

POLICY ISSUE **(Information)**

October 2, 2013

SECY-13-0105

FOR: The Commissioners

FROM: Eric J. Leeds, Director
Office of Nuclear Reactor Regulation

SUBJECT: SUMMARY FINDINGS RESULTING FROM THE STAFF REVIEW OF
THE 2013 DECOMMISSIONING FUNDING STATUS REPORTS FOR
OPERATING POWER REACTOR LICENSEES

PURPOSE:

This paper informs the Commission of the U.S. Nuclear Regulatory Commission (NRC) staff's findings from the review of the 2013 decommissioning funding status (DFS) reports for operating power reactor licensees. The DFS reports are required under Title 10 of the *Code of Federal Regulations* (10 CFR) 50.75(f)(1). The 2013 DFS reports were due to the NRC by March 31, 2013, reflecting information as of December 31, 2012. This paper does not address any new commitments or resource implications.

BACKGROUND:

In 1988, the NRC established requirements to assure that decommissioning of all licensed facilities will be accomplished in a safe and timely manner and that adequate licensee funds will be available for this purpose. "Decommission" means to remove a facility or site safely from service and reduce residual radioactivity to a level that permits (1) release of the property for unrestricted use and termination of the license; or (2) release of the property under restricted conditions and termination of the license. For reactor licensees, the costs of spent fuel management, site restoration, and other costs not related to termination of the license are not included in the financial assurance for decommissioning.

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The requirements for reactor licensees are stated in 10 CFR §§ 50.33(k), 50.75, and 50.82. Reactor licensees must certify that they provide not less than a minimum prescribed amount of financial assurance for decommissioning. The amount to be provided must be adjusted annually to account for cost escalation.

In 1998, the NRC amended the financial assurance rules to respond to the anticipated rate deregulation of the power generating industry. The amendments provided additional methods and flexibility for reactor licensees to provide financial assurance. The NRC required licensees to periodically submit a DFS report to obtain the information necessary to monitor the status of decommissioning funds. The Office of Nuclear Reactor Regulation's Office Instruction LIC-205, Revision 4, "Procedures for NRC's Independent Analysis of Decommissioning Funding Assurance for Operating Power Reactors," dated December 2010, (Agencywide Documents Access and Management System (ADAMS) Accession No. ML103410283) describes the analysis performed by the NRC staff to determine if a licensee has provided adequate decommissioning funding assurance.

DISCUSSION:

The NRC staff has reviewed the information in the 2013 DFS reports for all 104 operating nuclear power reactors¹, reflecting power reactor ownership by single or multiple licensees. A table summarizing the review performed by the NRC staff is enclosed and is also available at ADAMS Accession No. ML13266A084.

Results of NRC Staff's Review

The NRC staff's review resulted in the following findings:

- The amount accumulated, as of December 31, 2012, for all operating power reactor licensees totaled \$45.7 billion. The total amount accumulated represents a 13.1 percent increase from the total amount accumulated reported in the 2010 DFS reports (\$40.4 billion).
- As of December 31, 2012, 100 of the 104 operating nuclear power reactor licensees were providing decommissioning funding assurance, as stipulated in 10 CFR 50.75, "Reporting and Recordkeeping for Decommissioning Planning." The four power reactor licensees that were not providing the full amount of decommissioning funding assurance, as of December 31, 2012, were: Beaver Valley Power Station, Unit 1 (BVPS 1); Palisades Nuclear Plant (Palisades); Perry Nuclear Power Plant (Perry); and Point Beach Nuclear Plant, Unit 2 (Point Beach 2).
- BVPS 1, Palisades, Perry, and Point Beach 2 provided information to resolve their shortfalls in conjunction with their 2012 DFS reports. BVPS 1 and Perry committed to increase the amount of their supplemental parent company guarantees (PCGs); the

¹ As of 12/31/2012, all 104 referenced nuclear power reactors were considered to be in an operating status and reported as such in the 2013 DFS report submittals.

- PCGs were submitted within 90 days after the receipt of the DFS reports. Palisades and Point Beach 2 submitted information showing that their decommissioning trust fund balances increased sufficiently to meet the requirements as of the date of their DFS report submittals.

Resolution of issue not closed out in SECY-11-0149

- Limerick Generating Station, Unit 1 (Limerick 1), had an unresolved shortfall that was identified in SECY-11-0149, "2011 Summary of Decommissioning Funding Status Reports For Nuclear Power Reactors", dated October 26, 2011, (ADAMS Accession No. ML112620046).
- The NRC staff has engaged with the licensee of Limerick 1 and the outstanding shortfall has been resolved. The unresolved shortfall was resolved with rate relief, supplemented with a PCG.

Additional information regarding the 2013 DFS Report Review

The NRC staff noted that many licensees had improved the quality of the information provided in their 2013 DFS report submittals. In particular, the NRC staff required fewer requests for additional information in evaluating the 2013 DFS reports.

CONCLUSION:

Based on the information provided by the licensees in the 2013 decommissioning funding status reports, licensees either did not have shortfalls as of December 31, 2012, or resolved the shortfalls as of the date of this summary.

COORDINATION:

The Office of the General Counsel has reviewed this paper and has no legal objection.

/RA/

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Enclosure:
2013 DFS Reports – Summary Table

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Enclosure:
2013 DFS Reports – Summary Table

ADAMS Accession No.: ML13266A084; WITS 200800001; *concurring via email

OFFICE	NRR/DIRS/IFIB	NRR/DIRS/IFIB	NRR/DIRS
NAME	SHarwell	AKock	HNieh
DATE	09/23/2013	09/25/2013	09/25/2013
OFFICE	OGC/GCHEA	TechEd*	NRR
NAME	SUttal /BHarris For/	JDougherty	ELeeds
DATE	09/30/2013	09/24/2013	10/02/2013

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