



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

March 7, 2016

Mr. Bryan C. Hanson
President and Chief Nuclear Officer
Exelon Generation Company, LLC
4300 Winfield Road
Warrenville, IL 60555

SUBJECT: OYSTER CREEK NUCLEAR GENERATING STATION - REQUEST FOR
ADDITIONAL INFORMATION REGARDING PRELIMINARY
DECOMMISSIONING COST ESTIMATE AND SPENT FUEL MANAGEMENT
PROGRAM (CAC NO. MF5577)

Dear Mr. Hanson:

By letter dated December 30, 2014 (Agencywide Documents Access and Management System Accession No. ML14365A067), Exelon Generation Company, LLC (the licensee) provided to the U.S. Nuclear Regulatory Commission (NRC) a preliminary decommissioning cost estimate pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR), Section 50.75(f)(3), and spent fuel management plan pursuant to 10 CFR 50.54(bb) for the Oyster Creek Nuclear Generating Station.

The NRC staff has reviewed the licensee's submittal, and based on this review, determined additional information is required to enable the NRC staff to make an independent assessment regarding its technical review. The enclosed document describes this request for additional information (RAI). The draft questions were sent to Mr. David Helker and Mr. Richard Gropp to ensure that they were understandable, the regulatory basis for the questions was clear, and to determine if the information was previously docketed. Please respond to the RAI within 30 days of the date of this letter.

If you have any questions, please contact me at 301-415-3100 or John.Lamb@nrc.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "John G. Lamb".

John G. Lamb, Senior Project Manager
Plant Licensing Branch I-2
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-219

Enclosure:
Request for Additional Information

cc w/enclosure: Distribution via Listserv

OFFICE OF NUCLEAR REACTOR REGULATION
REQUEST FOR ADDITIONAL INFORMATION RELATED TO
PRELIMINARY DECOMMISSIONING COST ESTIMATE
EXELON GENERATION COMPANY, LLC
OYSTER CREEK NUCLEAR GENERATING STATION
DOCKET NO. 50-219

By letter dated December 30, 2014 (Agencywide Documents Access and Management System Accession No. ML14365A067), Exelon Generation Company, LLC (the licensee) provided to the U.S. Nuclear Regulatory Commission (NRC) a preliminary decommissioning cost estimate pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR), Section 50.75(f)(3), and spent fuel management plan pursuant to 10 CFR 50.54(bb) for the Oyster Creek Nuclear Generating Station. The NRC staff has reviewed the request and determined that the following additional information is necessary to enable the NRC staff to make an independent assessment regarding its technical review.

Request for Additional Information (RAI) 1

As required by 10 CFR 50.75(f)(5) and 10 CFR 50.82(a)(8)(iv), in part, cost estimates shall include plans for adjusting decommissioning costs and associated funding levels during operations and over the storage or surveillance period following cessation of operations.

The current preliminary decommissioning cost estimate submittal shows adequate funds would be available in the decommissioning trust throughout decommissioning and license termination based on a SAFSTOR approach. However, the licensee did not provide plans for adjusting cost estimates and funding levels during SAFSTOR. Provide a description addressing the means by which decommissioning cost estimates and associated funding over the period of storage described in your December 30, 2014, submittal will be adjusted. Regulatory Guide 1.159, "Assuring the Availability of Funds for Decommissioning Nuclear Reactors," dated October 2011, Section 1.4, "Adjustments to Cost Estimates," and Section 2.1, "Guidance Applicable to all methods of Financial Assurance," provide an acceptable means for adjusting decommissioning cost estimates and associated funding, which considers use of the Consumer Price Index, Producer Price Index, or other inflation index methodology to account for inflation. Adjustments to decommissioning funding must reflect new estimates.

RAI 2

In your December 30, 2014, submittal, you provided detailed decommissioning costs in 2011 dollars. NRC staff determined that you applied an approximate 2.25 percent annual increase to your 2011 decommissioning cost estimate of \$873,828,000 to escalate decommissioning costs into 2014 dollars (\$934,208,000). Provide an explanation as to how you made that adjustment.

Enclosure

RAI 3

As required by 10 CFR 50.82(a)(3):

Decommissioning will be completed within 60 years of permanent cessation of operations. Completion of decommissioning beyond 60 years will be approved by the Commission only when necessary to protect public health and safety.

In your submission, you indicate radiological decommissioning activities beyond this 60-year period. Explain or correct your proposed decommissioning plan to the radiological costs beyond this 60-year period.

March 7, 2016

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/RAI

John G. Lamb, Senior Project Manager
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