entergy Nuclear Vermont Yankee, LLC's (ENVY) proposed plan of action to cover deficiencies in providing decommissioning funding assurance discovered in the Vermont Yankee Nuclear Power Station (Vermont Yankee) Biennial Decommissioning Funding Report that was submitted on March 30, 2009. At that time, the NRC staff estimated a projected shortfall in decommissioning funding assurance of approximately \$87 million.

In its August 13, 2009, submittal, ENVY stated that the decommissioning trust fund balance as of July 31, 2009, had increased to \$402.2 million. Due to the increase in the fund balance, ENVY calculated the shortfall from the NRC required amount to be \$58,134,967.

ENVY stated that a present value sum of \$51,356,612, when added to the available funding as of July 31, 2009, would equal the NRC minimum required amount. ENVY stated that it planned to put in place a financial assurance mechanism acceptable to the NRC and in accordance with 10 CFR 50.75(e)(1) in an amount equal to or greater than the present value amount by December 31, 2009.

Question 1

10 CFR 50.75 (b)(1) states:

- (b) Each power reactor applicant for or holder of an operating license, and each applicant for a combined license under subpart C of 10 CFR part 52 for a production or utilization facility of the type and power level specified in paragraph (c) of this section shall submit a decommissioning report, as required by § 50.33(k).
- (1) For an applicant for or holder of an operating license under part 50, the report must contain a certification that financial assurance for decommissioning will be (for a license applicant), or has been (for a license holder), provided in an amount which may be more, but not less, than the amount stated in the table in paragraph (c)(1) of this section adjusted using a rate at least equal to that stated in paragraph (c)(2) of this section.

Enclosure

The NRC recognizes that if \$51,356,612 were deposited in cash into the prepaid account, the increased balance would provide adequate financial assurance, as of July 31, 2009. The reason is that actual funds in a prepaid account can generate earnings.

However, other financial instruments available to ENVY under 10 CFR 50.75(e)(1) do not provide actual funds that can generate earnings. An earnings credit does not apply to those instruments and the present value sum does not cover the shortfall. Therefore, if ENVY chooses to provide financial assurance using an instrument other than the prepaid account method, the amount must equal or exceed the amount of the shortfall. Based on the July 31, 2009, trust fund balance, the shortfall would be \$58,134,967.

The August 13, 2009 plan did not state what method would be used to cover the shortfall.

In view of the above, provide a revised plan that identifies the method and amount of financial assurance that will be used to cover the projected shortfall.

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/RA/

James Kim, Project Manager
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