

REQUEST FOR ADDITIONAL INFORMATION
BY THE OFFICE OF NUCLEAR REACTOR REGULATION
2011 DECOMMISSIONING FUNDING STATUS REPORT
FOR WOLF CREEK GENERATING STATION

This Request for Additional Information (RAI) is in response to the Wolf Creek Nuclear Operating Company's (WCNOC's) 2011 Decommissioning Funding Status (DFS) report for the Wolf Creek Generating Station (WCGS). On March 29, 2011, WCNOC submitted to the Nuclear Regulatory Commission (NRC) the 2011 DFS report for the WCGS, as required under Title 10 of the *Code of Federal Regulations* (10 CFR), Part 50, paragraph 50.75(f)(1) (Agencywide Documents Access and Management System (ADAMS) Accession No. ML110950659). The NRC staff has reviewed the 2011 DFS report for WCGS and requests responses to the following questions in order to complete its review.

RAI No. 1: Citation for real rate of returns:

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

On March 29, 2011, WCNOC reported the following for the joint owners of WCGS:

Kansas Gas and Electric Company (KGE):

3.73 percent rate of escalation in decommissioning costs, and
5.82 percent rate of earnings on decommissioning funds.

Kansas City Power & Light Company (KCPL):

3.73 percent rate of escalation in decommissioning costs, and
6.48 percent rate of earnings on decommissioning funds.

Kansas Electric Power Cooperative (KEPCo):

3.73 percent rate of escalation in decommissioning costs, and
7 percent rate of earnings on decommissioning funds.

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. . .

ENCLOSURE

RAI No. 2: 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 material changes to the licensees' trust agreements from the last submittal.

On March 29, 2011, WCNOG provided information required under 10 CFR 50.75(f)(1), but did not indicate if there are any contracts upon which the licensees are relying or if there were any material changes to the trust agreements from the last submittal.

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 licensee's current method of providing financial assurance since the last submitted report. . .

RAI No. 3: After tax decommissioning funds as of December 31, 2010:

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

On March 29, 2011, WCNOG reported the amounts of decommissioning funds accumulated as of December 31, 2010, for WCGS, but did not indicate if the amounts stated were the 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.

RAI No. 4: Citation for site-specific study:

Provide the site-specific cost estimate for WCGS, unless it was previously submitted to the NRC. If the cost estimate was previously submitted to NRC, then provide a reference to its submittal. The site-specific cost estimate should include a summary schedule of annual expenses, projected earnings, and end-of-year fund balances, expressed in 2010 dollars.

On March 29, 2011, WCNOG provided a site-specific cost estimate for the amount of decommissioning funds estimated to be required in 2006 dollars and in expenditure date dollars.

Per 10 CFR 50.75(e)(1)(i) and (ii), the licensee must specifically describe the safe storage period in order to take credit for projected future earnings when it uses a site-specific estimate as the basis for using the prepayment or external sinking fund methods of financial assurance.