

PMSummerColpEM Resource

From: Sebrosky, Joseph
Sent: Wednesday, December 07, 2011 9:34 AM
To: PMSummerColpEM Resource; PMVogleCOLPEm Resource
Cc: Dinitz, Ira; Simpson, JoAnn; Martin, Jody; Joshi, Ravindra; Wilson, Jerry; Anderson, Brian; Hughes, Brian; Habib, Donald; McGovern, Denise; Tonacci, Mark; MONROE, AMY; GILES, JULIE M; AGAUGHTM@SOUTHERNCO.COM; RICE, APRIL R; WASPARKM@southernco.com; Regan, Christopher; Moulding, Patrick; Hodgdon, Ann; Kim, Grace; Croston, Sean; Hirsch, Patricia
Subject: Summary of December 6, 2011, phone call with Vogtle and V.C. Summer to discuss indemnity requirements for combined licenses

MEMORANDUM TO: File (Vogtle Units 3 and 4 Summer Units 2 and 3)

From: Joe Sebrosky, Project Manager
Licensing Branch 4
Division of New Reactor Licensing
Office of New Reactors

Subject: Summary of December 6, 2011, phone call with Vogtle and V.C. Summer to discuss indemnity requirements for combined licenses

The NRC headquarters attendees were: Ira Dinitz, JoAnn Simpson, Jody Martin, Ravi Joshi, Jerry Wilson and Joe Sebrosky

SCANA: April Rice, Ryan Lamonica, John Mellette, Al Bynum

Southern: Wes Sparkman (Southern Nuclear), Larry Whatley (Southern Company Services), James Shivers (Southern Company Services)

Others: John Matthew and Steve Burdick from Morgan Lewis, Tim Fischer (Marsh brokers) Stan Blanton (Balch and Bingham)

The purpose of the phone call was to discuss how the requirements of 10 CFR 140.20(a)(1)(iii) that an indemnity agreement be effective the day that a Part 70 license is issued. The draft proposed combined licenses for both Vogtle and Summer authorize the use, possession and storage of special nuclear material in accordance with 10 CFR Part 70 under certain conditions and restrictions. Therefore, the effective date of the Part 70 license is the date that the Vogtle and Summer combined licenses are issued. To demonstrate that the requirement of 10 CFR 140.20(a)(1)(iii) are met the staff proposed the following:

- SNC and SCE&G seek an insurance policy from American Nuclear Insurers to cover the new units at the site
- The insurance policy would have a stipulation that the secondary insurance coverage begins at the time the 52.103(g) finding is made in accordance with 10 CFR 140.20(a)(1)(ii).
- American Nuclear Insurers will inform NRC when these changes have been made
- NRC is developing the indemnity agreements for the Vogtle and Summer sites that will list the licensees for the operating units and the new units (i.e., NPF-91, and 92 for Vogtle 3 and 4 and NPF-93 and 94 for Summer 2 and 3)
 - The intention is to issue the indemnity agreements with the licensees such that the agreements and insurance policies are effective the day the licensees are issued
 - The indemnity agreements will not be issued until it is confirmed with American nuclear insurers that the new units are on the existing sites policies

Based on discussions with the applicants the above proposal was modified. Specifically, it was agreed that 10 CFR 140.13 and 140.15 apply and that the applicants will provide proof of financial protection for the new units

in accordance with 10 CFR 140.15 prior to the combined licenses being issued to cover the Part 70 financial protection requirements of 1,000,000 found in 10 CFR 140.13. It was agreed that this should not be a problem because the sites already contain operating reactors that have primary insurance in excess of the required Part 70 coverage. Based on the 140.15 proof, the staff intends to issue amended indemnity agreements for the Vogtle and Summer sites, with the new units identified at the time that the combined licenses are issued.

An amended indemnity agreement with additional financial protection (i.e., secondary insurance) will be executed and issued at a future date such that it will be effective when the Commission makes the finding under 10 CFR 52.103(g).

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