

June 4, 2013

MEMORANDUM TO: Jeremy Bowen, Chief
Plant Licensing Branch III-2
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

FROM: Christopher M. Regan, Chief **/RA/**
Financial Analysis and International Projects Branch
Division of Inspection and Regional Support
Office of Nuclear Reactor Regulation

SUBJECT: FIRSTENERGY NUCLEAR OPERATING
COMPANY – 2013 DECOMMISSIONING FUNDING STATUS
REPORTS – REQUEST FOR ADDITIONAL INFORMATION

Enclosed is the subject Request for Additional Information (RAI) for FirstEnergy Nuclear Operating Company (FENOC) for Davis-Besse Nuclear Power Station and Perry Nuclear Power Plant, 2013 Decommissioning Funding Status (DFS) reports, from the Financial Analysis and International Projects Branch (IFIB). IFIB staff requests that the RAI be issued to the licensee with a response to be provided 30 days from issuance.

Enclosure:
As stated

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

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DATE:	6/3/2013	6/4/2013

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REQUEST FOR ADDITIONAL INFORMATION
BY THE OFFICE OF NUCLEAR REACTOR REGULATION
2013 DECOMMISSIONING FUNDING STATUS REPORT
FOR FIRSTENERGY NUCLEAR OPERATING COMPANY (FENOC)
DAVIS-BESSE NUCLEAR POWER STATION AND PERRY NUCLEAR POWER PLANT

The requests for additional information (RAIs) provided are in response to FENOC'S 2013 Decommissioning Funding Status (DFS) report. On March 25, 2013, FENOC submitted to the Nuclear Regulatory Commission (NRC) the 2013 Decommissioning Funding Status (DFS) report for Davis-Besse Nuclear Power Station and Perry Nuclear Power Plant (see ML13084A374) as required under 10 CFR 50.75(f)(1). The NRC staff has reviewed the information provided in the submittal and determined that the following additional information is required in order to complete its review. FENOC should provide a response within 30 days from the date of this letter.

RAI #1 for Davis-Besse Nuclear Power Station and Perry Nuclear Power Plant: Reporting Requirements

Indicate what portion of the accumulated fund balances are for radiological decommissioning activities only. Specify if any of the \$478,270,692 for Davis-Besse Nuclear Power Station and \$462,378,077 for Perry Nuclear Power Plant, is for non-radiological decommissioning costs such as spent fuel management or other non-radiological decommissioning activities.

On March 25, 2013, FENOC provided the amount accumulated in the decommissioning trust fund at the end of the calendar year preceding the date of the report for items included in 10 CFR 50.75 (b) and (c). Confirm that the dollar amounts identified above are exclusively for radiological decommissioning.

Per 10 CFR 50.75(f)(1), licensees must identify "the amount accumulated to the end of the calendar year preceding the date of the report." This actual amount is dedicated for NRC decommissioning activities as defined in 10 CFR 50.2.

RAI #2 for Davis-Besse Nuclear Power Station: Site Specific Cost Estimate

Submit a preliminary site specific decommissioning cost estimate, or identify the NRC ADAMS ML document reference number for such an estimate if previously submitted, which includes an up-to-date assessment of the major factors that could affect the cost to decommission the Davis-Besse Nuclear Power Station.

Per 10 CFR 50.75(f)(3), “each power reactor licensee shall at or about 5 years prior to the projected end of operations submit a preliminary decommissioning cost estimate which includes an up-to-date assessment of the major factors that could affect the cost to decommission.” As presently scheduled, termination of operations for the Davis-Besse Nuclear Power Station is currently set for April 2017.

RAI #2 for Perry Nuclear Power Plant: Use of Parent Company Guarantee (Current Parent Company Guarantee)

Provide details that address the corporate and financial tests and requirements pertaining to the current \$95 million Parent Guarantee cited by FENOC, as well as the dollar amount of the portion of the current \$95 million Parent Guarantee that is being applied to the Perry Nuclear Power Plant decommissioning funding requirement

In its March 25, 2013, submittal, FENOC recognized that a shortfall exists for its Perry Nuclear Power Plant, when the existing trust balances and assumed earnings are compared with the NRC formula amount. FENOC reported that when the Perry Nuclear Power Plant portion of an existing \$95 million Parent Guarantee is included in the calculation, the remaining shortfall is \$12,319,654. To resolve the shortfall, FENOC indicated that it will obtain a Parent Guarantee in accordance with 10 CFR 50.75(b)(2) and (b)(3) within 90 days of the date of its March 25, 2013, submittal.

Per 10 CFR 50.75(d)(2)(ii) and 50.75(e)(1)(iii)(B), financial assurance may be provided by parent company guarantee. Such use must be based on financial test criteria, including that contained in appendix A to 10 CFR part 30.

RAI #3 for Perry Nuclear Power Plant: Use of Parent Company Guarantee (Proposed 2nd Parent Company Guarantee to Address Shortfall)

Provide details that address the corporate and financial tests and requirements pertaining to the proposed 2nd Parent Guarantee referred to by FENOC that will be used to resolve the current Perry Nuclear Power Plant shortfall, as well as the dollar amount of that Parent Guarantee that will be used to resolve the current Perry Nuclear Power Plant shortfall.

In its March 25, 2013, submittal, FENOC recognized that a shortfall exists for the Perry Nuclear Power Plant, when the existing trust balances and assumed earnings are compared with the NRC formula amount. FENOC reported that when the Perry Nuclear Power Plant portion of an existing \$95 million Parent Guarantee is included in the calculation, the remaining shortfall is \$12,319,654. To resolve the shortfall, FENOC indicated that it will obtain a Parent Guarantee in accordance with 10 CFR 50.75(b)(2) and (b)(3) within 90 days of the date of its March 25, 2013, submittal.

Per 10 CFR 50.75(d)(2)(ii) and 50.75(e)(1)(iii)(B), financial assurance may be provided by parent company guarantee. Such use must be based on financial test criteria, including that contained in appendix A to 10 CFR part 30.