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Log # TXX-15039

Ref: 10CFR50.75(f)
10CFR72.30

March 31, 2015

U. S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555

SUBJECT: COMANCHE PEAK NUCLEAR POWER PLANT
DOCKET NOS. 50-445 AND 50-446 AND 72-74
DECOMMISSIONING REPORT

REFERENCE: Letter logged TXX-11056, Dated June 6, 2011 from Rafael Flores of Luminant Power to the Nuclear Regulatory Commission (ML11161A153)

Dear Sir or Madam:

Attached is the biennial decommissioning report for Comanche Peak Nuclear Power Plant (CPNPP) Units 1 and 2, prepared and submitted pursuant to 10CFR50.75(f). Luminant Generation Company LLC (Luminant Power) is an unregulated utility and therefore does not meet the definition of an electric utility as defined by 10CFR50.2. The recovery of decommissioning funds for the eventual decommissioning of CPNPP Units 1 and 2 is assured through the collection of a non-bypassable charge which is subsequently contributed to an external trust.

The applicable sections of the citation (e.g., an Order by the rate-regulatory authority) by the regulatory authority that allows for the collection of non-bypassable charges established for the collection of decommissioning funds estimated to be required under 10 CFR 50.75(b) and (c) is provided below.

The distribution utility will collect from customers and the generation company will contribute all funds collected to the decommissioning trust fund:
(Enclosure 2 of the referenced letter, page 160 paragraph #138).

The annual collection rate for each unit:
(Enclosure 3 of the referenced letter, page 2707 - Oliver Exhibits - Schedule 11-H-2, Attachment (g), Page 1 of 1).

Establish a Nuclear Decommissioning Rider (Rider NDF) for billing the nuclear decommissioning fee charge factor:
(Enclosure 2 of the referenced letter, page 170 paragraph #189).

The non-bypassable charge is reasonable:
(Enclosure 2 of the referenced letter, page 190 paragraph #24).

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Filings with the Public Utility Commission of Texas in 2005 and 2010 requested no change in the non-bypassable charge established in 2001, and none was ordered. The 2010 filing established the required contributions, but requested no change in the non-bypassable charge because it was very close to the current collection rate. See Enclosure 1 of the referenced letter, page 235 - Funding Analysis for Comanche Peak Nuclear Power Plant, page 18 of 18, Exhibit 4 Line 6.

Also, pursuant to the requirements of 10 CFR 72.30(c), Luminant Generation Company LLC (Luminant Power) is submitting the 2015 Decommissioning Funding Status Report for Comanche Peak Nuclear Power Plant (CPNPP) Independent Spent Fuel Storage Installation, Docket No. 72-74 (Comanche Peak ISFSI). Attachment 2 to this letter contains the information required by 10 CFR 72.30(b).

The amounts to be collected for CPNPP decommissioning are based on a site specific decommissioning study that includes contracting vendors for recycling and compacting waste. In addition, the Radiological cost component breakdown of the 2009 Site Specific cost is included in the 2010 Financial Assurance filing in Enclosure 1 of the referenced letter, page 021.

When projected to the license expiration date for each unit using the 2 percent annual real rate of return as allowed per 10CFR50.75(e)(ii), the projected Nuclear Decommissioning Trust balance is greater than the escalated NRC minimum cost of decommissioning for Units 1 and 2.

Should you have any questions, please contact Mr. J. D. Seawright at (254) 897-0140.

Sincerely,

Luminant Generation Company LLC

Rafael Flores

By: 
Fred W. Madden
Director, External Affairs

- Attachments
1. 2015 Decommissioning Funding Status Report for Comanche Peak Nuclear Power Plant Units 1 and 2
 2. 2015 Decommissioning Funding Status Report for Comanche Peak Nuclear Power Plant Units 1 and 2 Independent Spent Fuel Storage Installation

c - M. L. Dapas, Region IV
B. K. Singal, NRR
Resident Inspectors, Comanche Peak

2015 Decommissioning Funding Status Report for Comanche Peak Nuclear Power Plant Units 1 and 2

<u>Information is submitted to provide Financial Assurance</u>	<u>Unit # 1</u>	<u>Unit # 2</u>
1. The minimum amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75 (b) and (c).		
At December 31, 2014		
Using 10 CFR 50.75(c) formulas	\$ 516.9 million	\$ 516.9 million
Site-specific study(Note 2)	\$ 608.0 million	\$ 711.1 million
2. The amount accumulated at the end of the calendar year preceding the date of the report for items included in 10 CFR 50.75 (b) and (c). Investment categories per Regulatory Guide 1.159.		
Cash	4%	4%
U. S. Equities	66%	66%
U. S. Fixed Income	31%	31%
	100%	100%
Market Value at December 31, 2014 (note 3)	\$ 416.5 million	\$ 476.7 million
3. A schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75 (b) and (c).		
	<u>Unit # 1</u>	<u>Unit # 2</u>
Years 2015 through 2029 (15 years)	\$ 7.5 million	\$ 7.3 million
Year 2030	1.2 million	7.3 million
Year 2031		7.3 million
Year 2032		7.3 million
Year 2033		1.2 million
Total	\$ 113.0 million	\$ 132.0 million
4. The assumptions used regarding escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections.		
Estimated Escalation rate for decommissioning costs (note 4)	2.5248%	2.5043%
Estimated Earnings rates on decommissioning funds (note 5)		
2015 through 2028	4.83%	4.83%
2029 through 2059	3.99%	3.99%
2060 and thereafter	3.07%	3.07%
Rates of other factors used in funding projections	None	None
5. Any power sale contracts upon which licensee is relying to certifying financial assurance.	None	None
6. Modifications to licensee's method of providing financial assurance since previous report.	None	None
7. Material changes to trust agreement.	None	None

NOTES:

1. Labor (South) and Energy are based on BLS ($L_x=2.429$, $E_x=2.222$). Burial inflation factors are based on NUREG 1307, "Report on Waste Burial Charges," Revision 15 ($B_x=13.885$)
2. This funding amount includes funds for decommissioning and decontamination of the ISFSI. The funding amount exceeds the NRC minimum formula amount combined together with Luminant's cost estimate for the ISFSI.
3. The after-tax amount of funds accumulated through December 31, 2014 is provided below.

31-Dec-14	Tax Basis	Market Value	After Tax
Unit #1	\$ 255,717,914	\$ 416,455,519	\$ 384,307,998
Unit #2	308,153,705	476,683,068	\$ 442,977,196
Total Trust	\$ 563,871,619	\$ 893,138,587	\$ 827,285,193

Note: Calculation of after tax balance assumes 20% tax rate

4. The rate of escalation in decommissioning costs for Unit 1 and 2 are provided in Enclosure 1 of the referenced letter, page 198. See the Financial Escalation Analysis Document L11-1162-002, Rev. 0, Page 17 of 33.
5. The rate of earnings on decommissioning funds is provided in Enclosure 1 of the referenced letter, page 226. See the Funding Analysis for Comanche Peak Nuclear Power Plant, page 9 of 18, Exhibit 2.

**2015 Decommissioning Funding Status Report for
Comanche Peak Nuclear Power Plant Units 1 and 2
Independent Spent Fuel Storage Installation**

Pursuant to 10 CFR 72.30(c), each licensee for an Independent Spent Fuel Storage Installation (ISFSI), including an ISFSI licensed under the General License provided for in 10 CFR Part 72, Subpart K, is required, at intervals not to exceed 3 years, to resubmit a decommissioning funding plan with adjustments as necessary to account for changes in costs and the extent of contamination, as well as information regarding the financial assurance provided for funding such costs. Luminant Generation Company LLC (Luminant Power) provides the following information regarding the Comanche Peak Nuclear Power Plant (CPNPP) Units 1 and 2 Independent Spent Fuel Storage Installation, Docket No. 72-74 (CPNPP ISFSI):

1. Information on how reasonable assurance will be provided that funds will be available to decommission the ISFSI:

See response to number 4 below, which discusses the appropriate method of financial assurance contemplated under 10 CFR 72.30(e).

2. A detailed cost estimate (DCE) for decommissioning:

In a reported dated June 2010, TLG Services, Inc. (TLG) prepared a site specific Decommissioning Cost Study for the Comanche Peak Nuclear Power Plant (CPNPP) that included the costs of decommissioning the ISFSI. The most recent TLG Report found that the total cost of decommissioning the CPNPP ISFSI after sixty years of operation:

	2009 Dollars (million)	Escalation Factor (%) (from TLG Report)	2014 Dollars (million)
Unit 1	3.1	2.5248	3.5
Unit 2	3.1	2.5043	3.5
			Total 7.0

This cost estimate includes the cost of an independent contractor to perform all decommissioning activities and the cost of meeting the 10 CFR 20.1402 criteria for unrestricted release.

Below is the effect of the following on the detailed cost estimate since the previous report.

Spills of radioactive material producing additional residual radioactivity in onsite subsurface material	None
Facility modifications	None
Changes in authorized possession limits	None
Actual remediation costs that exceed the previous cost estimate	None

**2015 Decommissioning Funding Status Report for
Comanche Peak Nuclear Power Plant Units 1 and 2
Independent Spent Fuel Storage Installation**

3. Identification of and justification for using the key assumptions contained in the decommissioning cost estimate:

The assumptions used in the development of the decommissioning cost estimate and their justification can be found in the TLG Report.

4. A description of the method of assuring funds for decommissioning from 10 CFR 72.30(e), including means of adjusting cost estimates and associated funding levels periodically over the life of the facility:

Luminant Power is using the external sinking fund method as authorized in 10 CFR 72.30(e)(5) and 50.75(e)(1)(ii). Luminant Power recovers its costs for decommissioning through cost of service ratemaking, including the estimated costs to decommission the CPNPP ISFSI, which are included in the TLG Report. Pursuant to Substantive Rule 25.303(f)(2) of the Public Utility Commission of Texas (PUCT), the TLG Report is updated, and the required annual funding amount necessary to decommission CPNPP is adjusted under the jurisdiction of the PUCT.

In the event that funds remaining to be placed into the Luminant Power's external sinking funds are no longer approved for recovery in rates by competent rate making authorities, Luminant Power will make changes to provide financial assurance using one or more of the methods stated in 10 CFR 72.30(e)(1)-(4).

5. The volume of onsite subsurface material containing residual radioactivity that will require remediation to meet the criteria for license termination:

There has been no event at the ISFSI facility to lead us to believe there is subsurface contamination. Therefore, Luminant Power assumes that there is no volume of onsite subsurface material containing residual radioactivity that will require remediation to meet the criteria for license termination.

6. A certification that financial assurance for decommission has been provided in the amount of the cost estimate for decommissioning:

The submission of this report serves as certification that financial assurance has been provided in the amount of the cost estimate for decommissioning.