



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

June 29, 2011

Mr. Thomas D. Gatlin  
Vice President, Nuclear Operations  
South Carolina Electric & Gas Company  
Virgil C. Summer Nuclear Station  
Post Office Box 88  
Jenkinsville, SC 29065

SUBJECT: VIRGIL C. SUMMER NUCLEAR STATION, UNIT NO. 1 – REQUEST FOR  
ADDITIONAL INFORMATION (RAI)

Dear Mr. Gatlin:

By letter dated March 31, 2011 (Agencywide Documents Access and Management System Accession No. ML110940029), South Carolina Electric & Gas Company 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,

A handwritten signature in cursive script, reading "Robert E. Martin", is positioned above the typed name and title.

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:  
RAI

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

The request for additional information (RAI) provided is in response to the South Carolina Electric & Gas Company's (SCE&G) 2011 Decommissioning Funding Status (DFS) report. On March 31, 2011, SCE&G submitted to the U.S. Nuclear Regulatory Commission (NRC) the 2011 DFS report for the 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. ML110940029). SCE&G is requested to 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 31, 2011, SCE&G reported a 2-percent real rate of return for its share of VCSNS.

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

[T]he 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: 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 31, 2011, SCE&G 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 #3: 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.

Enclosure

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 31, 2011, SCE&G provided a site-specific cost estimate for the amount of decommissioning funds estimated to be required in 2006 dollars, but did not include the cost escalation factor(s) that would be used to escalate the site-specific cost estimate to 2010 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 4: Decommissioning scenario inconsistency:**

Clarify the inconsistency of decommissioning scenarios presented by SCE&G and Santee Cooper.

On March 31, 2011, SCE&G provided a site-specific cost estimate for a safe storage (SAFSTOR) decommissioning scenario. SCE&G stated in its DFS report that it "...currently intends to utilize a deferred decommissioning (SAFSTOR) scenario." However, in Santee Cooper's DFS report submitted on March 29, 2011 (ADAMS Accession No. ML110900185), Santee Cooper intends to utilize an immediate decommissioning scenario (DECON). Santee Cooper stated, "the plant will be immediately decommissioned upon license expiration."

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.

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**/RA/**

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

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ADAMS Accession Number: ML11179A197

\*by memo dated 5/11/11

OFFICE	LPL2-1/PM	LPL2-1/LA	NRR/DPR/PFIB/BC	LPL2-1/BC
NAME	RMartin	MO'Brien	CRegan *	GKulesa (JThompson for)
DATE	06/29/11	06/29/11	05/11 /11	06/29/11

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