

**R. R. Sgarro**  
Manager-Nuclear Regulatory Affairs

**PPL Bell Bend, LLC**  
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February 11, 2010

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

**BELL BEND NUCLEAR POWER PLANT  
RESPONSE TO RAI No. 55  
BNP-2010-035      Docket No. 52-039**

References: 1) M. Canova (NRC) to R. Sgarro (PPL Bell Bend, LLC), Bell Bend COLA – Request for Information No. 55 (RAI No. 55) – NRR/DPR/PFPB - 2979, email dated January 11, 2010.

The purpose of this letter is to respond to the request for additional information (RAI) identified in the referenced NRC correspondence to PPL Bell Bend, LLC, (PPL). This RAI addresses Financial Qualifications, as discussed in the Bell Bend Nuclear Power Plant Combined License Application (COLA) Part 1 and Part 9.

Enclosures 1 and 2 provide our response to RAI No. 55 Question 01-1 which includes revised COLA content. Enclosure 1 contains certain financial information that PPL Bell Bend, LLC is requesting the NRC withhold from public disclosure in accordance with the requirements of 10 CFR 2.390(a)(4). Enclosure 2 provides the redacted version of our response to RAI No. 55 Question 01-1.

Enclosure 3 contains an appropriate affidavit supporting proprietary treatment of PPL Bell Bend, LLC financial information pursuant to 10 CFR 2.390.

A Licensing Basis Document Change Request has been initiated to incorporate these changes in a future revision of the COLA. This future revision of the COLA is the only new regulatory commitment.

Should you have questions or need additional information, please contact the undersigned at 570.802.8111.

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

Executed on February 11, 2010

Respectfully,

  
Rocco R. Sgarro

RRS/kw

Enclosures: As stated

1079  
LW

cc: (w/o Enclosures)

Mr. Samuel J. Collins  
Regional Administrator  
U.S. Nuclear Regulatory Commission  
Region I  
475 Allendale Road  
King of Prussia, PA 19406-1415

Mr. Michael Canova  
Project Manager  
U.S. Nuclear Regulatory Commission  
11545 Rockville Pike, Mail Stop T7-E18  
Rockville, MD 20852

Enclosure 2

Redacted Version  
Response to NRC Request for Additional Information No. 55  
Bell Bend Nuclear Power Plant

**Question 01-1:****Section 1.5 Financial Qualifications**

10 CFR 50, Appendix C.I.A.1 illustrates the format for including the estimate of construction costs in an application for a combined license. In addition, 10 CFR 50, Appendix C.I.A.1 states that the cost estimate be accompanied by the bases from which the estimate is derived.

However, the application did not follow the format of 10 CFR 50, Appendix C.I.A.1, in that it did not include a break down that can be aligned to the transmission, distribution, and general plant cost categories in the regulation appendix. In addition, the application did not include the bases from which the estimate was derived.

In order to complete its evaluation, the staff required the following information:

- (a) An amplified estimate of transmission, distribution, and general plant costs; and
- (b) A statement or statements describing the bases from which the estimate is derived.

Finally, it is requested that the tables in Part 1 (ex. Table 1.9-3) provide a specific reference to its associated table located in Part 9 of the application.

**Response:**

The BBNPP COLA Part 1 information that discusses the project costs will be presented in a manner representative of the guidance given in 10 CFR 50 Appendix A.

The standard format used throughout the BBNPP COLA for presenting information containing proprietary and Sensitive Unclassified Non-Safeguards Information (SUNSI) is to provide a statement referencing COLA Part 9 on the respective page, table or figure where the information is withheld from public disclosure. Specific locations of the withheld information are not identified in the public version of the COLA. The tables in Part 1 will not be modified to provide a specific reference to its associated table located in Part 9 of the application.

**COLA Impact:**

The BBNPP COLA Part 1 will be revised as follows:

**Table 1.9-3 Projected Project Cost**

[Proprietary information - Withheld Under 10 CFR 2.390(a)(4) – See Part 9 of the COL Application]

(\$ Millions)	Bell Bend Cumulative
<b>Uses:</b>	
Plant Cost <u>Total Nuclear Production Plant Costs (1)</u>	[]
Transmission, <u>Distribution and General plant Costs (2)</u>	[]

<del>Initial Fuel Load Nuclear Fuel Inventory Cost for First Core</del>	[ ]
<u>Subtotal (3)</u>	[ ]
Interest During Construction (Capitalized)	[ ]
Other Financing Charges	[ ]
<del>Total Uses</del> <u>Total Estimated Cost</u>	[ ]
<b>Sources:</b>	
Debt	[ ]
Equity	[ ]
Total Funded Sources:	[ ]
Revolving Credit Facility	[ ]
Letter of Credit Facility	[ ]
Total Sources:	[ ]
<b>Notes:</b>	
<del>— Cumulative projected Debt, Equity and financing balances as of the Commercial Operation Date (COD)</del>	
<del>— Includes cumulative DOE application fee, credit subsidy fee, and debt service reserve.</del>	
<del>— Cash from Operations due to income taxes on interest from debt service reserve fund.</del>	
(1) <u>Engineering, Procurement and</u>	

<u>Construction costs (including contingency) in nominal dollars as spent with escalation.</u>	
(2) <u>Costs include Site Preparation, Engineering Support, Staffing and Training, Information Technology, Insurance, Licensing and Permitting, Property Taxes, Transmission and contingency. All costs are in nominal dollars as spent with escalation.</u>	
(3) <u>Excludes costs of Financing.</u>	

**Cost estimate basis:**

**Total Nuclear Production Plant Costs**

The total nuclear production plant costs for Bell Bend are the Engineering, Procurement, and Construction (EPC) costs, including contingency, in nominal dollars as spent with escalation. The estimate of EPC costs was prepared by Burns & Roe as PPL Bell Bend, LLC's owner's engineer. Construction costs are derived from a confidential Burns and Roe nuclear plant cost database and current knowledge of major equipment costs from projects recently planned or under construction in Europe and Asia. They include:

- Major Equipment - the final EPC Contract will include vendor supplied budget proposals for major equipment
- Engineering costs - based on a historical average of approximately 5% of the total EPC cost
- Bulk material - based on market conditions and adjusted for availability and delivery of materials in Luzerne County
- Field labor - base rates were calculated based on Luzerne County and built up to include benefits, insurance, payroll taxes, and workers' compensation
- Civil work - Site work quantities (e.g., concrete, structural steel, buildings and architectural) are adjusted for anticipated conditions
- Mechanical work - includes equipment and piping installation labor hours and piping materials and labor costs.
- Electrical work - includes the installation of the major electrical equipment whose equipment cost is contained in the Nuclear Island, the Turbine Island or the other procurement sections of the cost estimate. Also includes the quantities of the electrical bulk material items as well as that of the instrumentation and controls and their associated unit field labor hours, labor cost and material cost.
- Indirect - includes the indirect cost items associated with construction of the Project. These costs include construction management costs which historically run about 5% of the total EPC cost estimate and cover the construction management costs of the EPC Contract
- Construction management fee - based on 5% of the total direct and indirect costs as the EPC Contractor's fee based on limited risk to the EPC Contractor.

**Transmission, distribution and general plant costs (includes Owner Development Costs)**

These costs, which are in nominal dollars as spent with escalation, include:

- Transmission - includes interconnection and upgrades to the current transmission network, direct connection to and expansion of the existing Susquehanna 500kV substation, and other connection work and permitting costs
- Site preparation – includes the costs of the tasks necessary to prepare the site for the EPC contractor, i.e., project management and overhead; contractors; and legal and other expenses
- Engineering support – includes project management; procurement and engineering; and quality and performance improvement
- Staffing and Training
- Information Technology
- Licensing and permitting
- Property Taxes
- Miscellaneous Items, such as Joint Owners' development costs
- Contingency

**Nuclear Fuel Inventory Cost for First Core**

The initial core for Bell Bend includes the total number of fuel assemblies for the reactor core design and has to contain enough fuel to operate during the startup, testing, and initial operating cycle.

The amount of nuclear fuel required is determined by multiplying the number of fuel assemblies by the assembly weight in kgU. The number of assemblies and the enrichment is provided by AREVA. Using this information, the required amounts of U<sub>3</sub>O<sub>8</sub>, conversion, enrichment, and fabrication are calculated.

Price forecasts for procurement of nuclear fuels were developed by PPL Energy Supply, LLC.

Enclosure 3

Affidavit of Rocco R. Sgarro

**AFFIDAVIT OF ROCCO. R. SGARRO**

COMMONWEALTH OF PENNSYLVANIA )

) ss

COUNTY OF LEHIGH )

I, Rocco R. Sgarro, Manager-Nuclear Regulatory Affairs, PPL Bell Bend, LLC, do hereby affirm and state:

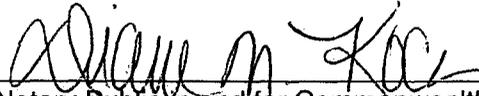
- 1) I am authorized to execute this affidavit on behalf of PPL Bell Bend, LLC. I am further authorized to review information submitted to the Nuclear Regulatory Commission ("NRC") and apply for the withholding of information from disclosure. I am making this affidavit in conformance with the provisions of the NRC's regulations at 10 CFR 2.390 and in support of PPL Bell Bend, LLC's request for proprietary treatment of certain financial information.
- 2) I have knowledge of the criteria used by PPL Bell Bend, LLC in designating information as sensitive, proprietary, or confidential.
- 3) Pursuant to the provision of paragraph (a)(4) of 10 CFR 2.390, the following is furnished for consideration by the NRC in determining whether the information sought to be withheld from public disclosure should be withheld.
  - a. The information sought to be withheld from public disclosure is owned by PPL Bell Bend, LLC, its affiliates or third parties to whom PPL Bell Bend has an obligation to maintain its confidentiality and has been held in confidence by PPL Bell Bend, LLC.
  - b. The information sought to be protected is not available to the public to the best of my knowledge and belief.
  - c. The information is of the type that would customarily be held in confidence by PPL Bell Bend, LLC. The information that PPL Bell Bend, LLC is requesting to be withheld from public disclosure are elements of PPL Bell Bend, LLC's cost forecasting and strategic financial information contained in COLA Part 9, Table 1.0-3, including total nuclear production plant costs; transmission, distribution and general plant costs; and nuclear fuel inventory costs for the first core. PPL Bell Bend, LLC limits access to these elements to those with a "need to know" subject to maintaining confidentiality. Public disclosure of these elements is likely to harm PPL Bell Bend, LLC because it would allow others to understand PPL Bell Bend, LLC's competitive expectations, assumptions and position.
  - d. The proprietary information sought to be withheld from public disclosure is identified as Enclosure 1 to this letter and contains the non-public response to Request for Additional Information No. 55, Question 01-1.

- e. The information is transmitted to the NRC in confidence and under the provisions of 10 CFR 2.390; it is to be received in confidence by the NRC.



Rocco R. Sgarro  
Manager-Nuclear Regulatory Affairs  
Bell Bend Project-Development  
PPL Bell Bend, LLC

Subscribed and sworn to before me, a Notary Public, in and for the county and Commonwealth above named, this 11<sup>th</sup> day of February, 2010.



Notary Public in and for Commonwealth of Pennsylvania

My Commission Expires: 9/29/2011

