

April 30, 2014

Mr. John F. McCann
Vice President – Nuclear Safety,
Emergency Planning and Licensing
Entergy Nuclear Operations, Inc.
440 Hamilton Avenue
White Plains, NY 10601

SUBJECT: REQUEST FOR ADDITIONAL INFORMATION FOR REVIEW OF THE
DECOMMISSIONING FUNDING PLANS FOR ENTERGY NUCLEAR
OPERATIONS, INC. INDEPENDENT SPENT FUEL STORAGE
INSTALLATIONS

Dear Mr. McCann:

By letter dated December 13, 2012, as corrected on January 8, 2013, Entergy Nuclear Operations, Inc. (Entergy), submitted, for U.S. Nuclear Regulatory Commission (NRC) review and approval, decommissioning funding plans for the Independent Spent Fuel Storage Installations (ISFSIs) at Big Rock Point, Indian Point Nuclear Generating Stations 1, 2, & 3, Pilgrim Nuclear Power Station, Palisades Nuclear Plant, James A. FitzPatrick Nuclear Power Plant, and Vermont Yankee Nuclear Power Station (Agencywide Documents Access and Management System Accession Nos. ML12352A126 and ML13010A042).

The NRC staff has reviewed your submittal and 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 90 days from the

date of this letter. This information was discussed with your staff in an April 25, 2014, conference call.

If you have any questions regarding this matter, please contact me at (301) 287-0686.

Sincerely,

/RA/

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

Docket Nos.: 72-43, 72-51, 72-1044, 72-07,
72-12, 72-59

TAC Nos.: L24820, L24832, L24872, L24837,
L24828, L24849

Enclosure: Request for Additional Information

cc: Distribution via Listserv

John Dent, Jr.
Site Vice President
Entergy Nuclear Operations, Inc.
Pilgrim Nuclear Power Station
600 Rocky Hill Road
Plymouth, MA 02360

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DATE	4 / 14 /14	4 / 17 /14	4 / 25 /14	4 / 30 /14

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Request for Additional Information
Entergy Nuclear Operations, Inc.
Docket Nos. 72-43, 72-51, 72-1044, 72-07, 72-12, 72-59
Decommissioning Funding Plans for Independent Spent Fuel Storage Installations for
Big Rock Point, Indian Point Nuclear Generating Stations 1, 2, & 3, Pilgrim Nuclear Power
Station, Palisades Nuclear Plant, James A. FitzPatrick Nuclear Power Plant, and
Vermont Yankee Nuclear Power Station

By letter dated December 13, 2012, as corrected on January 8, 2013, Entergy Nuclear Operations, Inc. (Entergy), submitted decommissioning funding plans for the Independent Spent Fuel Storage Installations (ISFSIs) at Big Rock Point, Indian Point Nuclear Generating Stations 1, 2, & 3, Pilgrim Nuclear Power Station, Palisades Nuclear Plant, James A. FitzPatrick Nuclear Power Plant, and Vermont Yankee Nuclear Power Station, for U.S. Nuclear Regulatory Commission (NRC) review and approval per Title 10 of the *Code of Federal Regulations* (10 CFR) 72.30(b) (Agencywide Documents Access and Management System Accession Nos. ML12352A126 and ML13010A042). This request for additional information (RAI) identifies information needed by the NRC staff in connection with its review of the submittal.

RAI #1: Certification of Financial Assurance

In the December 13, 2012, submittal, Entergy stated for each licensee on whose behalf it submitted a decommissioning funding plan:

The attachment for each plant shows that the surpluses in the 10 CFR 50.75 Decommissioning Trust Funds exceed the estimated costs of ISFSI decommissioning, as summarized in the following table. The Trust Fund balances account for the 10 CFR 50 license expiration dates and the ISFSI decommissioning cost estimates (DCE) assume all costs are incurred in the year following the year in which spent fuel has been fully removed from the ISFSI. The values are reported in 2012 dollars. The fund value for Big Rock Point is in the form of a Parent Guarantee, since the 10 CFR 50.75 Decommissioning Trust Fund is no longer applicable for that site. This letter constitutes a certification that financial assurance is provided to cover the estimated costs of ISFSI decommissioning....

It is not evident from either your Decommissioning Funding Status reports dated March 31, 2011, (ADAMS Accession No. ML110940051) and March 29, 2013, (ADAMS Accession No. ML13092A121), or your ISFSI-related submission, that funds specific to ISFSI decommissioning are accounted for in either the radiological or non-radiological portions of your decommissioning trust accounts. Accordingly, the NRC staff cannot determine whether funds for ISFSI decommissioning reside within your trust accounts and whether Entergy is in compliance with 10 CFR 72.30(b).

Under 10 CFR 72.30(e)(5), licensees can use the financial assurance methods in 10 CFR 50.75(b), (e), and (h), as applicable, to satisfy 10 CFR 72.30 requirements. However, to satisfy 10 CFR 72.30 requirements, the funds set aside to cover the costs of decommissioning the ISFSI cannot be the same funds the licensee will use for the 10 CFR Part 50 reactor decommissioning. Note that the minimum amount in 10 CFR 50.75(c) is not intended to cover the ISFSI decommissioning costs. The funds necessary to satisfy the 10 CFR Part 50 reactor decommissioning financial assurance requirements are not to include costs for ISFSI decommissioning. A licensee can hold ISFSI decommissioning and reactor decommissioning

Enclosure

funds in the same financial instrument, but the licensee must be able to show that ISFSI decommissioning and reactor decommissioning funds are separately tracked. 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.

For the above reasons, it is not clear to the NRC staff if your certification meets 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.

If funds from a 10 CFR 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 each ISFSI and be identified as a separate line item.

Therefore, the staff requests that you provide:

1. The breakdown of the decommissioning trust funds, including subaccount titles and funding levels for the ISFSIs at: (1) Indian Point Nuclear Generating Stations 1, 2, & 3, (2) James A. FitzPatrick Nuclear Power Plant, (3) Palisades Nuclear Plant, (4) Pilgrim Nuclear Power Station, and (5) Vermont Yankee Nuclear Power Station. Entergy does not need to provide the breakdown for Big Rock Point, because a Parent Company Guarantee is used.
2. Identification of 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.
3. The current funding amounts in, or represented by, all such funding methods.

Please note: For all such funding methods, funds may be held in separate subaccounts that are identified for ISFSI decommissioning.

4. If in your March 31, 2011, and March 29, 2013, 10 CFR 50.75(f) reports and the December 13, 2012, 10 CFR 72.30(b) submittals, you reported a single amount that included both estimated reactor and ISFSI decommissioning costs, then you should

explicitly identify in your response: (1) the estimated reactor decommissioning cost, and (2) the estimated ISFSI decommissioning cost.

Please note: Future 10 CFR 50.75(f) reports should clearly delineate estimated reactor and ISFSI decommissioning costs.

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