

July 19, 2013

Mr. Todd T. Brickhouse
Vice President – Treasurer
Old Dominion Electric Cooperative
4201 Dominion Boulevard
Glen Allen, VA 23060

SUBJECT: REQUEST FOR ADDITIONAL INFORMATION FOR REVIEW OF THE
DECOMMISSIONING FUNDING PLAN FOR NORTH ANNA POWER STATION
INDEPENDENT SPENT FUEL STORAGE INSTALLATION

Dear Mr. Brickhouse:

By letter dated December 13, 2012, Old Dominion Electric Cooperative submitted, for U.S. Nuclear Regulatory Commission (NRC) review and approval, a decommissioning funding plan for the North Anna Power Station Independent Spent Fuel Storage Installation (Agencywide Documents Access and Management System Accession No. ML12353A032).

The NRC staff has reviewed your submittal and has determined that additional information is required to complete its review. The request for additional information is identified in the enclosure to this letter. We request that you provide the information within 60 days from the date of this letter.

If you have any questions regarding this matter, please contact me at (301) 492-3571.

Sincerely,

/RA/ M. Sampson for

Kristina L. Banovac, Project Manager
Licensing Branch
Division of Spent Fuel Storage and Transportation
Office of Nuclear Material Safety
and Safeguards

Docket Nos.: 72-16, 72-56

TAC Nos.: L24724, L24725

Enclosure: Request for Additional Information

cc: Distribution via Listserv

Mr. Todd T. Brickhouse
 Vice President – Treasurer
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 4201 Dominion Boulevard
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 submittal.docx**

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NAME	KBanovac	WWheatley	BJDavis	RAIwein
DATE	4 / 22 /13	4 / 22 /13	4 / 24 /13	4 / 25 /13
OFC	NRR/DORL	OGC	NMSS/SFST	
NAME	VSreenivas	HBenowitz	MSampson	
DATE	4 / 24 /13	7 / 9 /13	7 / 19 /13	

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Request for Additional Information
Old Dominion Electric Cooperative
Docket Nos. 72-16, 72-56
Decommissioning Funding Plan for North Anna Power Station
Independent Spent Fuel Storage Installation

By letter dated December 13, 2012, Old Dominion Electric Cooperative submitted a decommissioning funding plan for the North Anna Power Station (NAPS) Independent Spent Fuel Storage Installation, for U.S. Nuclear Regulatory Commission (NRC) review and approval per 10 CFR 72.30(b) (Agencywide Documents Access and Management System (ADAMS) Accession No. ML12353A032). This request for additional information (RAI) identifies information needed by the NRC staff in connection with its review of the submittal.

RAI #1: Decommissioning Costs

On December 13, 2012, Old Dominion Electric Cooperative provided the decommissioning cost estimate for the NAPS ISFSI. The estimate is stated to be derived from the referenced decommissioning cost estimate for NAPS; however, copies of, or ADAMS references to, the estimates were not made available for analysis.

Under 10 CFR 72.30(b)(2):

Each holder of, or applicant for, a license under this part must submit for NRC review and approval a decommissioning funding plan that must contain: ... A detailed cost estimate for decommissioning, in an amount reflecting: (i) The cost of an independent contractor to perform all decommissioning activities; (ii) An adequate contingency factor; and (iii) The cost of meeting the § 20.1402 of this chapter criteria for unrestricted use, provided that, if the applicant or licensee can demonstrate its ability to meet the provisions of § 20.1403 of this chapter, the cost estimate may be based on meeting the § 20.1403 criteria.

The NRC staff needs the decommissioning cost estimate for NAPS to determine how the ISFSI decommissioning cost estimate was derived. The NRC also needs to understand how the licensee determined the appropriate allocation of costs specific to the radiological decommissioning of the ISFSI. The information that the licensee submitted does not show how it calculated the cost of an independent contractor to perform the decommissioning activities or the cost to decommission to unrestricted use levels in 10 CFR 20.1402. This detailed cost estimate information is needed to determine compliance with 10 CFR 72.30(b)(2).

Therefore, please provide the most recent decommissioning cost estimate for NAPS or, if previously submitted to NRC, reference the ADAMS Accession Number or the date submitted to NRC. Also, please discuss how you determined the appropriate allocation of costs specific to radiological decommissioning of the ISFSI, based on the reactor decommissioning cost estimate.

This information is needed to verify compliance with 10 CFR 72.30(b)(2).

Enclosure

RAI #2: Certification of Financial Assurance

On December 13, 2012, ODEC stated:

Pursuant to 10 CFR § 50.75, the methods of 10 CFR § 50.75(b), 50.75(e) and 50.75(h) provide requisite financial assurance for decommissioning of the NAPS ISFSI. Pursuant to these requirements, ODEC provides financial assurance for its decommissioning responsibility of NAPS in the amount not less than ODEC's share of the amount required by 10 C.F.R. § 50.75(b), using an external sinking fund permitted by 10 C.F.R. § 50.75(e), under trust agreements complying with 50.75(h). This funding assurance, coupled with the regular reporting required by 10 CFR § 50.75(f)(1) and 72.30(c), the annual adjustments required by 10 CFR 50.75(b)(2), and the further adjustments required by 10 CFR 50.75(f)(3) and (5) at or about five years prior to the projected end of reactor operations, provide reasonable assurance that funds will be available to decommission the ISFSI.

...

Financial assurance for the NAPS ISFSI is provided by the methods of 10 CFR § 50.75(b), 50.75(e) and 50.75(h), as permitted by 10 CFR § 72.30(e)(5) and as discussed above. The amount of financial assurance required by 10 CFR 50.75(b) is subject to annual adjustment in accordance with paragraph (2) of that section, and further adjustment is required by 10 CFR 50.75(f)(3) and (5) at or about five years prior to the projected end of reactor operations. ISFSI decommissioning cost estimates will be updated as necessary in the decommissioning funding plans required to be resubmitted every three years pursuant to 10 CFR § 72.30(c).

...

ODEC hereby certifies that, as evidenced by ODEC's March 31, 2011, Biennial Decommissioning Funding Status Report, filed pursuant to 10 CFR 50.75(f)(1), financial assurance for decommissioning NAPS has been provided in an amount that meets or exceeds ODEC's share of the amount required by 10 CFR 50.75(b), which pursuant to 10 CFR 72.30(e)(5) provides the requisite financial assurance for ODEC's decommissioning percentage share of the ISFSI decommissioning cost.

If ODEC believes that a licensee's compliance with 10 CFR 50.75(b) for an operating reactor site means that the licensee also complies with 10 CFR 72.30(e)(5), then ODEC is not applying § 72.30(e)(5) correctly. Under § 72.30(e)(5), licensees can use the financial assurance methods in 10 CFR 50.75(b), (e), and (h), as applicable, to satisfy § 72.30, but the funds set aside to cover the costs of decommissioning the ISFSI cannot be the same funds the licensee will use for the Part 50 decommissioning. In other words, the funds necessary to satisfy the Part 50 reactor decommissioning financial assurance requirements do not include costs for ISFSI decommissioning. A licensee can hold ISFSI decommissioning and reactor decommissioning funds in the same financial instrument, but the licensee must be able to show that ISFSI decommissioning and reactor decommissioning funds are separately maintained. Also, 10 CFR 72.30(e)(5) references "the financial assurance methods in 10 CFR 50.75(b), (e), and (h), as applicable," but does not reference 10 CFR 50.75(f), which concerns reactor decommissioning cost estimates. Your reliance on 10 CFR 50.75(f) to help meet the requirements of § 72.30 is therefore misplaced.

For the above reasons, your certification does not meet the 10 CFR 72.30(b) requirements, under which a licensee must certify that financial assurance for decommissioning its ISFSI has been provided. This certification must show that such financial assurance equals the amount of the ISFSI decommissioning cost estimate. Specifically, under 10 CFR 72.30(b)(4):

Each holder of, or applicant for a license under this part must submit for NRC review and approval a decommissioning funding plan that must contain: ... A description of the method of assuring funds for decommissioning from paragraph (e) of this section, including means for adjusting cost estimates and associated funding levels periodically over the life of the facility.

Further, under 10 CFR 72.30(b)(6):

Each holder of, or applicant for, a license under this part must submit for NRC review and approval a decommissioning funding plan that must contain: ... A certification that financial assurance for decommissioning has been provided in the amount of the cost estimate for decommissioning.

It is not evident from either your Decommissioning Funding Status report submitted in 2011 or your ISFSI-related submission of December 13, 2012, that funds specific to ISFSI decommissioning are accounted for within your decommissioning trust accounts. Accordingly, the NRC staff cannot determine whether funds for ISFSI decommissioning reside within your trust accounts and whether ODEC is in compliance with 10 CFR 72.30(b).

Therefore, provide the breakdown of the decommissioning trust funds for your portion of the NAPS ISFSI, including subaccount titles and funding levels. If funds from a Part 50 external sinking fund are to be used for Part 72 decommissioning, the NRC staff must be able to determine that adequate funds for ISFSI decommissioning reside within your external sinking fund. Moreover, these funds need to be reported separately for the ISFSI and be identified as a separate line item. Also identify all additional funding methods or mechanisms that are currently being used (such as a parent company guarantee) to supplement the external sinking fund or other ISFSI decommissioning funding method(s) being used, and the current funding amounts in, or represented by, all such funding methods. For all such funding methods, funds may be held in a separate subaccount that is identified for ISFSI decommissioning.

This information is needed to verify compliance with 10 CFR 72.30(b).