

June 29, 2011  
L-11-200

10 CFR 50.75

ATTN: Document Control Desk  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555-0001

**SUBJECT:**

Beaver Valley Power Station, Unit Nos. 1 and 2  
Docket No. 50-334, License No. DPR-66  
Docket No. 50-412, License No. NPF-73  
Davis-Besse Nuclear Power Station  
Docket No. 50-346, License No. NPF-3  
Perry Nuclear Power Plant  
Docket No. 50-440, License No. NPF-58  
Request for Additional Information Related to the Decommissioning Funding Status Reports for Beaver Valley Power Station, Unit Nos. 1 and 2, Davis-Besse Nuclear Power Station, and Perry Nuclear Power Plant (TAC Nos. ME5451, ME5452, ME5475, and ME5518)

Pursuant to 10 CFR 50.75(f), the FirstEnergy Nuclear Operating Company submitted the biennial decommissioning funding status reports for Beaver Valley Power Station, Unit Nos. 1 and 2, Davis-Besse Nuclear Power Station, and Perry Nuclear Power Plant to the Nuclear Regulatory Commission (NRC) by letter dated March 29, 2011 (Accession No. ML110950060). By letter dated May 31, 2011 (Accession No. ML111460042), the NRC staff requested additional information to complete their review. The responses to the request for additional information are attached.

There are no regulatory commitments contained in this submittal. If there are any questions or if additional information is required, please contact Mr. Thomas A. Lentz, Manager - Fleet Licensing, at (330) 761-6071.

Sincerely,



Gregory H. Halnon  
Director, Fleet Regulatory Affairs

Beaver Valley Power Station, Unit Nos. 1 and 2  
Davis-Besse Nuclear Power Station  
Perry Nuclear Power Plant  
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Attachment:  
Response To Request For Additional Information

cc: NRC Region I Administrator  
NRC Region III Administrator  
NRC Resident Inspector (Beaver Valley)  
NRC Resident Inspector (Davis-Besse)  
NRC Resident Inspector (Perry)  
NRC Project Manager (Beaver Valley)  
NRC Project Manager (Davis-Besse)  
NRC Project Manager (Perry)  
Director BRP/DEP  
Site BRP/DEP Representative  
Utility Radiological Safety Board

Response To Request For Additional Information  
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By letter dated March 29, 2011 (Accession No. ML110950060), the FirstEnergy Nuclear Operating Company (FENOC) submitted the biennial decommissioning funding status (DFS) reports for Beaver Valley Power Station, Unit Nos. 1 and 2 (BVPS-1 and BVPS-2), Davis-Besse Nuclear Power Station (DB), and Perry Nuclear Power Plant (PY) to the Nuclear Regulatory Commission (NRC).

By letter dated May 31, 2011 (Accession No. ML111460042), the NRC staff requested additional information on the reports to complete their review. The responses to the request for additional information (RAI) are provided below. The NRC staff questions are presented in bold type, followed by the FENOC responses.

**RAI #1 - Citation for Real Rate of Returns:**

**In the letter dated March 29, 2011, the licensee reported a 2 percent "Real" rate of return through Dismantlement for all of the above listed units.**

**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 ...**

**Provide the citation (e.g, an Order by the rate-regulatory authority), if applicable, 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 your DFS Report for BVPS-1 and 2, Davis-Besse, and Perry.**

Response:

FENOC uses a two percent real rate of return as described in 10 CFR 50.75(e)(1)(i).

FENOC uses the NRC formula contained in 10 CFR 50.75(c) to determine the decommissioning costs for BVPS-1, BVPS-2, DB, and PY. Three adjustment factors are used in the formula: the Energy Factor, the Labor Factor, and the Burial Factor. NUREG-1307, "Report on Waste Burial Charges," provides guidance on how to

calculate these factors. For the Energy and Labor Factors, data from the U.S. Department of Labor, Bureau of Labor Statistics is used. Values listed in NUREG-1307 are used for the Burial Factor.

FirstEnergy Corp. no longer collects decommissioning funding costs for BVPS-1, BVPS-2, DB, or PY through rates established by state public utility commissions.

**RAI #2 - Amount of Decommissioning Trust Funds Accumulated:**

**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. Provide the after-tax amount of funds accumulated through December 31, 2010.**

Response:

The after-tax values of the BVPS-1, BVPS-2, DB, and PY decommissioning trusts are contained in the following table.

Facility	Pre-Tax Market Value	2010 Taxes <sup>1</sup>	After-tax Market Value
BVPS-1	\$223,899,740	\$56,000	\$223,843,740
BVPS-2	\$283,936,777	\$202,000	\$283,734,777
DB	\$429,432,057	\$14,000	\$429,418,057
PY	\$412,241,052	\$1,212,000	\$411,029,052
TOTAL	\$1,349,509,626	\$1,484,000	\$1,348,025,626

Note 1: The tax amount shown includes the 2010 extension payments paid in the first quarter of 2011.

**RAI #3 - Amount of Decommissioning Trust Funds Accumulated:**

**Pursuant to 10 CFR 50.75(3)(2), the NRC reserves the right to review the accumulation of decommissioning funds. Beginning with 1999, provide the annual contribution amounts, as defined by 10 CFR 50.2, deposited into each of the decommissioning trust fund, for BVPS-1 and 2, Davis-Besse, and Perry.**

Response

The annual contributions made to the BVPS-1, BVPS-2, DB, and PY decommissioning trusts are contained in the following table.

Year	BVPS-1 <sup>1</sup>	BVPS-2 <sup>2</sup>	PY <sup>3</sup>	DB <sup>4</sup>	Total Annual
1999	\$10,074,703.90	\$13,065,244.33	\$22,097,975.21	\$12,974,013.00	\$58,211,936.44
2000	\$2,865,124.98	\$4,562,194.78	\$10,526,440.00	\$12,751,008.00	\$30,704,767.76
2001	\$7,609,889.00	\$22,215,327.00	\$31,995,912.00	\$28,971,314.00	\$90,792,442.00
2002	\$7,791,008.73	\$22,215,327.00	\$30,448,144.98	\$28,971,314.00	\$89,425,794.71
2003	\$7,469,639.00	\$22,215,327.00	\$30,449,233.00	\$28,971,314.00	\$89,105,513.00
2004	\$7,469,639.00	\$22,215,328.00	\$30,449,232.00	\$28,971,314.00	\$89,105,513.00
2005	\$7,469,639.00	\$22,215,327.00	\$30,449,233.00	\$28,971,314.00	\$89,105,513.00
2006	\$0.00	\$1,702,400.00	\$638,500.00	\$0.00	\$2,340,900.00
2007	\$0.00	\$1,659,463.00	\$599,559.00	\$0.00	\$2,259,022.00
2008	\$0.00	\$1,657,827.00	\$578,943.00	\$0.00	\$2,236,770.00
2009	\$0.00	\$2,430,772.00	\$1,333,042.00	\$0.00	\$3,763,814.00
2010	\$0.00	\$2,077,501.00	\$1,433,060.00	\$0.00	\$3,510,561.00
<b>Total</b>	<b>\$50,749,643.61</b>	<b>\$138,232,038.11</b>	<b>\$190,999,274.19</b>	<b>\$170,581,591.00</b>	<b>\$550,562,546.91</b>

Note1: Includes Ohio Edison Company (OE) and Pennsylvania Power Company (PP) funding.

Note 2: Includes OE, The Toledo Edison Company (TE), The Cleveland Electric Illuminating Company (CEI), PP funding; and OE and TE Sale and Leaseback funding.

Note 3: Includes OE, TE, CEI, and PP funding; and OE Sale and Leaseback funding.

Note 4: Includes TE and CEI funding.

OE and TE are involved in a sale and leaseback transaction at BV-2. OE is also involved in a sale and leaseback transaction at PY. The transactions require annual review of the applicable decommissioning trust and may require a contribution to the fund.