



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

March 26, 2010

Mr. Mark A. Schimmel  
Site Vice President  
Prairie Island Nuclear Generating Plant  
Northern States Power Company - Minnesota  
1717 Wakonade Drive East  
Welch, MN 55089-9642

SUBJECT: PRAIRIE ISLAND NUCLEAR GENERATING PLANT, UNIT 2 - REQUEST FOR  
ADDITIONAL INFORMATION RELATED TO REVIEW OF IRRADIATED FUEL  
MANAGEMENT PLAN AND PRELIMINARY DECOMMISSIONING COST  
ESTIMATE (TAC NOS. ME2480 AND ME2481)

Dear Mr. Schimmel:

By letter to the U.S. Nuclear Regulatory Commission (NRC) dated October 28, 2009 (Agencywide Documents Access and Management System Accession No. ML093020064), Xcel Energy submitted a request for review and approval of the Irradiated Fuel Management Plan and Preliminary Decommissioning Cost Estimate for the Prairie Island Nuclear Generating Plant, Unit 2.

The NRC staff is reviewing your submittal and has determined that additional information is required to complete the review. The specific information requested is addressed in the enclosure to this letter. During a discussion with Mr. Dale Vincent of your staff on March 15, 2010, it was agreed that you would provide a response within 30 days of the date of this letter.

The NRC staff considers that timely responses to requests for additional information help ensure sufficient time is available for staff review and contribute toward the NRC's goal of efficient and effective use of staff resources. If circumstances result in the need to revise the requested response date, please contact me at (301) 415-4037.

Sincerely,

A handwritten signature in black ink, reading "Thomas J. Wengert", is positioned above the typed name.

Thomas J. Wengert, Senior Project Manager  
Plant Licensing Branch III-1  
Division of Operating Reactor Licensing  
Office of Nuclear Reactor Regulation

Docket No. 50-306

Enclosure:  
Request for Additional Information

cc w/encl: Distribution via ListServ

REQUEST FOR ADDITIONAL INFORMATION (RAI)

PRAIRIE ISLAND NUCLEAR GENERATING PLANT, UNIT 2

DOCKET NO. 50-306

In reviewing the Xcel Energy (Xcel), submittal dated October 28, 2009 (Agencywide Documents Access and Management System Accession No. ML093020064), which submitted the Irradiated Fuel Management Plan and Preliminary Decommissioning Cost Estimate for the Prairie Island Nuclear Generating Plant (PINGP), Unit 2, the Nuclear Regulatory Commission (NRC) staff has determined that the following information is needed in order to complete its review:

**Enclosure 1: Trust Fund Balance**

**RAI No. 1: Nuclear Regulatory Commission (NRC) Minimum and Funding Status**

PINGP Unit 2 reported a trust fund balance of \$357.8 million as of July 2009. What is the radiological decommissioning trust fund (DTF) balance as of December 31, 2009? What is the impact of the December 31, 2009 DTF balance on the October 28, 2009 submittal?

**RAI No. 2: Sufficiency of Funds Analysis**

In its submittal, PINGP stated that the Minnesota Public Utilities Commission approved a 2.89 percent cost escalation rate and a 6.30 percent earnings rate on external funds resulting in a 3.41 percent real rate of return. Xcel submitted, for PINGP on March 31, 2009, the Decommissioning Funding Status Report (L-XE-09-05) that used an earnings rate of 5.4 percent, an escalation factor of 3.61 percent and a real rate of return of 1.79 percent with projected annual continuations of \$12.65 million for approximately 6 years. Provide the documentation that supports the higher rate of return, as well as the period for which the 3.41 percent real rate of return applies.

**RAI No. 3: Sufficiency of Funds Analysis**

If there are changes in the DTF balance that materially impact the licensee's cost analysis, given these considerations, the licensee would be under an obligation under 10 CFR 50.9 to update any changes in projected cost or available funds. Has PINGP examined the impact of the change in the real rate of return and the deletion of the annual contributions on the projected DTF balance identified in their submittal dated March 31, 2009, and the PINGP Unit 1 submittal dated August 8, 2008?

**RAI No. 4: Table 3 Funds Analysis**

The Table did not identify the source of the annuity of \$10.4 million in 2012, \$10.4 million in 2013, and \$8.3 million in 2014 contributions. Please identify the source of this annuity.

Enclosure

**RAI No. 5: Table 3 Funds Analysis**

Table 3 does not address/breakout the expenses identified in the table. Are the payments/expenses for both radiological decommissioning and spent fuel storage costs or for radiological decommissioning costs only? The cost associated with spent fuel storage needs to be included in PINGP's analysis for Unit 2. For Unit 1, PINGP estimated that fuel transfer would begin in 2028, with completion of the fuel transfer to the DOE in 2053, and estimated the annual cost associated with dry storage for the period from 2031 to 2053 at \$3.3 million. For Unit 2, PINGP's August 8, 2008, submittal estimated an annual cost of \$3.3 million for the period from 2014 to 2053; however, these costs were not included in the analysis.

**RAI No. 6: Table 3 Funds Analysis**

The payments/expenditures identified in Table 3 appear to be in 2008 dollars. The expenses are identical to the expenses listed in PINGP's submittal dated January 19, 2009, Table 3.2a, while the trust fund balance is in 2009 dollars. Please update the estimated expenditures to 2009 dollars, and identify the escalation factor and its supporting basis.

March 26, 2010

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/RA/

Thomas J. Wengert, Senior Project Manager  
Plant Licensing Branch III-1  
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