

August 15, 2013

Mr. Michael J. Davis, Acting Director
Rhode Island Nuclear Science Center
Rhode Island Atomic Energy Commission
16 Reactor Road
Narragansett, RI 02882-1165

SUBJECT: RHODE ISLAND ATOMIC ENERGY COMMISSION - REQUEST FOR
ADDITIONAL INFORMATION REGARDING FINANCIAL QUALIFICATIONS
FOR THE RHODE ISLAND NUCLEAR SCIENCE CENTER REACTOR
LICENSE RENEWAL (TAC NO. ME1598)

Dear Mr. Davis:

The U.S. Nuclear Regulatory Commission is continuing the review of your application for renewal of Facility Operating License No. R-95 for the Rhode Island Nuclear Science Center Reactor dated May 3, 2004, as supplemented. During our review, questions have arisen for which we require additional information and clarification. Please provide responses to the enclosed requests for additional information no later than 20 days from the receipt of this letter. In accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) Section 50.30(b), your response must be executed in a signed original under oath or affirmation. You must submit your response in accordance with 10 CFR 50.4, "Written communications." Information included in your response that is considered security, sensitive, or proprietary, that you seek to have withheld from the public, must be marked in accordance with 10 CFR 2.390, "Public inspections, exemptions, requests for withholding."

If you have any questions regarding this review, please contact me at 301-415-3936 or by electronic mail at Patrick.Boyle@nrc.gov.

Sincerely,

/RA/

Patrick G. Boyle, Nuclear Engineer
Research and Test Reactors Licensing Branch
Division of Policy and Rulemaking
Office of Nuclear Reactor Regulation

Docket No. 50-193

Enclosure:
Request for Additional Information

cc: See next page

cc:

Governor
222 State House Room 115
Providence, RI 02903

Dr. Stephen Mecca, Chairman
Rhode Island Atomic Energy Commission
Providence College
Department of Engineering-Physics Systems
River Avenue
Providence, RI 02859

Dr. Jack Breen, Chairman
Nuclear and Radiation Safety Committee
Providence College
549 River Avenue
Providence, RI 02918

Dr. Andrew Kadak
253 Rumstick Road
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Dr. Bahram Nassersharif
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102 Bliss Hall
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Dr. Peter Gromet
Department of Geological Sciences
Brown University
Providence, RI 02912

Dr. Tony Nunes
University of Rhode Island
210 East Hall
Kingston, RI 02881

Chief
Office of Facilities Regulation
Rhode Island Department of Health
3 Capitol Hill, Room 206
Providence, RI 02908-5097

Test, Research, and Training
Reactor Newsletter
University of Florida
202 Nuclear Sciences Center
Gainesville, FL 32611

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ACCESSION NO.: ML13219A660

NRR-088

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NAME	PBoyle	PBlechman	AAdams	PBoyle
DATE	8/8/2013	8/8/2013	8/13/2013	8/15/2013

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OFFICE OF NUCLEAR REACTOR REGULATION

REQUEST FOR ADDITIONAL INFORMATION

REGARDING FINANCIAL QUALIFICATIONS FOR THE LICENSE RENEWAL FOR

THE RHODE ISLAND NUCLEAR SCIENCE CENTER REACTOR

LICENSE NO. R-95

DOCKET NO. 50-193

The U.S. Nuclear Regulatory Commission (NRC) is continuing the review of your application for renewal of Facility Operating License No. R-95 for the Rhode Island Nuclear Science Center Reactor dated May 3, 2004. As required by Title 10 of the *Code of Federal Regulations* (10 CFR) Section 50.33(f)(2), “[a]pplicants to renew or extend the term of an operating license for a nonpower reactor shall include the financial information that is required in an application for an initial license.” To comply with this requirement, please provide an update to the supplemental information provided by your letters dated January 4, 2010, January 19, 2010, and July 15, 2011, for the Rhode Island Atomic Energy Commission (RIAEC, the applicant) application (the application) for a renewed facility operating license for the Rhode Island Nuclear Science Center reactor (RINSC). In some cases, the responses provided in afore-mentioned letters may not have changed (e.g., requests for additional information 4.(b) and 4.(c)). In that case, please indicate in your response “no change,” no additional information is necessary, and the NRC staff will consider your response provided in the submittals to remain current.

1. The NRC staff will analyze the financial statements for the current year, which are required by 10 CFR 50.71(b), to determine if the applicant is financially qualified to operate the RINSC. Since RIAEC’s financial statements included with the application are out of date, please provide a copy of the latest financial statements for the NRC staff’s review.
2. Pursuant to 10 CFR 50.33(f)(2), the regulation states that “[t]he applicant shall submit estimates for total annual operating costs for each of the first five years of operations of the facility.” Since the information included in the application is now out of date, please provide the following additional information:
 - (a) Projected operating costs of the RINSC for each of the fiscal years (FY) 2015 thru FY 2019 (the first five year period after the projected license renewal).
 - (b) Confirm that RIAEC’s primary source of funding to cover the operating costs for the afore-mentioned FYs will be funding by an annual appropriation from the State of Rhode Island’s budget as described in the application.
3. The January 19, 2010, and July 15, 2011, supplements to the application references a decommissioning cost estimate for the RINSC of \$16.8 million (2010 dollars). NRC regulation 10 CFR 50.75(d)(1) states that, “[e]ach non-power reactor applicant for or holder of an operating license for a production or utilization facility shall submit a

ENCLOSURE

decommissioning report as required by §50.33(k) of this part.” Under 10 CFR 50.75(d)(2) the report must “(i) Contain a cost estimate for decommissioning the facility; (ii) Indicate which method or methods described in paragraph (e) of this section as acceptable to the NRC will be used to provide funds for decommissioning; and (iii) Provide a description of the means of adjusting the cost estimate and associated level periodically over the life of the facility.”

Since the NRC staff needs the following additional information to complete its review of the RINSC application, please update the application by providing the following:

- (a) A current decommissioning cost estimate in 2015 dollars for the RINSC to meet the NRC’s radiological release criteria for decommissioning the facility for unrestricted use, pursuant to 10 CFR 50.75(d)(2). Accordingly, describe the basis for how the cost estimate was developed, showing costs, in current dollars, specifically broken down into the categories of labor, waste disposal, other items (eg., energy, equipment, and supplies), and a 25 percent contingency factor.
 - (b) State the decommissioning method to be used. If SAFSTOR is still the proposed method, please so state.
 - (c) A description of the means of adjusting the cost estimate and associated funding level periodically over the life of the facility, to comply with 10 CFR 50.75(d)(2)(iii). Also, please provide a detailed numerical example showing how the 2015 cost estimate will be adjusted periodically in the future.
4. The application includes a statement of intent (SOI) as the chosen method to provide decommissioning funding assurance for the RINSC reactor. If the applicant intends to use a SOI as the method to provide decommissioning funding assurance, as provided for by 10 CFR 50.75(e)(1)(iv), the NRC staff must find that the applicant “[. . .] is a Federal, State, or local government licensee[. . .]” To make this finding, the applicant must state that it is a State government organization and that the decommissioning funding obligations of the applicant are backed by the State government, and also provide corroborating documentation. Further, the applicant must provide documentation verifying that the signatory of the SOI is authorized to execute said document that binds the RIAEC. This document may be a governing body resolution, management directives, or other form that provides an equivalent level of assurance. As the application does not include all of the above information, please submit the following:
- (a) An updated SOI which includes the current (2015 dollars) cost estimate for decommissioning; a statement that funds for decommissioning will be obtained when necessary; name and title of signatory; and the signatory’s oath or affirmation attesting to the information.
 - (b) Documentation that corroborates the statement in the application that RIAEC is a State agency and a State of Rhode Island government licensee under 10 CFR 50.75(e)(2)(iv).

- (c) A statement as to whether the decommissioning funding obligations for the RIAEC are backed by the State of Rhode Island government. The application must also present documentation that corroborates this statement. For example, the documentation may be a copy of or complete citation to a state statute that expressly provides that the obligations, or at least the decommissioning funding obligations, of the applicant are backed or supported by the full faith and credit of the State of Rhode Island, or an opinion of the applicant's General Counsel with citations to statutes, regulations, and/or case law that the obligations, or at least those with respect to the decommissioning funding of the applicant are obligations backed or supported by the full faith and credit of the State of Rhode Island.

- (d) Documentation verifying that the signatory of the SOI is authorized to execute such a document that binds the applicant financially. For example, provide a copy of RIAEC's governing board or equivalent resolution that shows that the signatory of the SOI has been authorized by the RIAEC to bind the RIAEC financially, at least with respect to funding the decommissioning of the RINSC, or provide a copy of an official RIAEC delegation of authority showing that the signatory of the SOI is authorized to bind RIAEC financially, at least with respect to funding the decommissioning of the RINSC.