



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

June 9, 2011

Mr. Robert L. Kees  
Senior Vice President and Chief Financial Officer  
Old Dominion Electric Cooperative  
Innsbrook Corporate Center  
4201 Dominion Boulevard  
Glen Allen, VA 23060

SUBJECT: NORTH ANNA POWER STATION, UNIT NOS. 1 AND 2 - REQUEST FOR  
ADDITIONAL INFORMATION REGARDING DECOMMISSIONING FINANCIAL  
ASSURANCE (TAC NOS. ME5506 AND ME5507)

Dear Mr. Kees:

By letter to the Nuclear Regulatory Commission (NRC) dated March 28, 2011, Old Dominion Electric Cooperative submitted a report on the status of its decommissioning funding as required by Title 10 of the *Code of Federal Regulations* (10 CFR), Part 50, Section 50.75(f)(1).

The NRC staff is reviewing your submittal and has determined that additional information is required to verify compliance with 10 CFR 50.75. The specific information requested is addressed in the enclosure to this letter. A response is requested within 30 days from the date of this letter.

If you have questions concerning this request, please contact me at (301) 415-6606.

Sincerely,

A handwritten signature in cursive script that reads "Joel S. Wiebe".

Joel S. Wiebe, Senior Project Manager  
Plant Licensing Branch II-1  
Division of Operating Reactor Licensing  
Office of Nuclear Reactor Regulation

Docket Nos. 50-338 and 50-339

Enclosure:  
Request for Additional Information

cc w/encl: Distribution via Listserv

REQUEST FOR ADDITIONAL INFORMATION

NORTH ANNA POWER STATION, UNIT NOS. 1 AND 2

DOCKET NOS. 50-338 AND 50-339

In reviewing the Old Dominion Electric Cooperative (Old Dominion) report on the status of its decommissioning funding dated March 28, 2011 (Agency Document and Management System Accession No. ML 110910240), for the North Anna Power Station (NAPS), Unit Nos. 1 and 2, the Nuclear Regulatory Commission (NRC) staff has determined that the following information is needed in order to verify that the requirements of Title 10 of the *Code of Federal Regulations* (10 CFR), Part 50, Section 50.75 have been met:

Request for Additional Information (RAI) #1- Minimum Decommissioning Funding Assurance Calculation

According to 10 CFR 50.75(f)(1), the amount provided in the decommissioning funding status (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.

In the March 28, 2011, letter Old 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.

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.

RAI #2 - Rate of Returns

As stated in 10 CFR 50.75(f)(1), "The information in this [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. . . ."

In the March 28, 2011, letter Old Dominion reported the following assumptions for its ownership share of North Anna 1 and 2:

- 4.408 percent rate of escalation in decommissioning costs, and
- 7.769 percent rate of earnings on decommissioning funds.

Enclosure

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

RAI #3 - Reporting Requirements

As stated in 10 CFR 50.75(f)(1), "The information in this [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. . . ."

In the March 28, 2011, letter Old Dominion provided information required under 10 CFR 50.75(f)(1), but did not indicate whether there are any contracts upon which it is relying.

Indicate whether there are contracts upon which Old Dominion is relying under paragraph 10 CFR 50.75(e)(1)(v).

RAI #4: Actual Funds as of December 31, 2010

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.

In the March 28, 2011, letter Old Dominion provided the amount of funds held in the trust as of December 31, 2010, but did not indicate if the amount provided is a before- or after-tax balance.

Clarify if the amount of decommissioning funds is the after-tax amount of funds accumulated through December 31, 2010. If not, provide the after-tax amounts of decommissioning funds accumulated through December 31, 2010.

June 9, 2011

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Sincerely,

*/RA/*

Joel S. Wiebe, Senior Project Manager  
Plant Licensing Branch II-1  
Division of Operating Reactor Licensing  
Office of Nuclear Reactor Regulation

Docket Nos. 50-338 and 50-339

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DISTRIBUTION:

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ADAMS Accession No. ML11132A171

\*By memo dated 4/27/11

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