



**Decommissioning Funding  
Status Reports:  
Draft RIS 2010-XXX and DG-1229, Rev. 1**

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# Purpose

- Clarify 10 CFR 50.75(f)(1) and (2) reporting requirements – RIS 2010-XXX (ML102640060)
  - Background
  - Format and Content of Submittal
    - LIC-205, Rev. 4 (ML103410283)
  - Site-specific proposals
  - Comments Received on RIS 2010-XXX
- Draft Regulatory Guide 1229, Rev. 1 (ML103400018)

# Background

- SECY-07-0197, November 2007
  - SRM to SECY accepted spot-checks
- NRC has completed 142 of the 189 spot-checks
  - Divided by owner and plant
- Potential lack of communication between NRC and licensees

# Format and Content of Submittal

- 7 items that must be submitted to the NRC by March 31, 2011 (10 CFR 50.75(f))
  - Item 1: amount of decommissioning funds estimated to be required under 10 CFR 50.75(b) and (c)
  - Item 2: amount accumulated at the end of the calendar year preceding the year of the report
  - Item 3: schedule of the annual amounts remaining to be collected
  - Item 4: assumptions used regarding rates of escalation of decommissioning costs
  - Item 5: any contracts upon which the licensee is relying under 10 CFR 50.75(e)(1)(v)
  - Item 6: any modifications occurring to a licensee's current method of providing financial assurance since the last submitted report
  - Item 7: any material change to trust agreements

## **Item 1: Minimum DFA**

- U.S. Department of Labor Bureau of Labor Statistics reporting requirements
  - December regional data for labor, if available
  - Fourth quarter regional data for energy, if available

## **Item 2: Amount Accumulated**

- The actual market value amount in the trust fund and NOT the minimum
  - Must report radiological decommissioning funds
  - May report State costs, spent fuel, other
- No funds held outside the decommissioning trust are to be reported

## **Item 3: Annual Amounts to be Collected**

- Year-by-year breakdown
- Licensee's should avoid providing aggregate amounts

## Item 4: Escalation Rates

- Real Rate of Return
- Not addressed in the RIS
- Should provide PUC/PSC verification
  - Rate of return on earnings
  - Escalation Rate
  - Other Factors
- Should provide whether greater return is allowed during decommissioning period

## **Item 5-7: Modifications to the Method of Providing DFA**

- Changing the terms of contractual obligations
- Changing the commingling of funds
- Material Changes to the trust agreement
  - Require prior written notification to the NRC under 10 CFR 50.75(h)(1)(iii)

## **Site-Specific Proposals: Submission**

- 10 CFR 50.75(f)(3) – at or about 5 years prior to the projected end of operations
- Licensee can choose to submit prior to 5 years out
  - Must provide same information required for site-specific proposals
- Must be greater than or equal to the minimum formula amount
- Consistent with cost assessments made in most recently submitted site-specific to NRC, FERC or PUC/PSC

# **Site-Specific Proposal: Calculation**

- (1) Apply current revision of LIC-205 to calculate the growth during operations**
- (2) For each year during decommissioning:**
  - (a) Subtract the annual cost to be incurred**
  - (b) Provide a 2 percent real rate of return (unless higher is allowed)**
- (3) Repeat step (2) for each year until either decommissioning period has completed or the DTF is depleted**

# Comments Received on RIS 2010-XXX

- NEI commented on RIS 2010-XXX in December 2010
  - On the site-specific proposal analysis methodology
- The NRC extended the comment period until March 5, 2011

# Changes to Draft Regulatory Guide 1229, Rev. 1

- Based on the Commission response to SECY-10-0084 dated October 25, 2010
- Changes:
  - Definitions
  - Safe Storage
  - Adjustments to the amount of funds set aside for decommissioning

# Definitions

- Decommissioning Funding Assurance
- Shortfalls

# Safe Storage

- “Allowed credit during the period of safe storage must reflect any withdrawals from decommissioning funds during this period, such as withdrawals to pay for annual costs to maintain the facility in a safe storage condition”

# Adjustments to amounts set aside

- Licensees should calculate the amount of financial assurance each year
- If the amount does not meet or exceed the required amount:
  - Non-electric utilities should make adjustments at least once every 2 years, in conjunction with the biennial report (next report)
  - Electric utilities are expected to make adjustments within 5 years

# Questions/Comments



# Contact Information

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