

NRR-PMDAPEm Resource

From: Feintuch, Karl
Sent: Thursday, May 05, 2011 7:16 PM
To: Tom Szymanski
Cc: Feintuch, Karl; Hughey, John; Wiebe, Joel; Cotton, Karen; Purdie, Michael; Simpson, JoAnn
Subject: FW: ME5494; ME5501 and 02; ME5506 and 07; ME5540 and 42 - 2011 Decommissioning Funding Status (DFS) report - Request for Additional Information (RAI)

In a letter dated March 29, 2011, Agencywide Document and Management System (ADAMS) Accession No. 110900375, Dominion Resources Services (Dominion), on behalf of the below-listed plants, submitted to the Nuclear Regulatory Commission (NRC) the *2011 Decommissioning Funding Status (DFS) Report* for:

- Surry Power Station Units 1 and 2,
- North Anna Power Station Units 1 and 2,
- Millstone Power Station Units 1, 2, and 3, and
- Kewaunee Power Station,

as required under Title 10 of the *Code of Federal Regulations* (10 CFR) Part 50.75(f)(1)

The NRC staff has reviewed your submittal and finds that the additional information shown below as draft RAIs is needed before we can complete the review.

Please review the draft RAIs, advise me whether or not a clarification conference call is needed and confirm a date for response. We would like your response by June 6, 2011. At the completion of the clarification process, we will affirm that the draft RAIs are in final form and that the June 6, 2011 date is confirmed or is modified by the clarification process.

These RAI items originate with the NRC's Financial Analysis and International Projects Branch, Division of Policy and Rulemaking, Office of Nuclear Reactor Regulation. The cognizant reviewers are JoAnn Simpson and Michael Purdie.

The NRC tracks this project under the Task Assignment Completion (TAC) Nos.:

ME5494 for Kewaunee (PM Feintuch)
ME5501, ME5502 for Millstone 2, 3 (PM Hughey)
ME5506, ME5507 for North Anna 1, 2 (PM Wiebe)
ME5540, ME5541 for Surry 1, 2 (PM Cotton)

The associated plant PMs are also shown. Please note that Millstone 1 does not have a TAC No. and is not the subject of a RAI.

Please assemble your responses by repeating the associated RAI item directly above the responsive answer. [Five draft RAIs follow:](#)

RAI #1: Minimum DFA calculation:

Dominion – Surry 1 and 2:

Provide the labor, energy, and burial factors used in the calculation of the minimum requirement for decommissioning financial assurance and, if necessary, a corrected submittal for that part of the DFS report. If the factors used are greater than the factors for the appropriate waste vendor option in NUREG-1307, Rev. 14, "Report on Waste Burial Charges: Changes in Decommissioning Waste Disposal Costs at Low-Level Waste Burial Facilities," provide the basis for using the higher factors.

On March 29, 2011, Dominion reported an amount of decommissioning funds estimated to be required under 10 CFR 50.75(b) and (c), greater than the amount calculated by the NRC staff.

According to 10 CFR 50.75(f)(1), the amount provided in the DFS report should be “the amount of decommissioning funds estimated to be required under 10 CFR 50.75(b) and (c).”

The formulas for the factors used by the staff can be found using NUREG-1307, Rev. 14. For example, the calculations for the Labor and Energy Adjustment Factors can be found on pages 7 and 8 of NUREG-1307, Rev. 14.

RAI #2: Basis for real rate of returns:

Dominion Energy Kewaunee, Inc (DEK):

Provide the basis for the assumptions used regarding rates of escalation in decommissioning costs, rate of earnings on decommissioning funds and rates of other factors assumed in the DFS report.

On March 29, 2011, DEK reported a 2 percent real rate of return on its decommissioning trust funds for Kewaunee.

Dominion and Dominion Nuclear Connecticut (DNC):

Provide the citation (e.g, an Order by the rate-regulatory authority) by the regulatory entities that allows for the assumptions used regarding rates of escalation in decommissioning costs, rate of earnings on decommissioning funds, and rates of other factors assumed in the DFS report.

On March 29, 2011: Dominion reported a 2 percent real rate of return on its decommissioning trust funds for its share North Anna 1 and 2 and for Surry 1 and 2. DNC reported a 2 percent real rate of return on its decommissioning trust funds for Millstone 2 and 3.

As stated in 10 CFR 50.75(f)(1):

[T]he information in [the DFS] report must include [. . .] the assumptions used regarding rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections. . .

RAI #3: Reporting requirements:

Indicate if there are contracts upon which the licensees are relying under paragraph 10 CFR 50.75(e)(1)(v) and if there were any modifications to the licensees’ current method of providing financial assurance since the last submitted report.

In the DFS report submitted on March 29, 2011, the licensees provided information required under 10 CFR 50.75(f)(1), but did not indicate if there are any contracts upon which they are relying upon or if there were any modifications occurring to the licensees’ current method of providing financial assurance since the last submitted report.

As stated under 10 CFR 50.75(f)(1):

[T]he information in [the DFS] report must include [. . .] any contracts upon which the licensee is relying under paragraph (e)(1)(v) of this section; any modifications occurring to a licensees current method of providing financial assurance since the last submitted report. . .

RAI #4: Annual contributions:

Dominion:

Indicate whether the current annual contributions identified in the DFS report for North Anna 1 and 2 and Surry 1 and 2 are the annual decommissioning contributions for radiological decommissioning. If not, provide a breakdown of the annual decommissioning contributions that will be accumulated for only radiological decommissioning costs as defined under 10 CFR 50.2.

Within the DFS report, Dominion included the annual funding levels, but did not indicate if the annual funding levels include contributions towards non-radiological decommissioning costs.

As stated under 10 CFR 50.75(f)(1):

[T]he information in [the DFS] report must include [. . .] a schedule of the annual amounts remaining to be collected. . .

RAI #5: After-tax decommissioning funds as of December 31, 2010:

Indicate if the amounts of decommissioning funds identified within the DFS report are the after-tax amounts of funds accumulated through December 31, 2010. If not, provide the after-tax amounts of decommissioning funds accumulated through December 31, 2010.

Within the DFS report, the licensees provided the amounts of funds held in the trust as of 12/31/2010, but did not indicate if the amounts stated were before or after-tax balances.

The provisions of 10 CFR 50.75(f)(1) and (2) require the licensee to report the amount of funds accumulated to the end of the calendar year preceding the report.

If there are any questions please contact:

Karl Feintuch

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Received Date: 5/5/2011 7:16:00 PM
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Options

Priority: Standard
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