

March 12, 2013

MEMORANDUM TO: Russell C. Allwein, Acting Chief
Financial Analysis and International Projects Branch
Division of Inspection and Regional Support
Office of Nuclear Reactor Regulation

FROM: Richard H. Turtill, Senior Financial Analyst */RA/*
Financial Analysis and International Projects Branch
Division of Inspection and Regional Support
Office of Nuclear Reactor Regulation

SUBJECT: FEBRUARY 27, 2013, MEETING SUMMARY, TABLE OF
MINIMUM DECOMMISSIONING FUNDING (10 CFR 50.75)
PUBLIC MEETING

On February 27, 2013, U.S. Nuclear Regulatory Commission (NRC) staff held a Category 2 public meeting to discuss and solicit input from industry and other interested groups on the potential adjustments to the table of minimum decommissioning funding in 10 *Code of Federal Regulations* (CFR) 50.75(c). Members of the public participated both in person and by teleconference. Participants represented the Nuclear Energy Institute (NEI), other industry representatives (i.e., industry), public utility commissions, an engineering and management consultation firm, a State Attorney General's office, as well as others. Enclosure 1 contains the meeting attendance list, Enclosure 2 (Agencywide Documents Access and Management System Accession No. ML13063A180) contains NRC meeting handouts, and Enclosure 3 (ML13063A190) contains the draft Pacific Northwest National Laboratory study discussed in the meeting. A transcription of the meeting will be made publicly available in the near future.

The objective of the meeting was to discuss views and gather information in order to inform staff's efforts to respond to Staff Requirements Memoranda, SECY-06-0065, "Office of The Inspector General Recommendations on Decommissioning Funding Assurance," which states "... NRR should review the formula used for decommissioning funding requirements and adjust it, if necessary." Prior to the meeting, staff communicated with potential meeting participants and encouraged participation, presentations, and comments.

CONTACT: Richard Turtill, NRR/DIRS
301-415-2308

The NRC staff provided a presentation on the following:

- The requirement stated in the Service Component Reference Model;
- A review of the current minimum decommissioning funding formula in 10 CFR 50.75(c);
- An example of staff's review and analysis of minimum decommissioning funding formula calculations; and
- A summary of the draft Pacific Northwest National Laboratory (PNNL) study titled, "Assessment of the Adequacy of the 10 CFR 50.75(c) Minimum Decommissioning Fund Formula."

NEI and Entergy made remarks on their view of the formula. Meeting participants then had roundtable discussions about the formula and if it satisfies the requirement for demonstrating reasonable assurance of funds for decommissioning in 10 CFR 50.75(c). Participants expressed the view that the current formula appears robust enough to ensure funding for decommissioning, and that the site specific estimate required of licensees 5 years prior to cessation of operations (10 CFR 50.75(f)2) provides further assurance that a more exact decommissioning cost estimate is identified and funded. Participants did not present data or views suggesting that either an increase or a decrease in the funding formula methodology was necessary.

Upon discussion of the PNNL draft study, participants expressed interest in the study's analytic approach and its conclusions. Staff committed to release the study shortly after the public meeting.

Various additional comments unrelated to the funding formula were also communicated. While not germane to the question of the effectiveness of the funding formula, they were pertinent to decommissioning funding and affiliated activities. These included:

- Merchant plant decommissioning funding assurance and merchant plant ability to assure compliance with decommissioning funding regulations;
- The management and accounting of sub accounts affiliated with non-radiological decommissioning expenditures, such as spent fuel management and greenfield activities;
- Assumptions regarding low-level waste disposal capacity and trends in decommissioning technology.

Enclosure:

1. List of Attendees
2. NRC Handout
3. Draft Pacific Northwest National Laboratory study, "Assessment of the Adequacy of the 10 CFR 50.75(c) Minimum Decommissioning Fund Formula."

The NRC staff provided a presentation on the following:

- The requirement stated in the Service Component Reference Model;
- A review of the current minimum decommissioning funding formula in 10 CFR 50.75(c);
- An example of staff's review and analysis of minimum decommissioning funding formula calculations; and
- A summary of the draft Pacific Northwest National Laboratory (PNNL) study titled, "Assessment of the Adequacy of the 10 CFR 50.75(c) Minimum Decommissioning Fund Formula."

NEI and Entergy made remarks on their view of the formula. Meeting participants then had roundtable discussions about the formula and if it satisfies the requirement for demonstrating reasonable assurance of funds for decommissioning in 10 CFR 50.75(c). Participants expressed the view that the current formula appears robust enough to ensure funding for decommissioning, and that the site specific estimate required of licensees 5 years prior to cessation of operations (10 CFR 50.75(f)2) provides further assurance that a more exact decommissioning cost estimate is identified and funded. Participants did not present data or views suggesting that either an increase or a decrease in the funding formula methodology was necessary.

Upon discussion of the PNNL draft study, participants expressed interest in the study's analytic approach and its conclusions. Staff committed to release the study shortly after the public meeting.

Various additional comments unrelated to the funding formula were also communicated. While not germane to the question of the effectiveness of the funding formula, they were pertinent to decommissioning funding and affiliated activities. These included:

- Merchant plant decommissioning funding assurance and merchant plant ability to assure compliance with decommissioning funding regulations;
- The management and accounting of sub accounts affiliated with non-radiological decommissioning expenditures, such as spent fuel management and greenfield activities;
- Assumptions regarding low-level waste disposal capacity and trends in decommissioning technology.

Enclosure:

1. List of Attendees
2. NRC Handout
3. Draft Pacific Northwest National Laboratory study, "Assessment of the Adequacy of the 10 CFR 50.75(c) Minimum Decommissioning Fund Formula."

DISTRIBUTION:

IFIB r/f RTurtil HNieh AHowe
RAllwein M Dusaniwskyj RidsNrrOd

ADAMS Accession No.: ML13063A180 Memo ML13063A174 pkg.

OFFICE	NRR/DIRS/IFIB: PM	NRR/DIRS/IFIB: BC
NAME	RTurtil	RAllwein
DATE	03/12/2013	03/12/2013

OFFICIAL RECORD COPY

**REACTOR OVERSIGHT PROCESS PUBLIC MEETING
ATTENDANCE LIST**

February 27, 2012

Jeff Keenan	PSEG
Ray Kuyler	Morgan Lewis
Reginald Augustus	NRC
Bruce Watson	NRC
Allen Howe	NRC
Ho Nieh	NRC
Beth Mizuno	NRC
Tom Fredrichs	NRC
JoAnn Simpson	NRC
Barrett Green	Entergy
Jager Smith	Entergy
Rounette Nader	Duke
Sheila Ray	NRC
Jocelyn Lian	NRC
Kosmas Lois	NRC
Russell Allwein	NRC
Bret Leslie	NRC
Steven Hamrick	NextEra
Jerry Bonanno	NEI
Ralph Andersen	NEI
John Matthews	Morgan Lewis
Jeff Dunlap	Exelon
Bill Horin	Winston Strawn
Rich Turtill	NRC
Lynne Goodman	DTE Energy
Shawn Harwell	NRC
Warren Brewer	ABZ
Nick Capik	ABZ
John Sipos	State of NY
Tim Hoffman	State of NY
Reed Owens	Georgia Power Company