



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

May 26, 2011

Mr. Stephen Mormann
Vice President – Financial Services and Treasurer
Constellation Energy Nuclear Group, LLC
100 Constellation Way, Suite 200C
Baltimore, MD 21202

SUBJECT: REQUEST FOR ADDITIONAL INFORMATION REGARDING DECOMMISSION FUNDING STATUS REPORT FOR CALVERT CLIFFS NUCLEAR POWER PLANT, UNIT NOS. 1 AND 2, R. E. GINNA NUCLEAR POWER PLANT, AND NINE MILE POINT NUCLEAR STATION, UNIT NOS. 1 AND 2 (TAC NOS. ME5463, ME5464, ME5486, ME5504, AND ME5505)

Dear Mr. Mormann:

By letter dated March 29, 2011, Constellation Energy Nuclear Group, LLC (CENG), submitted its 2011 Decommissioning Funding Status Report for Calvert Cliffs Nuclear Power Plant, Unit Nos. 1 and 2, R. E. Ginna Nuclear Power Plant, and Nine Mile Point Nuclear Station, Unit Nos. 1 and 2, as required under Title 10 of *the Code of Federal Regulations*, Section 50.75(f)(1).

The Nuclear Regulatory Commission (NRC) staff is reviewing the submittals and has determined that additional information for the subject plants is needed to support its review. Enclosed is the NRC staff's request for additional information (RAI). The RAI was discussed with your staff on May 19, 2011, and it was agreed that your response would be provided within 30 days from the date of this letter.

Sincerely,

A handwritten signature in cursive script, appearing to read "R. Guzman".

Richard V. Guzman, Senior Project Manager
Plant Licensing Branch I-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-317, 50-318, 50-244,
50-220 and 50-410

Enclosure:
As stated

cc w/encl: Distribution via Listserv

REQUEST FOR ADDITIONAL INFORMATION
BY THE OFFICE OF NUCLEAR REACTOR REGULATION
2011 DECOMMISSIONING FUNDING STATUS REPORT
FOR CALVERT CLIFFS NUCLEAR POWER PLANT, UNIT NOS. 1 AND 2;
R. E. GINNA NUCLEAR POWER PLANT, AND
NINE MILE POINT NUCLEAR STATION, UNIT NOS. 1 AND 2

The Request for Additional Information (RAI) provided is in response to the Constellation Energy Nuclear Group's (CENG) 2011 Decommissioning Funding Status (DFS) Report. On March 29, 2011, CENG submitted to the Nuclear Regulatory Commission (NRC) the 2011 DFS report for Calvert Cliffs Nuclear Power Plant, Unit Nos. 1 and 2, (Calvert 1 and 2), R. E. Ginna Nuclear Power Plant (Ginna), and Nine Mile Point Nuclear Station, Unit Nos. 1 and 2 (Nine Mile 1 and 2), 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. ML110940057). The NRC staff has determined that additional information requested below will be needed to complete its review.

RAI-1: Minimum Decommissioning Funding Assurance Calculation

CENG and Long Island Power Authority (LIPA):

Provide the labor, energy, and burial factors used in your calculation of the minimum requirement for decommissioning financial assurance and, if necessary, a corrected submittal for that part of the DFS Report.

On March 29, 2011, CENG reported the amounts of decommissioning funds estimated to be required under 10 CFR 50.75(b) and (c) that are less than the amount calculated by the NRC staff for the afore-mentioned plants. Also, LIPA reported the amount of decommissioning funds estimated under 10 CFR 50.75(b) and (c) that are less than the amount calculated by the NRC staff for its share of Nine Mile Point 2.

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, "Report on Waste Burial Charges: Changes in Decommissioning Waste Disposal Costs at Low Level Waste Burial Facilities." 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

CENG:

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, CENG reported the following:

6 percent rate of earnings on decommissioning funds, and
4 percent rate of escalation in decommissioning costs.

LIPA:

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 in the DFS Report for LIPA's 18-percent ownership of Nine Mile 2.

On March 29, 2011, CENG reported the following for LIPA:

6 percent rate of earnings on decommissioning funds, and
4 percent rate of escalation in decommissioning costs.

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

Clarify if the amounts of decommissioning funds in the CENG and LIPA trust funds are the after-tax amount of funds accumulated through December 31, 2010. If not, provide the after-tax amount of decommissioning funds accumulated through December 31, 2010.

CENG and LIPA reported the amounts of decommissioning funds accumulated as of December 31, 2010, but did not indicate if the amounts stated are 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: Past Contributions

CENG:

Provide the annual amount of contributions deposited in the trust funds for radiological decommissioning, as defined in 10 CFR 50.2, starting in 1999 for Calvert 1 and 2, Ginna, and Nine Mile 1 and 2.

In a July 29, 2009, letter from CENG to NRC (ADAMS Accession No. ML092160414), CENG stated "[t]hat for 2009, it contributed \$18.7 million to the trust for the two CCNPP reactors." CENG also stated that "[s]ome degree of annual contributions will be needed through 2013."

LIPA:

Provide the annual amount deposited in the trust fund for decommissioning, as defined in 10 CFR 50.2, starting in 1999 for Nine Mile 2.

In a July 29, 2009, letter from CENG to NRC (ADAMS Accession No. ML092160414), CENG stated that, "... (LIPA) will contribute \$616,000 annually to the NMPNS Unit 2 decommissioning trust."

Pursuant to 10 CFR 50.75(e)(2), the NRC reserves the right to review the accumulation of decommissioning funds.

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/ra/

Richard V. Guzman, Senior Project Manager
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Accession Number: ML111460210 *RAI Input provided by memo. No substantial changes made. NRR-088

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|--------|-----------|-----------|-----------|---------|--------------|
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