



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

January 14, 2015

Mr. Terry D. Hobbs
Decommissioning Director
Crystal River Nuclear Plant (NA2C)
15760 W. Power Line Street
Crystal River, FL 34428-6708

SUBJECT: CRYSTAL RIVER UNIT 3 NUCLEAR GENERATING PLANT – FINDING OF NO SIGNIFICANT IMPACT WITH THE ASSOCIATED ENVIRONMENTAL ASSESSMENT RELATED TO THE USE OF THE DECOMMISSIONING TRUST FUND FOR IRRADIATED FUEL MANAGEMENT AND SITE RESTORATION ACTIVITIES (TAC NO. MF3875)

Dear Mr. Hobbs:

Enclosed is a copy of the Finding of No Significant Impact with the associated Environmental Assessment related to your exemption request dated March 28, 2014. The proposed action would exempt Duke Energy Florida, Inc. from Title 10 of the *Code of Federal Regulations*, Sections 50.82(a)(8)(i)(A) and 50.75(h)(2), in regard to the use of funds from the Crystal River Unit 3 Nuclear Generating Plant decommissioning trust funds for irradiated fuel management and site restoration activities.

The Finding of No Significant Impact with the associated Environmental Assessment is being forwarded to the Office of the Federal Register for publication.

Sincerely,

A handwritten signature in black ink that reads "Michael D. Orenak".

Michael D. Orenak, Project Manager
Plant Licensing IV-2 and Decommissioning
Transition Branch
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-302

Enclosure:
Finding of No Significant Impact and associated Environmental Assessment

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ENCLOSURE

**FINDING OF NO SIGNIFICANT IMPACT AND
ASSOCIATED ENVIRONMENTAL ASSESSMENT**

DUKE ENERGY FLORIDA, INC.

CRYSTAL RIVER UNIT 3 NUCLEAR GENERATING PLANT

DOCKET NO. 50-302

NUCLEAR REGULATORY COMMISSION

[Docket No. 50-302; NRC-20xx-xxxx]

Duke Energy Florida, Inc.

Crystal River Unit 3 Nuclear Generating Plant

AGENCY: Nuclear Regulatory Commission.

ACTION: Environmental assessment and finding of no significant impact; final issuance.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) is considering issuance of exemptions in response to a March 28, 2014, request from Duke Energy Florida, Inc. (DEF or the licensee), representing itself and the other owners of the Crystal River Unit 3 Nuclear Generating Plant (CR-3). One exemption would permit the licensee to use funds from the CR-3 decommissioning trust (the Trust) for irradiated fuel management and site restoration activities. Another exemption would allow the licensee to use withdrawals from the Trust for these activities without prior notification to the NRC. The NRC staff is issuing a final Environmental Assessment (EA) and final Finding of No Significant Impact (FONSI) associated with the proposed exemptions.

ADDRESSES: Please refer to Docket ID **NRC-xxxx-yyyy** when contacting the NRC about the availability of information regarding this document. You may obtain publicly-available information related to this document using any of the following methods:

- **Federal Rulemaking Web Site:** Go to <http://www.regulations.gov> and search for Docket ID **NRC-xxxx-yyyy**. Address questions about NRC dockets to Carol Gallagher;

telephone: 301-287-3422; e-mail: Carol.Gallagher@nrc.gov. For technical questions, contact the individual listed in the **FOR FURTHER INFORMATION CONTACT** section of this document.

- **NRC's Agencywide Documents Access and Management System (ADAMS):**

You may obtain publicly-available documents online in the ADAMS public documents collection at <http://www.nrc.gov/reading-rm/adams.html>. To begin the search, select "[ADAMS Public Documents](#)" and then select "[Begin Web-based ADAMS Search](#)." For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1-800-397-4209, 301-415-4737, or by e-mail to pdr.resource@nrc.gov. The ADAMS accession number for each document referenced in this notice (if that document is available in ADAMS) is provided the first time that a document is referenced. The request for exemption, dated March 28, 2014, is available electronically in ADAMS under Accession No. ML14098A037.

- **NRC's PDR:** You may examine and purchase copies of public documents at the NRC's PDR, Room O1-F21, One White Flint North, 11555 Rockville Pike, Rockville, Maryland 20852.

FOR FURTHER INFORMATION CONTACT: Michael Orenak, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; telephone: 301-415-3229; e-mail: Michael.Orenak@nrc.gov.

SUPPLEMENTARY INFORMATION:

I. Introduction.

The NRC is considering issuance of exemptions from Sections 50.82(a)(8)(i)(A) and 50.75(h)(2) of Title 10 of the *Code of Federal Regulations* (10 CFR) for Facility Operating License No. DPR-72, issued to DEF, for CR-3, located in Citrus County, Florida. The licensee requested the exemptions by letter dated March 28, 2014. The exemptions would allow the licensee to use funds from the Trust for irradiated fuel management and site restoration activities without prior notice to the NRC, in the same manner that funds from the Trust are used under 10 CFR 50.82(a)(8) for decommissioning activities. Consistent with 10 CFR 51.21, the NRC has reviewed the requirements in 10 CFR 51.20(b) and 10 CFR 51.22(c) and has determined that an EA is the appropriate form of environmental review. Based on the results of the EA, which is provided in Section II below, the NRC is issuing this final FONSI.

II. Environmental Assessment.

Description of the Proposed Action:

The proposed action would exempt DEF from meeting the requirements set forth in 10 CFR 50.82(a)(8)(i)(A) and 10 CFR 50.75(h)(2). Specifically, the proposed action would allow DEF to use funds from the Trust for irradiated fuel management and site restoration activities not associated with radiological decontamination and would exempt DEF from meeting the requirement for prior notification to the NRC for these activities.

The proposed action is in accordance with the licensee's application dated March 28, 2014.

Need for the Proposed Action:

By letter dated February 20, 2013 (ADAMS Accession No. ML13056A005), DEF informed the NRC that it had permanently ceased power operations at CR-3 and that the CR-3 reactor vessel had been permanently defueled. CR-3 has not operated since September 2009.

As required by 10 CFR 50.82(a)(8)(i)(A), decommissioning trust funds may be used by the licensee if the withdrawals are for legitimate decommissioning activity expenses, consistent with the definition of decommissioning in 10 CFR 50.2. This definition addresses radiological decontamination and does not include activities associated with irradiated fuel management or site restoration. Similarly, the requirements of 10 CFR 50.75(h)(2) restrict the use of decommissioning trust fund disbursements (other than for ordinary and incidental expenses) to decommissioning expenses until final decommissioning has been completed. Therefore, exemptions from 10 CFR 50.82(a)(8)(i)(A) and 10 CFR 50.75(h)(2) are needed to allow DEF to use funds from the Trust for irradiated fuel management and site restoration activities.

The licensee states that the Trust contains funds for decommissioning that are commingled with funds intended for irradiated fuel management and other site restoration activities not associated with radiological decontamination. The adequacy of funds in the Trust to cover the costs of activities associated with irradiated fuel management and site restoration in addition to radiological decontamination through license termination is supported by the CR-3 Annual Decommissioning and Irradiated Fuel Management Financial Status Report submitted by DEF in a March 31, 2014, letter (ADAMS Accession No. ML14098A039). The licensee states that it needs access to the funds in the Trust in excess of those needed for radiological decontamination to support irradiated fuel management and other site restoration activities not associated with radiological decontamination.

The requirements of 10 CFR 50.75(h)(2) further provide that, except for decommissioning withdrawals being made under 10 CFR 50.82(a)(8) or for payments of ordinary administrative costs and other incidental expenses of the Trust, no disbursement may be made from the Trust until written notice of the intention to make a disbursement has been given to the NRC at least 30 working days in advance of the intended disbursement. Therefore, an exemption from 10 CFR 50.75(h)(2) is needed to allow DEF to use funds from the Trust for irradiated fuel management and site restoration activities without prior NRC notification.

In summary, by letter dated March 28, 2014, DEF requested exemptions to allow Trust withdrawals, without prior written notification to the NRC, for irradiated fuel management and site restoration activities.

Environmental Impacts of the Proposed Action:

The proposed action involves exemptions from requirements that are of a financial or administrative nature and that do not have an impact on the environment. The NRC has completed its evaluation of the proposed action and concludes that there is reasonable assurance that adequate funds are available in the Trust to complete all activities associated with decommissioning, site restoration, and irradiated fuel management. There is no decrease in safety associated with the use of the Trust to fund activities associated with irradiated fuel management and site restoration. Section 50.82(a)(8)(v) of 10 CFR requires a licensee to submit a financial assurance status report annually between the time of submitting its decommissioning cost estimate and submitting its final radiation survey and demonstrating that residual radioactivity has been reduced to a level that permits termination of its license. If the remaining balance, plus expected rate of return, plus any other financial surety mechanism does not cover the estimated costs to complete the decommissioning, additional financial assurance

must be provided. These annual reports provide a means for the NRC to monitor the adequacy of available funding. Since the exemptions would allow DEF to use funds from the Trust that are in excess of those required for radiological decontamination of the site and the adequacy of funds dedicated for radiological decontamination are not affected by the proposed exemptions, there is reasonable assurance that there will be no environmental impact due to lack of adequate funding for decommissioning.

The proposed action will not significantly increase the probability or consequences of accidents. No changes are being made in the types of effluents that may be released offsite. There is no significant increase in the amount of any effluent released offsite. There is no significant increase in occupational or public radiation exposure. Therefore, there are no significant radiological environmental impacts associated with the proposed action.

With regard to potential nonradiological impacts, the proposed action does not have any foreseeable impacts to land, air, or water resources, including impacts to biota. In addition, there are no known socioeconomic or environmental justice impacts associated with such proposed action. Therefore, there are no significant nonradiological environmental impacts associated with the proposed action.

Accordingly, the NRC concludes that there are no significant environmental impacts associated with the proposed action.

Environmental Impacts of the Alternatives to the Proposed Action:

As an alternative to the proposed action, the staff considered denial of the proposed action (i.e., the “no-action” alternative). Denial of the application would result in no change in current environmental impacts. The environmental impacts of the proposed action and the alternative action are similar.

Alternative Use of Resources:

The proposed action does not involve the use of any different resources than those previously considered in the Final Environmental Statement for CR-3, dated May 1973 (ADAMS Accession No. ML091520178).

Agencies or Persons Consulted:

The staff did not enter into consultation with any other Federal Agency or with the State of Florida regarding the environmental impact of the proposed action. On October 14, 2014, the Florida state representatives were notified of the EA and FONSI (ADAMS Accession No. MLXXXXXXXXXX).

III. Finding of No Significant Impact.

The licensee has proposed exemptions from 10 CFR 50.82(a)(8)(i)(A) and 10 CFR 50.75(h)(2), which would allow DEF to use funds from the Trust for irradiated fuel management and site restoration activities, without prior written notification to the NRC.

Consistent with 10 CFR 51.21, the NRC conducted the environmental assessment for the proposed action included in Section II above and incorporated by reference in this finding. On the basis of this environmental assessment, the NRC concludes that the proposed action will not have significant effects on the quality of the human environment. Accordingly, the NRC has determined not to prepare an environmental impact statement for the proposed action. Other than the licensee's letter, dated March 28, 2014, there are no other environmental documents associated with this review. This document is available for public inspection as indicated above.

Dated at Rockville, Maryland, this 15th day of January, 2015.

For the Nuclear Regulatory Commission.

A handwritten signature in black ink, appearing to read "Doug A. Broaddus". The signature is fluid and cursive, with a large initial "D" and "B".

Douglas A. Broaddus, Chief,
Plant Licensing Branch IV-2 and Decommissioning
Transition Branch,
Division of Operating Reactor Licensing,
Office of Nuclear Reactor Regulation.

January 14, 2015

Mr. Terry D. Hobbs
Decommissioning Director
Crystal River Nuclear Plant (NA2C)
15760 W. Power Line Street
Crystal River, FL 34428-6708

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Sincerely,

/RA/

Michael D. Orenak, Project Manager
Plant Licensing IV-2 and Decommissioning
Transition Branch
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ADAMS Accession Nos. Letter: ML14246A198; EA FRN: ML14246A213

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