

Henry B. Barron
President, CEO & CNO-CENG

Constellation Energy Nuclear Group, LLC
100 Constellation Way
Suite 200C
Baltimore, MD 21202

10 CFR 50.75

November 20, 2009

U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

ATTENTION: Document Control Desk

SUBJECT: **Nine Mile Point Nuclear Station**
Unit No. 1; Docket No. 50-220
R. E. Ginna Nuclear Power Plant
Docket No. 50-244

Submission of Site-Specific SAFSTOR Decommissioning Cost Estimates

REFERENCE: (a) Letter from Mr. H. B. Barron (CENG) to Document Control Desk (NRC), dated July 29, 2009, Decommissioning Funding Status Plan

In Reference (a), Constellation Energy Nuclear Group, LLC (CENG) committed to provide the Nuclear Regulatory Commission (NRC) with site-specific SAFSTOR Decommissioning Cost Estimates (DCEs) for R. E. Ginna Nuclear Power Plant (Ginna) and Nine Mile Point Nuclear Station, Unit 1 (NMP1). These DCEs are provided in Attachments (1A) and (2A), respectively. The DCE for NMP1 is contained in the same site-specific study report as the DCE for Nine Mile Point Nuclear Station Unit 2. We have extracted the values for NMP1 from Attachment (2A) and presented them in Column B of the relevant pages of Attachment (3). Each DCE contains three possible scenarios for decommissioning. We have selected the third scenario, which represents a 50-year SAFSTOR option. All DCE scenarios for both Ginna and NMP1 are greater than the respective formula amounts, as required by 10 CFR 50.75(b)(1), and are calculated from the formula set forth in 10 CFR 50.75(c).

Attachment (3) shows the NRC radiological decommissioning (license termination) funding assurance analyses and cash flows based on the DCEs in Attachments (1A) and (2A), assuming a 50-year SAFSTOR decommissioned scenario (Scenario 3 in each report). These cash flows do not include the costs of dismantling non-radiological systems and structures or the costs of managing and storing spent fuel onsite.

We have not made a final determination of the decommissioning approach for Ginna and NMP1. For the purpose of responding to the NRC request to demonstrate adequacy of funding to meet regulatory requirements, a 50-year SAFSTOR option has been selected. We may choose a different decommissioning option in the future, recognizing that the chosen option must meet NRC requirements for decommissioning funding assurance.

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To determine funds available for decommissioning for Ginna and NMP1, the NRC radiological decommissioning funding assurance analyses and cash flows presented in Attachment (3) assume a 2% annual real rate of return on trust fund dollars until plant shutdown and on remaining trust fund dollars through the decommissioning period. The funds required for decommissioning are based on the annual site-specific radiological decommissioning costs using a 50-year period of safe storage specifically described on Page 6 of Attachments (1A) and (2A) as Scenario 3. The DCEs present the results in 2009 dollars. The Decommissioning Trust Fund Balance reflects the trust fund balance escalated at 2% per year, less annual expenditures, during the SAFSTOR period and through the completion of radiological decommissioning. Attachment (3) also compares the funding assurance, calculated using the NRC generic formula (NRC minimum) based on the Bureau of Labor Statistics published indices as of June 30, 2009 (preliminary for energy, and final for labor), to the funding assurance calculated using the site-specific DCE methodology, as allowed by 10 CFR 50.75(e)(1)(i). Attachments (1A) and (2A) contain proprietary information and we request that they be withheld from public disclosure pursuant to 10 CFR 2.390(a)(4) and 9.17(a)(4), as described in the affidavit by Mr. H. B. Barron, which is provided in Attachment (4). Attachments (1) and (2) are non-proprietary versions of Attachments (1A) and (2A).

For both Ginna and NMP1, the decommissioning assurance is provided by the prepayment method, coupled with an external trust fund, in accordance with 10 CFR 50.75(e)(1)(i). There are no additional amounts to be collected from ratepayers, nor are there any contracts relied upon pursuant to 10 CFR 50.75(e)(1)(v). Based on the site-specific SAFSTOR methodology, and the respective June 30, 2009 trust fund values, CENG meets all NRC radiological decommissioning funding requirements for both Ginna and NMP1. The June 30, 2009 date was used because this was the date assumed in Reference (a).

There are no new regulatory commitments contained in this letter.

- Attachments:
- (1) R. E. Ginna Nuclear Power Plant Decommissioning Cost Estimate (Non-Proprietary)
 - (1A) R. E. Ginna Nuclear Power Plant Decommissioning Cost Estimate (Proprietary)
 - (2) Nine Mile Point Nuclear Station Unit 1 Decommissioning Cost Estimate (Non-Proprietary)
 - (2A) Nine Mile Point Nuclear Station Unit 1 Decommissioning Cost Estimate (Proprietary)
 - (3) R. E. Ginna Nuclear Power Plant and Nine Mile Point Nuclear Station Unit 1 NRC Radiological Decommissioning Funding Assurance Analyses and Cash Flows
 - (4) Affidavit by H. B. Barron

cc: D. V. Pickett, NRC
R. V. Guzman, NRC
S. J. Collins, NRC

Without Attachments 1A and 2A

Resident Inspector, NRC (Ginna)
Resident Inspector, NRC (Nine Mile Point)
A. L. Peterson, NYSERDA
P. D. Eddy, New York State Department of Public Service

ATTACHMENT (1)

**R. E. GINNA NUCLEAR POWER PLANT DECOMMISSIONING COST
ESTIMATE (NON-PROPRIETARY)**

ATTACHMENT 1
**R. E. GINNA NUCLEAR POWER PLANT DECOMMISSIONING COST ESTIMATE (NON-
PROPRIETARY)**

The entire cost estimate is proprietary and is not included here.

ATTACHMENT (2)

**NINE MILE POINT NUCLEAR STATION UNIT 1 DECOMMISSIONING
COST ESTIMATE (NON-PROPRIETARY)**

ATTACHMENT 2
NINE MILE POINT NUCLEAR STATION UNIT 1 DECOMMISSIONING COST ESTIMATE
(NON-PROPRIETARY)

The entire cost estimate is proprietary and is not included here.

ATTACHMENT (3)

**R. E. GINNA NUCLEAR POWER PLANT AND NINE MILE POINT
NUCLEAR STATION UNIT 1 NRC RADIOLOGICAL
DECOMMISSIONING FUNDING ASSURANCE ANALYSES AND CASH
FLOWS**

ATTACHMENT 3

**R. E. GINNA NUCLEAR POWER PLANT AND NINE MILE POINT NUCLEAR STATION
UNIT 1 NRC RADIOLOGICAL DECOMMISSIONING FUNDING ASSURANCE ANALYSES
AND CASH FLOWS**

**Constellation Energy Nuclear Group
NRC Financial Assurance
As of June 30, 2009**

	<u>Ginna</u>	<u>Nine Mile Point Unit 1</u>
Key dates based on 50-year SAFSTOR decommissioning (Scenario 3):		
License expiration and shutdown date	9/18/2029	8/22/2029
Year of initial decommissioning disbursement	2028	2028
Year of final decommissioning disbursement	2078	2077
Radiological Decommissioning Trust Fund Activity (\$000s):		
Trust fund balance as of June 30, 2009	\$207,715	\$293,149
Trust fund earnings through 50-year SAFSTOR decommissioning period based on 2% real rate of return assuming disbursements at beginning of year	374,593	563,530
Less total disbursements in 2009 dollars per 50-year SAFSTOR site-specific study (Scenario 3)	<u>(537,306)</u>	<u>(700,583)</u>
Trust fund balance at end of decommissioning period	<u>\$45,003</u>	<u>\$156,096</u>
NRC Minimum and Prompt Decommissioning Scenario (\$000s):		
NRC minimum (preliminary as of June 30, 2009)	\$359,610	\$514,324

Notes for this page and accompanying supporting schedules:

- The projected trust fund balances are based on a 50-year period of SAFSTOR (Scenario 3), which are within the 60-year guidelines set forth in 10 C.F.R. 50.75. The expenditures apply to only license termination radiological decommissioning costs, and do not include any other decommissioning costs, such as costs for spent fuel management or restoration of the site to "Greenfield" status.
- Strictly for the purpose of this analysis, earnings on the trust fund for the period July 1, 2009 through December 31, 2009 are assumed to be zero.
- The NRC minimum as of June 30, 2009 is based on NUREG 1307 Rev 13 updated through the published Bureau of Labor Statistics labor and energy indices as of June 30, 2009, except that the energy indices are preliminary since final indices were not published as of the date of this analysis and research. For additional informational purposes, the site-specific study total radiological License Termination prompt decommissioning costs in 2009 dollars (Scenario 1) are \$363,464,000 and \$552,489,000 for Ginna and Nine Mile Point Unit 1, respectively. The site-specific study License Termination costs for each scenario are greater than the NRC minimum.

ATTACHMENT 3

**R. E. GINNA NUCLEAR POWER PLANT AND NINE MILE POINT NUCLEAR STATION
UNIT 1 NRC RADIOLOGICAL DECOMMISSIONING FUNDING ASSURANCE ANALYSES
AND CASH FLOWS**

**R. E. Ginna Nuclear Power Plant (2 Pages)
Trust Fund Balances Based on 50-Year SAFSTOR Cash Flows and 2% Real Rate of Return
In Thousands of Dollars**

Year	Radiological Decommissioning Trust Fund Balance as of Beginning of Year (A)	Radiological Decommissioning Expenditures in 2009 Dollars (B)	2.00% Annual Trust Fund Earnings (C) = ((A) - (B)) x 2%	Radiological Decommissioning Trust Fund Balance as of End of Year (D) = (A) - (B) + (C)
2009				\$ 207,715
2010	\$ 207,715		\$ 4,154	211,870
2011	211,870		4,237	216,107
2012	216,107		4,322	220,429
2013	220,429		4,409	224,838
2014	224,838		4,497	229,335
2015	229,335		4,587	233,921
2016	233,921		4,678	238,600
2017	238,600		4,772	243,372
2018	243,372		4,867	248,239
2019	248,239		4,965	253,204
2020	253,204		5,064	258,268
2021	258,268		5,165	263,433
2022	263,433		5,269	268,702
2023	268,702		5,374	274,076
2024	274,076		5,482	279,558
2025	279,558		5,591	285,149
2026	285,149		5,703	290,852
2027	290,852		5,817	296,669
2028	296,669	\$ 6,515	5,803	295,956
2029	295,956	31,130	5,297	270,123
2030	270,123	20,626	4,990	254,487
2031	254,487	3,913	5,011	255,586
2032	255,586	3,913	5,033	256,707
2033	256,707	3,913	5,056	257,850
2034	257,850	4,863	5,060	258,047
2035	258,047	17,897	4,803	244,952
2036	244,952	2,283	4,853	247,522
2037	247,522	2,283	4,905	250,144
2038	250,144	2,283	4,957	252,818
2039	252,818	2,283	5,011	255,545
2040	255,545	2,283	5,065	258,327
2041	258,327	2,283	5,121	261,165
2042	261,165	2,283	5,178	264,059
2043	264,059	2,283	5,236	267,011
2044	267,011	2,283	5,295	270,022
2045	270,022	2,283	5,355	273,094

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Year	Radiological Decommissioning Trust Fund Balance as of Beginning of Year (A)	Radiological Decommissioning Expenditures in 2009 Dollars (B)	2.00% Annual Trust Fund Earnings (C) = ((A) - (B)) x 2%	Radiological Decommissioning Trust Fund Balance as of End of Year (D) = (A) - (B) + (C)
2046	273,094	2,946	5,403	275,550
2047	275,550	3,042	5,450	277,959
2048	277,959	3,042	5,498	280,415
2049	280,415	3,395	5,540	282,560
2050	282,560	3,042	5,590	285,109
2051	285,109	3,042	5,641	287,708
2052	287,708	3,042	5,693	290,360
2053	290,360	3,042	5,746	293,064
2054	293,064	3,042	5,800	295,823
2055	295,823	3,042	5,856	298,636
2056	298,636	3,042	5,912	301,506
2057	301,506	3,042	5,969	304,433
2058	304,433	3,042	6,028	307,419
2059	307,419	3,042	6,088	310,465
2060	310,465	3,042	6,148	313,571
2061	313,571	3,042	6,211	316,740
2062	316,740	3,042	6,274	319,972
2063	319,972	3,042	6,339	323,269
2064	323,269	3,042	6,405	326,631
2065	326,631	3,042	6,472	330,061
2066	330,061	3,042	6,540	333,559
2067	333,559	3,042	6,610	337,128
2068	337,128	3,042	6,682	340,768
2069	340,768	3,395	6,747	344,120
2070	344,120	3,042	6,822	347,900
2071	347,900	3,042	6,897	351,755
2072	351,755	3,042	6,974	355,687
2073	355,687	3,042	7,053	359,698
2074	359,698	7,452	7,045	359,291
2075	359,291	23,438	6,717	342,570
2076	342,570	114,479	4,562	232,653
2077	232,653	131,833	2,016	102,836
2078	102,836	<u>58,715</u>	<u>882</u>	<u>45,003</u>
Totals and Ending Fund Balance		\$ 537,306	\$ 374,593	\$ 45,003

ATTACHMENT 3

**R. E. GINNA NUCLEAR POWER PLANT AND NINE MILE POINT NUCLEAR STATION
UNIT 1 NRC RADIOLOGICAL DECOMMISSIONING FUNDING ASSURANCE ANALYSES
AND CASH FLOWS**

**Nine Mile Point Nuclear Station - Unit 1 (2 Pages)
Trust Fund Balances Based on 50-Year SAFSTOR Cash Flows and 2% Real Rate of Return
In Thousands of Dollars**

Year	Radiological Decommissioning Trust Fund Balance as of Beginning of Year (A)	Radiological Decommissioning Expenditures in 2009 Dollars (B)	2.00% Annual Trust Fund Earnings (C) = ((A) - (B)) x 2%	Radiological Decommissioning Trust Fund Balance as of End of Year (D) = (A) - (B) + (C)
2009				\$ 293,149
2010	\$ 293,149		\$ 5,863	299,012
2011	299,012		5,980	304,992
2012	304,992		6,100	311,092
2013	311,092		6,222	317,314
2014	317,314		6,346	323,660
2015	323,660		6,473	330,133
2016	330,133		6,603	336,736
2017	336,736		6,735	343,471
2018	343,471		6,869	350,340
2019	350,340		7,007	357,347
2020	357,347		7,147	364,494
2021	364,494		7,290	371,784
2022	371,784		7,436	379,219
2023	379,219		7,584	386,804
2024	386,804		7,736	394,540
2025	394,540		7,891	402,431
2026	402,431		8,049	410,479
2027	410,479		8,210	418,689
2028	418,689	\$ 5,827	8,257	421,119
2029	421,119	49,409	7,434	379,144
2030	379,144	31,175	6,959	354,928
2031	354,928	3,530	7,028	358,426
2032	358,426	3,530	7,098	361,994
2033	361,994	3,530	7,169	365,633
2034	365,633	17,272	6,967	355,328
2035	355,328	13,691	6,833	348,470
2036	348,470	1,772	6,934	353,632
2037	353,632	1,772	7,037	358,897
2038	358,897	1,772	7,143	364,268
2039	364,268	1,772	7,250	369,747
2040	369,747	1,772	7,359	375,334
2041	375,334	1,772	7,471	381,034
2042	381,034	1,772	7,585	386,848
2043	386,848	1,772	7,702	392,777
2044	392,777	1,772	7,820	398,826
2045	398,826	1,774	7,941	404,993

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UNIT 1 NRC RADIOLOGICAL DECOMMISSIONING FUNDING ASSURANCE ANALYSES
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In Thousands of Dollars**

Year	Radiological Decommissioning Trust Fund Balance as of Beginning of Year (A)	Radiological Decommissioning Expenditures in 2009 Dollars (B)	2.00% Annual Trust Fund Earnings (C) = ((A) - (B)) x 2%	Radiological Decommissioning Trust Fund Balance as of End of Year (D) = (A) - (B) + (C)
2046	404,993	1,781	8,064	411,276
2047	411,276	1,812	8,189	417,654
2048	417,654	1,770	8,318	424,201
2049	424,201	2,552	8,433	430,082
2050	430,082	1,770	8,566	436,878
2051	436,878	1,770	8,702	443,809
2052	443,809	1,809	8,840	450,840
2053	450,840	1,781	8,981	458,040
2054	458,040	1,781	9,125	465,385
2055	465,385	1,781	9,272	472,876
2056	472,876	1,781	9,422	480,517
2057	480,517	1,781	9,575	488,311
2058	488,311	1,781	9,731	496,260
2059	496,260	1,781	9,890	504,369
2060	504,369	1,781	10,052	512,640
2061	512,640	1,781	10,217	521,076
2062	521,076	1,781	10,386	529,681
2063	529,681	1,781	10,558	538,458
2064	538,458	1,781	10,734	547,411
2065	547,411	1,781	10,913	556,542
2066	556,542	1,781	11,095	565,857
2067	565,857	1,784	11,281	575,354
2068	575,354	1,781	11,471	585,045
2069	585,045	2,563	11,650	594,132
2070	594,132	1,781	11,847	604,198
2071	604,198	1,844	12,047	614,401
2072	614,401	2,141	12,245	624,505
2073	624,505	19,280	12,104	617,329
2074	617,329	71,655	10,913	556,588
2075	556,588	233,154	6,469	329,902
2076	329,902	137,374	3,851	196,379
2077	196,379	43,344	3,061	156,096
Totals and Ending Fund Balance		\$ 700,583	\$ 563,530	\$ 156,096

ATTACHMENT (4)

AFFIDAVIT BY H. B. BARRON

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)
)
Constellation Energy Nuclear Group, LLC, et al.)

AFFIDAVIT

I, Henry B. Barron of Constellation Energy Group, Inc., parent of Constellation Energy Nuclear Group, LLC, for Nine Mile Point Nuclear Station, LLC, and R. E. Ginna Nuclear Power Plant, LLC (together, the CENG Companies), do hereby affirm and state:

1. I am authorized to execute this affidavit on behalf of the CENG Companies.
2. The CENG Companies are providing information in support of their submittal of site-Specific SAFSTOR decommissioning cost estimates. The documents being provided in Attachments (1A) and (2A) contain proprietary financial information and financial projections related to the ownership and operation of the CENG Companies' generation assets. These documents constitute proprietary commercial and financial information that should be held in confidence by the NRC pursuant to the policy reflected in 10 CFR 2.390(a)(4) and 10 CFR 9.17(a)(4), because:
 - i. This information is and has been held in confidence by the CENG Companies.
 - ii. This information is of a type that is customarily held in confidence by the CENG Companies, and there is a rational basis for doing so because the information contains sensitive financial information concerning the CENG Companies.
 - iii. This information is being transmitted to the NRC voluntarily and in confidence.
 - iv. This information is not available in public sources and could not be gathered readily from other publicly available information.
 - v. Public disclosure of this information would create substantial harm to the competitive position of the CENG Companies by disclosing their internal financial projections.
3. Accordingly, the CENG Companies request that the designated documents be withheld from public disclosure pursuant to the policy reflected in 10 CFR 2.390(a)(4) and 10 CFR 9.17(a)(4).

Henry B. Barron
Henry B. Barron

Subscribed and sworn before me, a Notary Public, in and for the State of Maryland and County of Calvert, this 20 day of November, 2009.

WITNESS my hand and Notarial Seal:

Wendy L. Hunter
Notary Public

My Commission Expires:

01/01/10
Wendy L. Hunter
NOTARY PUBLIC
Calvert County, Maryland
My Commission Expires 01/01/10