



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

May 24, 2011

Mr. Kenneth W. Kammeier
Allegheny Electric Cooperative, Inc.
212 Locust St.
P. O. Box 1266
Harrisburg, PA 17108-1266

SUBJECT: SUSQUEHANNA STEAM ELECTRIC STATION, UNITS 1 AND 2 - REQUEST
FOR ADDITIONAL INFORMATION RE: 2011 DECOMMISSIONING FUNDING
STATUS REPORT (TAC NOS. ME5542 AND ME5543)

Dear Mr. Kammeier:

By letter dated April 11, 2011, Allegheny Electric Cooperative, Inc. (AEC) submitted "NRC Decommissioning Funding Status Report, December 31, 2010, for the Susquehanna Steam Electric Station, Units 1 and 2.

The Nuclear Regulatory Commission staff has been reviewing the submittal and has determined that additional information is needed to complete its review. The specific questions are found in the enclosed request for additional information. AEC should provide a response within 30 days from the date of this letter.

Sincerely,

A handwritten signature in black ink that reads "B.K. Vaidya".

Bhalchandra K. Vaidya, Project Manager
Plant Licensing Branch I-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-387 and 50-388

Enclosure:
As stated

cc w/encl: Distribution via Listserv

REQUEST FOR ADDITIONAL INFORMATION (RAI)

REGARDING

NRC DECOMMISSIONING FUNDING STATUS REPORT

DECEMBER 31, 2011

ALLEGHENY ELECTRIC COOPERATIVE FOR

SUSQUEHANNA STEAM ELECTRIC STATION, UNITS 1 AND 2

DOCKET NOS. 50-387 AND 388

This RAI is in response to the Allegheny Electric Cooperative's (AEC) 2011 Decommissioning Funding Status (DFS) Report. By letter dated April 11, 2011 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML11109A046), PPL submitted to the Nuclear Regulatory Commission (NRC) the 2011 DFS Report for Susquehanna Steam Electric Station, Units 1 and 2 (SSES 1 and 2), as required under Title 10 of the *Code of Federal Regulations* (10 CFR) 50.75(f)(1). AEC should provide a response within 30 days from the date of this letter.

RAI #1: Minimum DFA calculation:

Provide the minimum decommissioning funding assurance calculation by using current escalation factors for labor and energy from the U.S. Department of Labor, Bureau of Labor Statistics and, if necessary, a corrected submittal for that part of the DFS Report.

On March 29, 2011, AEC reported an amount of decommissioning funds estimated to be required under 10 CFR 50.75(b) and (c) less than the amount calculated by the NRC staff. Also, AEC used the factors for labor and energy taken from NUREG-1307, Rev. 14, "Report on Waste Burial Charges: Changes in Decommissioning Waste Disposal Costs at Low-Level Waste Burial Facilities."

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)."

As stated under 10 CFR 50.75(c)(2):

[e]scalation factors for labor and energy [. . .] are to be taken from regional data of U.S. Department of Labor Bureau of Labor Statistics. . .

RAI #2: Citation for real rate of returns:

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 within the DFS Report.

Enclosure

In the submission on March 29, 2011, AEC reported the following:

5 percent rate of escalation in decommissioning costs,
6.5 percent rates of earnings on decommissioning funds

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

. . . The 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: After-tax decommissioning funds as of December 31, 2010:

Indicate if the amount of decommissioning funds identified within the DFS Report for SSES 1 and 2 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.

In the submission on March 29, 2011, AEC reported the amounts of decommissioning funds accumulated as of December 31, 2010, for SSES 1 and 2, 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.

May 24, 2011

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/ra/

Bhalchandra K. Vaidya, Project Manager
Plant Licensing Branch I-1
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ADAMS Accession No.: ML11138A036

(* No substantial change in the RAI Memo
(**) via e-mail dated 05/23/2011

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