



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

June 21, 2011

Mr. Bill McCall
Executive Vice President
Santee Cooper (M602)
P. O. Box 2946101
Moncks Corner, SC 29461-6101

SUBJECT: VIRGIL C. SUMMER NUCLEAR STATION, UNIT NO. 1 – REQUEST FOR
ADDITIONAL INFORMATION REGARDING THE 2011 DECOMMISSIONING
FUNDING STATUS REPORT

Dear Mr. McCall:

By letter dated March 29, 2011 (Agencywide Documents Access and Management System Accession No. ML110900185), South Carolina Public Service Authority (Santee Cooper) submitted its Report of Status of Decommissioning Funding for the Virgil C. Summer Nuclear Station, Unit No. 1. We have determined that additional information is required as addressed in the enclosure.

We request that a response be provided within 30 days of the date of this letter.

Sincerely,


Robert E. Martin, Senior Project Manager
Plant Licensing Branch II-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-395

Enclosure:
Request for Additional Information

cc w/encl: Distribution via Listserv

REQUEST FOR ADDITIONAL INFORMATION
REGARDING THE 2011 DECOMMISSIONING FUNDING STATUS REPORT
FOR VIRGIL C. SUMMER NUCLEAR STATION, UNIT NO. 1

This Request for Additional Information (RAI) is in response to the South Carolina Public Service Authority's (Santee Cooper) 2011 Decommissioning Funding Status (DFS) Report. On March 29, 2011, Santee Cooper submitted to the Nuclear Regulatory Commission (NRC) the 2011 DFS Report for Virgil C. Summer Nuclear Station (VCSNS), as required under Title 10 of the *Code of Federal Regulations* (10 CFR) Section 50.75(f)(1) (Agencywide Documents Access and Management System (ADAMS) Accession No. ML110900185). Santee Cooper should provide a response within 30 days from the date of this letter.

RAI #1: Citation for real rate of return:

Provide the citation (e.g., an Order by the rate-regulatory authority) by the regulatory entity 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 as stated within the DFS report.

On March 29, 2011, Santee Cooper reported the following:

- 4.6 percent rate of escalation in labor costs,
- 0.4 percent rate of escalation in equipment and materials costs,
- 2.6 percent rate of escalation in waste burial costs,
- 3.5 percent rate of escalation in "other" costs, and
- 5.4 percent rate of earnings on decommissioning funds.

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

The information in this [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 #2: Rate of escalation clarification:

Provide a weighted average for the different rates of escalation in decommissioning costs presented in the submittal.

On March 29, 2011, Santee Cooper provided the escalation decommissioning costs for decommissioning and the rate of earnings for VCSNS.

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

The information in this [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 #3: After-tax decommissioning funds as of December 31, 2010:

Indicate if the amount of decommissioning funds identified within the DFS Report for VCSNS, 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, Santee Cooper reported the amount of decommissioning funds accumulated as of December 31, 2010, for VCSNS, 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 #4: Citation for site-specific study:

Provide the site-specific cost estimate for VCSNS, unless it was previously submitted to 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, Santee Cooper 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.

RAI 5: Decommissioning scenario inconsistency:

Clarify the inconsistency of decommissioning scenarios presented by Santee Cooper and South Carolina Electric & Gas Company (SCE&G).

On March 29, 2011, Santee Cooper provided a site-specific cost estimate for an immediate decommissioning scenario (DECON). Santee Cooper stated, "the plant will be immediately decommissioned upon license expiration." However, in SCE&G's DFS Report submitted on March 31, 2011 (ADAMS Accession No. ML110940029), SCE&G stated that it "...currently intends to utilize a deferred decommissioning (SAFSTOR) scenario."

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.

June 21, 2011

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ADDITIONAL INFORMATION REGARDING THE 2011 DECOMMISSIONING
FUNDING STATUS REPORT

Dear Mr. McCall:

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submitted its Report of Status of Decommissioning Funding for the Virgil C. Summer Nuclear
Station, Unit No. 1. We have determined that additional information is required as addressed in
the enclosure.

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Sincerely,

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Robert E. Martin, Senior Project Manager
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ADAMS Accession Number: ML11136A020

*by memo dated 5/05/11

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