



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

June 20, 2011

Mr. Brian J. O'Grady
Vice President-Nuclear and CNO
Nebraska Public Power District
72676 648A Avenue
Brownville, NE 68321

SUBJECT: COOPER NUCLEAR STATION - REQUEST FOR ADDITIONAL INFORMATION
RE: 2011 DECOMMISSIONING FUNDING STATUS REPORT (ME5471)

Dear Mr. O'Grady:

By letter dated March 29, 2011 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML110940281), Nebraska Public Power District (NPPD, the licensee) submitted to the Nuclear Regulatory Commission (NRC) the 2011 Decommission Funding Status (DFS) report for the Cooper Nuclear Station as required under Title 10 of the *Code of Federal Regulations* (10 CFR) paragraph 50.75(f)(1).

The NRC staff has reviewed your submittal and determined that the information specified in the enclosed request for additional information (RAI) is needed for the staff to complete its evaluation. The RAI was discussed with Ms. Olberding and others of your staff on June 15, 2011. Ms. Olberding indicated that the response would be provided within 30 days of receipt of this letter.

If you have any questions, please contact me at 301-415-1377 or via e-mail at Lynnea.wilkins@nrc.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Lynnea Wilkins", written over a horizontal line.

Lynnea E. Wilkins, Project Manager
Plant Licensing Branch IV
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-298

Enclosure:
Request for Additional Information

cc w/encl: Distribution via Listserv

REQUEST FOR ADDITIONAL INFORMATION
2011 DECOMMISSIONING FUNDING STATUS REPORT
NEBRASKA PUBLIC POWER DISTRICT
COOPER NUCLEAR STATION
DOCKET NO. 50-298

By letter dated March 29, 2011 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML110940281), Nebraska Public Power District (NPPD, the licensee) submitted to the Nuclear Regulatory Commission (NRC) the 2011 Decommission Funding Status (DFS) report for the Cooper Nuclear Station as required under Title 10 of the *Code of Federal Regulations* (10 CFR) paragraph 50.75(f)(1).

The NRC staff has reviewed your submittal and determined that the information specified in the following requests for additional information (RAIs) is needed for the staff to complete its evaluation.

RAI #1: Minimum DFA calculation:

On March 29, 2011, NPPD reported, an amount of decommissioning funds estimated to be required under 10 CFR 50.75(b) and (c) that is greater than the amount calculated by the NRC staff. The formulas for the factors used by the NRC staff can be found using NUREG-1307, Revision 14, "Report on Waste Burial Charges, Changes in Decommissioning Waste Disposal Costs at Low-Level Waste Burial Facilities" (ADAMS Accession No. ML103220151) (i.e., the calculations for the Labor and Energy Adjustment Factors can be found on pages 7 and 8).

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)."

Please 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, Revision 14, then NPPD should provide the basis for using the higher factors.

RAI #2: Citation for real rate of return:

Within its DFS report, NPPD reported that its assumed annual real rate of return is 2.5 percent. This assumption was approved on June 13, 2008, through a Board of Directors Resolution. According to the licensee, the assumption for a 2.5 percent real rate of return is based on a:

3 percent rate of escalation in decommissioning costs, and
5.5 percent rate of earnings on decommissioning funds post-tax.

Enclosure

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. . .

Please 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.

RAI #3: After-tax decommission funds as of December 31, 2010:

On March 29, 2011, NPPD reported the amount of decommissioning funds in the trust fund as of December 31, 2010, but did not indicate if this was an after-tax amount.

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.

Please indicate if the amount of decommissioning funds identified within the DFS report is the after-tax amount of funds accumulated through December 31, 2010. If not, please provide the after-tax amount of decommissioning funds accumulated through December 31, 2010.

RAI #4: Constant dollars:

Within its DFS report, NPPD included a table of its "Schedule of Future Annual Fund Earnings and Decommissioning Cost Escalation," where the values have been escalated by the District's assumptions of a 5.5 percent rate of earnings on decommissioning funds, and a 3 percent rate of escalation on the funding requirement beginning in 2034. The licensee stated that:

[t]he above amounts reflect the anticipated annual contributions [. . .], and annual fund earnings that demonstrate full funding of the decommissioning trust by the end of the operating license [. . .], and taking into account a pro rata credit during the dismantlement period (recognizing both cash expenditures and earnings) over the first seven years after shutdown assuming immediate dismantlement decommissioning. . .

As stated within 10 CFR 50.75(e)(1)(ii):

[l]icensees certifying only to the formula amounts . . . can take a pro-rata credit during the dismantlement period (i.e., recognizing both cash expenditures and earnings the first 7 years after shutdown).

Please provide all figures included in the "Schedule of Future Annual Fund Earnings and Decommissioning Cost Escalation," table in constant 2010 dollars.

June 20, 2011

Mr. Brian J. O'Grady
Vice President-Nuclear and CNO
Nebraska Public Power District
72676 648A Avenue
Brownville, NE 68321

SUBJECT: COOPER NUCLEAR STATION - REQUEST FOR ADDITIONAL INFORMATION
RE: 2011 DECOMMISSIONING FUNDING STATUS REPORT (ME5471)

Dear Mr. O'Grady:

By letter dated March 29, 2011 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML110940281), Nebraska Public Power District (NPPD, the licensee) submitted to the Nuclear Regulatory Commission (NRC) the 2011 Decommission Funding Status (DFS) report for the Cooper Nuclear Station as required under Title 10 of the *Code of Federal Regulations* (10 CFR) paragraph 50.75(f)(1).

The NRC staff has reviewed your submittal and determined that the information specified in the enclosed request for additional information (RAI) is needed for the staff to complete its evaluation. The RAI was discussed with Ms. Olberding and others of your staff on June 15, 2011. Ms. Olberding indicated that the response would be provided within 30 days of receipt of this letter.

If you have any questions, please contact me at 301-415-1377 or via e-mail at Lynnea.wilkins@nrc.gov.

Sincerely,

/RA/

Lynnea E. Wilkins, Project Manager
Plant Licensing Branch IV
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-298

Enclosure:
Request for Additional Information

cc w/encl: Distribution via Listserv

DISTRIBUTION:

PUBLIC
LPLIV r/f
RidsAcrsAcnw_MailCTR Resource
RidsNrrDprPfab Resource

RidsNrrDorLp4 Resource
RidsNrrLAJBurkhardt Resource
RidsNrrPMCooper Resource
RidsOgcRp Resource

RidsRgn4MailCenter Resource
JSimpson, NRR/DPR/PFAIB
MPurdie, NRR/DPR/PFAIB

ADAMS Accession No.: ML111672157

*via memo dated

OFFICE	NRR/LPL4/PM	NRR/LPL4/LA	NRR/DPR/PFAIB	NRR/LPL4/BC	NRR/LPL4/PM
NAME	LWilkins	JBurkhardt	CRegan*	MMarkley	LWilkins
DATE	6/17/11	6/17/11	4/28/11	6/20/11	6/20/11

OFFICIAL RECORD COPY