

September 17, 1999

Mr. Joseph V. Sipek
Director - Licensing
Clinton Power Station
P.O. Box 678
Mail Code V920
Clinton, IL 61727

Dear Mr. Sipek:

SUBJECT: REQUEST FOR ADDITIONAL INFORMATION RELATED TO LICENSE
TRANSFER APPLICATION FOR CLINTON POWER STATION, UNIT 1
(TAC NO. MA5980)

Dear Mr. Sipek:

On July 23, 1999, you submitted an Application for License Transfer and Conforming Administrative License Amendment. The NRC staff has performed an initial review of your application and has several questions. Enclosures 1 and 2 contain questions about the application. Enclosure 2 consists of questions that contain references to proprietary information and is being withheld from public disclosure.

To maintain your requested review schedule, please provide the requested information within 20 days of your receipt of this letter. Contact me if you have any questions.

Sincerely,

Original Signed By

Jon B. Hopkins, Senior Project Manager, Section 2
Project Directorate III
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket No. 50-461

Distribution w/encl 1 & 2:
Docket File

Enclosures: 1. Request for Additional Information
2. Request for Additional Information
(Proprietary Version)

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PD3-2 R/F ACRS
RWood OGC
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TKozak, RIII

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Joseph V. Sipek
Illinois Power Company

Clinton Power Station, Unit 1

cc w/encl 1:

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REQUEST FOR ADDITIONAL INFORMATION
RELATED TO
LICENSE TRANSFER APPLICATION FOR CLINTON POWER STATION
(TAC NO. MA5980)

1. Application, p. 2. Identify the referenced ancillary agreements, besides the Power Purchase Agreement.
2. Application, p. 18. The application indicates that AmerGen contemplates operating several sites and revenues would be available from operations at other sites, such as Nine Mile Point, to fund operating and maintenance expenses during an outage. However, on p. 19, the application states that all or some of AmerGen's earnings will be available for distribution to PECO Energy and British Energy in years in which it has an operating surplus, and AmerGen will be able to use any carryover surpluses or obtain additional funds from PECO Energy and British Energy in years in which it needs to do so.

Several questions arise from these statements:

- 2a. How will AmerGen use operating surpluses for outage expenses if such surpluses are transferred to PECO Energy and British Energy?
- 2b. If funds are drawn on from PECO Energy and British Energy for outage expenses, how much of these carryover surpluses will AmerGen use before using the funds available through the \$110 million guarantee?
- 2c. What would be the financial impact of requiring AmerGen to accumulate retained earnings over time (based on projections contained in Enclosure 6A) in the amount of \$80 million to cover 6 months' estimated outage expenses?
- 2d. Given Clinton's operating history of extended shutdowns, has AmerGen made specific plans for addressing similar shutdowns if the transfer is completed? Does AmerGen contemplate funding a shutdown over an extended period (i.e., greater than 1 year)? If so, does it intend to draw on PECO Energy's and British Energy's resources that are separate from the proposed \$110 million guarantee?
3. Application, p. 21. The application indicates that at the time of closing, the fair market value of the decommissioning trust for Clinton will be no less than \$210 million. However, on p. 22, the application states that this amount would be "in the range of \$210 million." Please explain this possible discrepancy. Also, is the \$210 million net of any taxes on the decommissioning trust fund as a result of trust fund earnings or tax treatment of the transfer?
4. Given that the decommissioning trust fund relies on future earnings to obtain the full funding required under 10 CFR 50.75(c), what would be the source of decommissioning funds if Clinton were to shut down prematurely? That is, would dismantlement be

Enclosure 1

5. deferred to allow the trust fund to accumulate sufficient earnings, or would AmerGen, PECO Energy, and/or British Energy contribute additional decommissioning funds to facilitate immediate dismantlement?
6. Enclosure 7, Schedule B. What were the actual market prices of electricity for electric power in the market in which Clinton operated for 1998 and 1999?
7. Enclosure 3, p. 91. Under Section 8.3, the staff is assuming that the reference to "CERLCA" means "CERCLA." Please indicate if this is correct.