



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

March 9, 2023

Keith R. Brown, Director
Regulatory Affairs
Southern Nuclear Operating Company, Inc.
3535 Colonnade Parkway, Bin N-274-EC
Birmingham, AL 35243

SUBJECT: DECOMMISSIONING FUNDING ASSURANCE FOR VOGTLE ELECTRIC
GENERATING PLANT UNITS 3 AND 4

Dear Mr. Brown:

The purpose of this letter is to inform Southern Nuclear Operating Company (SNC) of the U.S. Nuclear Regulatory Commission (NRC) staff's findings related to the decommissioning funding assurance requirements in Section 50.75(e)(3) of Title 10 of the *Code of Federal Regulations* (10 CFR), for Vogtle Electric Generating Plant (VEGP) Units 3 and 4. The staff has completed its review of SNC's submittal, dated January 30, 2023 (ADAMS Accession No. ML23030B913), on behalf of itself and co-owners Georgia Power Company (GPC), Oglethorpe Power Corporation (Oglethorpe), Municipal Electric Authority of Georgia (MEAG), and the City of Dalton (Dalton). SNC's submittal was in response to the NRC staff's request for additional information (RAI), dated December 2, 2022, (ML22336A167), in regard to decommissioning funding assurance at VEGP Units 3 and 4. In summary, the NRC staff finds that all four owners of the VEGP units are providing financial assurance in accordance with 10 CFR 50.75(e)(3) for VEGP Unit 3 and VEGP Unit 4. The staff's evaluation is summarized below.

NRC Staff Evaluation of SNC's Response to RAIs

In its review of SNC's response, the NRC staff determined that all four owners of VEGP Units 3 and 4, provided the necessary information required for the staff to assess, per 10 CFR 50.75(e)(3), whether the licensees have submitted a report "...containing a certification that financial assurance for decommissioning is being provided..." for VEGP Units 3 and 4.

The owner licensees that make up complete ownership of VEGP Units 3 and 4 are as follows:

- Georgia Power Corporation (GPC) at 45.7% ownership;
- Oglethorpe Power Corporation (Oglethorpe) at 30% ownership;
- Municipal Electric Authority of Georgia (MEAG) at 22.7% ownership; and
- the City of Dalton (Dalton) at 1.6% ownership.

NRC Staff Evaluation for VEGP Unit 3

For GPC, SNC provided an acceptable annual contribution schedule of \$6.22 million for license termination and independent spent fuel storage installation (ISFSI) decommissioning activities, reflecting GPC's 45.7% ownership in VEGP Unit 3. The staff finds that the planned contributions

would adequately provide decommissioning funding for GPC's portion of the minimum formula amount for Unit 3, or \$265 million. SNC also reported that GPC made an initial contribution into the decommissioning trust fund on December 29, 2022, consisting of \$6,939,098, of which \$6.22 million is for license termination and ISFSI decommissioning activities. Based upon the detailed schedule of future contributions and initial deposit into the decommissioning trust fund, the staff concludes that GPC is providing financial assurance in accordance with 10 CFR 50.75(e)(3) for VEGP, Unit 3.

For Oglethorpe, SNC provided an acceptable contribution schedule (\$3,584,194 in 2023, \$4,778,925 in years 2024 through 2061, followed by a \$2,787,706 contribution in 2062), for license termination activities, reflecting Oglethorpe's 30% ownership in VEGP. The staff finds that the planned contributions adequately provide decommissioning funding for Oglethorpe's portion of the minimum formula amount for Unit 3, or \$174 million. SNC also reported that as of December 31, 2022, Oglethorpe made an initial contribution into the decommissioning trust fund of \$2,389,462. Based upon the detailed schedule of future contributions and initial deposit into the decommissioning trust fund, the staff concludes that Oglethorpe is providing financial assurance in accordance with 10 CFR 50.75(e)(3) for VEGP, Unit 3.

For MEAG, SNC provided an acceptable contribution schedule (\$3,682,000 in 2023, \$4,910,000 in years 2024 through 2062, followed by a \$1,227,000 contribution in 2063) for license termination activities, reflecting MEAG's 22.7% ownership in VEGP. MEAG has not yet made an initial contribution to its fund for Unit 3 as of December 31, 2022. SNC presented MEAG's plans for future contributions, beginning in 2023, and stated that, as a utility, "[t]he MEAG Power Board has authorized and directed MEAG Power to take appropriate action to ensure that the Vogtle Units 3 & 4 decommissioning costs are paid in full in accordance with the requirements of the NRC." The staff finds that the planned contributions adequately provide decommissioning funding for MEAG's portion of the minimum formula amount for Unit 3, or \$131.66 million. Based upon the detailed schedule of future contributions and the licensee's discussion regarding the process and timeline for providing funding, the staff concludes that MEAG is providing financial assurance in accordance with 10 CFR 50.75(e)(3) for VEGP, Unit 3.

For Dalton, SNC provided an acceptable contribution schedule (\$175,000 in 2022, \$300,000 thereafter through 2062) for license termination activities, reflecting Dalton's 1.6% ownership in VEGP. The staff finds that the planned contributions adequately provide decommissioning funding for Dalton's portion of the minimum formula amount for Unit 3, or \$9,280,000. SNC also reported that as of December 31, 2022, Dalton made an initial contribution into the decommissioning trust fund of \$175,000. Based upon the detailed schedule of future contributions and initial deposit into the decommissioning trust fund, the staff concludes that Dalton is providing financial assurance in accordance with 10 CFR 50.75(e)(3) for VEGP, Unit 3.

VEGP Unit 3 Conclusion

Based upon the detailed schedule of future contributions provided by SNC for all four VEGP owners; initial contributions made in 2022 by GPC, Oglethorpe, and Dalton; and information regarding each owner, as a utility, reflecting its unique authority to set rates and/or to request rate recovery to cover debts and other liabilities, including decommissioning expenses, as presented in SNC's response to the RAIs and confirmed by the staff's review, the NRC staff concludes that the four owners of VEGP are providing financial assurance in accordance with 10 CFR 50.75(e)(3) for VEGP Unit 3.

NRC Staff Evaluation for VEGP Unit 4

Each owner of VEGP Unit 4 provided a detailed schedule of future contributions for its respective decommissioning trust fund. None of the four owners has yet made an initial contribution into its respective VEGP Unit 4 decommissioning trust fund. In the absence of such initial deposits, the staff's RAI requested formal commitments from each rate setting authority or a detailed discussion regarding the process and timeline for each owners' interaction with its rate-setting authority for obtaining official commitment. For each of the four owner licensees, SNC provided narrative about its communication with a rate-setting authority to set the appropriate rate to cover debts, liabilities, and other current and future incurred expenses such as decommissioning costs. Based on its review, the staff concludes that SNC's discussion of each owners' process and timeline for obtaining future decommissioning funding assurance contributions is acceptable.

For GPC, SNC reported a proposed annual contribution schedule of \$7.144 million for license termination and ISFSI decommissioning activities, reflecting GPC's 45.7% ownership in VEGP Unit 4. The staff finds that the planned contributions would adequately provide decommissioning funding for GPC's portion of the minimum formula amount for Unit 4, or \$265 million.

For Oglethorpe, SNC reported a proposed annual contribution schedule of \$2,604,644 and \$3,906,967 in 2023 and 2024, respectively, followed by annual contributions of \$5,209,289 per year through 2061, with a final contribution of \$4,341,074 in 2062, for license termination and ISFSI decommissioning activities, reflecting Oglethorpe's 30% ownership in VEGP Unit 4. The staff finds that the planned contributions adequately provide decommissioning funding for Oglethorpe's portion of the minimum formula amount for Unit 4, or \$174 million.

For MEAG, SNC reported a proposed annual contribution schedule of \$5.376 million for license termination and ISFSI decommissioning activities, reflecting MEAG's 22.7% ownership in VEGP Unit 4. The staff finds that the planned contributions adequately provide decommissioning funding for MEAG's portion of the minimum formula amount for Unit 4, or \$131.66 million.

For Dalton, SNC reported a proposed annual contribution schedule of \$300,000 for license termination and ISFSI decommissioning activities, reflecting Dalton's 1.6% ownership in VEGP Unit 4. The staff finds that the planned contributions adequately provide decommissioning funding for Dalton's portion of the minimum formula amount for Unit 4, or \$9,280,000.

VEGP Unit 4 Conclusion

Based upon the detailed schedule of future contributions provided by the licensees for all four VEGP Unit 4 owners, and information regarding each owner, as a utility, reflecting its unique authority to set rates and/or to request rate recovery to cover debts and other liabilities, including decommissioning expenses, as presented in SNC's response to the RAIs and confirmed by the staff's review, the NRC staff concludes that the four owners of VEGP are providing financial assurance in accordance with 10 CFR 50.75(e)(3) for VEGP Unit 4.

In accordance with 10 CFR Part 2, "Agency Rules of Practice and Procedure," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records component of the NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC website at <http://www.nrc.gov/reading-rm/adams.html>.

K. Brown

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If you have any questions regarding this matter, please contact me at (301) 415-7270, or via e-mail at Cayetano.Santos@nrc.gov.

Sincerely,

 Signed by Santos, Cayetano
on 03/09/23

Cayetano Santos Jr., Senior Project Manager
Vogtle Project Office
Office of Nuclear Reactor Regulation

Docket Nos. 52-025 and 52-026

cc: ListServ

Letter to K. Brown, SNC from T. Santos, NRC regarding Decommissioning Funding Assurance DATE
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