



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

May 26, 2021

Mr. George A. Lippard
Vice President, Nuclear Operations
V. C. Summer Nuclear Station
P.O. Box 88
Jenkinsville, SC. 29065

SUBJECT: U.S. NUCLEAR REGULATORY COMMISSION ANALYSIS OF SOUTH
CAROLINA ELECTRIC & GAS COMPANY'S AND SOUTH CAROLINA PUBLIC
SERVICE AUTHORITY'S INITIAL DECOMMISSIONING FUNDING PLANS FOR
VIRGIL C. SUMMER INDEPENDENT SPENT FUEL STORAGE INSTALLATION

Dear Mr. Lippard:

By letters dated March 15, 2016, and March 18, 2016, South Carolina Electric & Gas Company (SCE&G), currently Dominion Energy South Carolina, and South Carolina Public Service Authority (Authority) respectively, submitted, for U.S. Nuclear Regulatory Commission (NRC) staff review and approval, initial decommissioning funding plans (DFPs) for the independent spent fuel storage installation (ISFSI) at Virgil C. Summer Nuclear Station Unit 1 (VCSNS) (Agencywide Documents Access and Management System (ADAMS) Accession Nos. ML16081A168 and ML16081A136, respectively).¹

In accordance with Title 10 of the *Code of Federal Regulations* (10 CFR), Section 72.30(b), and using NUREG-1757, Vol. 3, Rev. 1, "Consolidated Decommissioning Guidance," the NRC staff reviewed SCE&G's and Authority's initial DFPs, including the initial decommissioning cost estimates (DCEs) and the method of assuring funds for decommissioning.

Pursuant to 72.30(b), each holder of, or applicant for, a license under Part 72 must submit for NRC review and approval a DFP containing information on how reasonable assurance will be provided that funds will be available to decommission its ISFSIs. The DFP must contain a detailed DCE, in an amount reflecting: (1) the cost of an independent contractor to perform all decommissioning activities, (2) an adequate contingency factor, and (3) the cost of meeting the 10 CFR 20.1402 unrestricted use criteria (or the cost of meeting the 10 CFR 20.1403 restricted use criteria, provided the licensee can demonstrate its ability to meet these criteria). The licensee's DFP must also identify and justify using the key assumptions contained in the DCE. Further, the DFP must describe the method of assuring funds for ISFSI decommissioning, including means for adjusting cost estimates and associated funding levels periodically over the life of the ISFSI. Additionally, the DFP must specify the volume of onsite subsurface material containing residual radioactivity that will require remediation to meet the criteria for license termination, and contain a certification that financial assurance for ISFSI decommissioning has been provided in the amount of the DCE.

¹ SCE&G and Authority are co-owners of the VCSNS ISFSI, with SCE&G having a two-thirds interest and Authority having a one-third interest. The staff is providing its financial analysis for both portions of this ISFSI in this letter.

The NRC staff reviewed and analyzed the information submitted by SCE&G and Authority on how reasonable assurance will be provided that funds will be available to decommission the ISFSI, including the amount of the DCE and the method of assuring funds for decommissioning.

In their 2016 initial DFPs, SCE&G and Authority estimated the total cost to decommission the ISFSI for unrestricted use is \$6.4 million in 2016 dollars. SCE&G's portion of the DCE is \$4.3 million and Authority's portion of the DCE is \$2.1 million.

Based on its financial analysis of SCE&G's and Authority's submittals, the NRC staff finds that the DCEs submitted for 2016: (1) are based on reasonable costs of a third party contractor; (2) include an adequate contingency factor; (3) reflect the cost of meeting the 10 CFR 20.1402 criteria for unrestricted use; and (4) are based on reasonable and documented assumptions. Therefore, the NRC finds that the 2016 DCEs adequately estimate the cost, to carry out required ISFSI decommissioning activities prior to license termination, and that the 2016 DCEs are acceptable.

In the initial DFPs, SCE&G and Authority relied on excess funding from the decommissioning trust fund as financial assurance for ISFSI decommissioning, a method authorized by 10 CFR 50.75(e) which is allowed under 10 CFR 72.30(e)(5). This is allowed because the VCSNS ISFSI belongs to licensees with a power reactor license under Part 50. The trust fund balances account for the 10 CFR Part 50 license expiration dates and the ISFSI DCEs assume all costs incurred following the year in which spent fuel has been fully removed from the ISFSI. The NRC staff finds that the aggregate dollar amount of the licensees' financial instrument provides adequate financial assurance to cover its cost estimates, and therefore, that this financial instrument is acceptable.

Based on its financial analyses, the NRC staff finds that the initial DFPs contain the information required by 10 CFR 72.30(b) and that SCE&G and Authority have provided reasonable assurance that funds will be available to decommission the ISFSIs at VCSNS.

In addition to the NRC staff's review of SCE&G's and Authority's initial DFPs, the NRC staff completed an environmental review. The NRC staff published a summary of the results of the environmental review in the *Federal Register* in May 2021 for the ISFSI at VCSNS. The environmental assessment and finding of no significant impact for this ISFSI are available in <https://www.regulations.gov> under the Docket ID: NRC-2021-0093. The NRC staff determined there were no environmental impacts from the NRC staff's review and approval of SCE&G's and Authority's initial DFPs.

If you have any questions regarding this matter, please contact me at (301) 415-5722 or John.McKirgan@nrc.gov

Sincerely,

John McKirgan, Chief
Storage and Transportation Licensing Branch
Division of Fuel Management
Office of Nuclear Material Safety
and Safeguards

Docket No.: 72-1038
CAC No.: 001028
EPID No.: L-2017-FPR-0065

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DOCUMENT DATED: May 26, 2021

Identical letter sent to:

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***via email**

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