REQUEST FOR ADDITIONAL INFORMATION TO SUPPORT THE REVIEW OF THE

DUANE ARNOLD ENERGY CENTER SPENT FUEL MANAGEMENT PROGRAM AND

PRELIMINARY DECOMMISSIONING COST ESTIMATE

DOCKET NO. 50-331

In reviewing Florida Power and Light (FPL) Energy's submittal dated February 19, 2009, (NG-09-0038) which addressed FPL Energy's Preliminary Decommissioning Cost Estimate and Irradiated Fuel Management Program for the Duane Arnold Energy Center (DAEC) in accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) Sections 50.75(f)(3) and 50.54(bb), the Nuclear Regulatory Commission (NRC) staff has determined the following information is needed to complete their review.

Irradiated Fuel Management Program

RAI No. 1: Financial Assurance

In order for a licensee to assume an earnings credit on its decommissioning funds over a DECON or SAFESTOR period that is greater than a 2 percent real rate of return, the licensee must be able to recover total decommissioning costs through rates set by itself or a regulatory authority, 10 CFR 50.75(e)(ii)(A). Such rates must be subject to adjustment upwards during the SAFESTOR period following the permanent shutdown of the plant if the actual rate of growth of the decommissioning funds does not meet or exceed the approved higher real earnings rate. Please provide a statement and supporting references or documents that demonstrate DAEC's will be able to receive upward adjustments from ratepayers to its decommissioning funds, if necessary, following permanent shutdown. FPL stated that the Corn Belt Power Cooperative (CBPC) is a 10% owner and Central Iowa Cooperative (CIPCO) is a 20% owner and both have exempt status under IRS ruling. CIPCO and CBPC both claim a higher rate of return although both CIPC and CBPC rates are not authorized by any state or federal agency but are adjusted annually by their Board of Directors. DAEC needs to provide the documented basis, as identified above, to claim a higher real rate of return (RRR) greater than 2 percent as well as recognizing that the remaining 70 percent ownership would be subject to the 2 percent RRR.

RAI No. 2: Duane Arnold Energy Center Annual Costs

The staff requests that DAEC provide a break down of the estimated $4.1 million annual cost and identify the supporting activities that support spent fuel management for DECON option identified for the period 2026 – 2052, and the $5.3 million annual cost for a similar period for SAFESTOR.

ENCLOSURE

RAI No. 3: Section 3. Cost Considerations

This submittal indicated that DAEC has an existing independent spent fuel storage installation (ISFSI) with sufficient capacity to accommodate the spent fuel in the reactor building pool at shutdown. What is storage capacity of the ISFSI? At the time of shutdown, how many modules will be stored on the ISFSI? How many additional multipurpose canisters will be loaded with fuel from the pool at the time of shutdown?

RAI No. 4: Cost Estimate and Funding for Spent Fuel Management based on DECON Methodology

In the submittal, FPL estimated the cost for spent fuel cooling and transfer of the fuel to dry storage is approximately $129.7 million over approximately 5 years, and identified several supporting activities. For each identified activity, provide a cost breakout associated with each activity.

Preliminary Decommissioning Cost Estimate

RAI No. 5: Section 1.0 Executive Summary

In the submittal, FPL identified 4 possible decommissioning scenarios for DAEC, and provided the total cost for each option, including spent fuel costs and greenfield costs. Later in the cost study, FPL identified its annual costs associated with each option. However, FPL did not provide an analysis using the decommissioning funds to demonstrate that adequate funds are available to address these options. FPL needs to provide the supporting analysis for each of the identified alternatives or, at a minimum, for the selected option based on the trust fund balance as of December 31, 2008.

RAI No. 6: Section 2.1 Study Objective

The submittal focuses on DECON as the preferred option for decommissioning, and Section 2.1 provided detailed discussions on the preferred DECON option as well as 3 other options. The Irradiated Fuel Management Program submittal uses the DECON option as the mechanism for addressing the radiological and spent fuel management costs. FPL needs to confirm which option is the preferred decommissioning option.

RAI No. 7: Section 3.4 Site Specific Considerations

The submittal did not address why the site specific cost estimate was lower than the minimum amount established by 10 CFR 50.75(a)(1) and since it was lower, the analysis must be based on the higher amount. Since the site specific cost estimate is lower than the formula amount, FPL needs to address, in detail, why the site specific cost is less than the formula amount.