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November 24, 2009
L-09-318

10 CFR 50.75

ATTN: Document Control Desk
U. S. Nuclear Regulatory Commission
Washington, DC 20555-0001

SUBJECT:

Beaver Valley Power Station, Unit No. 1
Docket No. 50-334, License No. DPR-66
Supplemental Information for the Beaver Valley Power Station, Unit No. 1
Decommissioning Funding Report (TAC No. ME0487)

Pursuant to 10 CFR 50.75(f)(1), on March 27, 2009, the FirstEnergy Nuclear Operating Company (FENOC), on behalf of the subsidiaries of the FirstEnergy Corp. (FE) submitted the biennial Decommissioning Funding Reports for the Beaver Valley Power Station, Unit Nos. 1 and 2, the Davis-Besse Nuclear Power Station, and the Perry Nuclear Power Plant (Agencywide Documents Access and Management System [ADAMS] Accession No. ML090970287). The NRC issued a letter, dated June 18, 2009 (ADAMS Accession No. ML091690470), indicating that the NRC believed there was a shortfall in the decommissioning funding for Beaver Valley Power Station, Unit No. 1. By letter dated July 8, 2009 (ADAMS Accession No. ML091870757), the NRC requested FENOC to submit a plan which provides assurance of adequate decommissioning funding for Beaver Valley Power Station, Unit No. 1 on or before July 31, 2009.

FENOC responded to the NRC request by letter dated July 28, 2009 (ADAMS Accession No. ML092120553), which provided a site-specific SAFSTOR analysis for the Beaver Valley Power Station, Unit No. 1.

On October 8, 2009, a teleconference was held to discuss a potential request for additional information (RAI) associated with the site-specific SAFSTOR analysis. During the teleconference, FENOC indicated that due to a number of factors, FENOC was evaluating the methods to provide assurance of adequate decommissioning funding for Beaver Valley Power Station, Unit No. 1. On October 20, 2009, FENOC received a letter from the NRC (ADAMS Accession No. ML092880811), that provided the RAI discussed during the October 8 teleconference.

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LRR

On November 5, 2009, the NRC approved a renewal of the operating license for Beaver Valley Power Station, Unit No. 1 for 20 years. As a result of this action, FENOC used the NRC formula method to recalculate the required decommissioning funding for Beaver Valley Power Station, Unit No. 1 for the extended license period. With this change in method, the questions contained in the RAI, which pertain to the SAFSTOR analysis are no longer germane to FENOC's decommissioning funding assurance plan for Beaver Valley Power Station, Unit No. 1. A revised decommissioning funding analysis, based on the NRC formula method, is provided as an attachment in lieu of a response to the RAI questions.

Based upon the value of the trust fund assets as of October 31, 2009, the trust fund provides assurance of adequate decommissioning funding for Beaver Valley Power Station, Unit No. 1. Though the analysis indicates a shortfall of approximately \$2 million, this value is considered *de minimis*. However, there continues to be \$80 million in additional assurance available under an existing FE Parent Guaranty.

In accordance with 10 CFR 50.75, FENOC will re-assess the status of decommissioning funding assurance for all of its units during the first quarter 2010. At that time, FENOC may request NRC approval to make adjustments to the FE Parent Guaranty, or eliminate it, if appropriate.

There are no regulatory commitments contained in this letter. If there are any questions, or if additional information is required, please contact Mr. Thomas A. Lentz, Manager – Fleet Licensing, at (330) 761-6071.

Sincerely,

Joseph J. Hagan



Attachment

Decommissioning Funding Status Report – Beaver Valley Power Station, Unit No. 1

cc: NRC Region I Administrator
NRC Resident Inspector
NRR Project Manager
Director BRP/DEP
Site BRP/DEP Representative

Attachment
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Decommissioning Funding Status Report – Beaver Valley Power Station, Unit No. 1
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Plant Name: Beaver Valley Power Station, Unit No. 1
Year of Biennial: 2009
Termination of Operations 2036

Assumptions:

License Extension

Burial Factor - Year End 2008 Actual

Labor - 3rd Quarter 2009 Actual

Energy - September 2009 Preliminary

2900 MWth

Trust Value As of October 31, 2009

Note:

Applicable to the attachment. Due to mathematical rounding performed by the EXCEL spreadsheet, some of the values may be slightly different if hand calculations are performed.

Summary of Funding Analysis

Total Assets (Steps 1 -3)	\$	397,952,254
Total Liability	\$	399,989,023
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Net Surplus / (Short Fall)	\$	(2,036,769)
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Parental Guaranty	\$	80,000,000
Incremental Guaranty	\$	-
Remaining Guaranty	\$	77,963,231

LIABILITY CALCULATION

For PWR Unit	Adjustment Factor	Ratio	Escalation Factor
L =	2.391	0.65	1.554
E =	1.947	0.13	0.253
B =	9.872	0.22	2.172
PWR Escalation Factor			3.979

Escalated Amount for Unit =			
\$ 100,520,000	X	3.979	\$ 399,989,023

ASSET CALCULATION

**Step 1:
Earnings Credit**

Trust Fund Balance:	Real Rate of Return per year:	Years Left in License	Total Real Rate of Return:	Total Earnings:
\$ 220,258,952	2%	26.25	1.681723174	\$ 370,414,584

**Step 2:
Accumulation:**

Value of Annuity per year:	Real Rate of Return per year:	Year of Annuity:	Total Annuity:
\$ -	2%	0.00	\$ -

**Step 3:
Decom Period:**

Total Earnings:	Real Rate of Return	Decommissioning Period:	Total Real Rate of Return	Total Earnings for Decommissioning:
\$ 370,414,584	2%	7.00	0.148685668	\$ 27,537,670

Total of Steps 1-3:
\$ 397,952,254

SUPPORTING CALCULATIONS

1986 \$

Base Amount for PWR between 1200 MWt and 3400 MWt = (\$75 = 0.0088P) (P = power level in megawatts thermal = 2,900)	
(\$75 + 0.0088(2,900)) million =	\$ 100,520,000
MW Capacity	2,900

Energy Factor

Step 1.0	$\frac{P \text{ (September 2009)}}{P \text{ (January 1986)}}$	$\frac{F \text{ (September 2009)}}{F \text{ (January 1986)}}$
	1.71	2.28
January 1986	114.2	82.0
September 2009	194.8	187.0
Step 2.0	PWR	
	$E = 0.58P + 0.42F$	
	$E = 1.947$	

Labor Factor

Region	Base Labor Adjustment Factor (December 2005)	³ Quarter 2009 Index Value	Current Labor (L) Adjustment Factor
Northeast	2.16	110.70	2.39

Burial Factor

Year End 2008	PWR
Generic Site	
Direct Disposal	25.231
Waste Vendor	9.872