

NOTATION VOTE

RESPONSE SHEET

TO: Annette Vietti-Cook, Secretary

FROM: Chairman Gregory B. Jaczko

SUBJECT: SECY-11-0133 – OPTIONS TO EVALUATE REQUESTS
TO USE DISCOUNTED PARENT COMPANY
GUARANTEES TO ASSURE FUNDING OF
DECOMMISSIONING COSTS FOR POWER
REACTORS

Approved _____ Disapproved X Abstain _____

Not Participating _____

COMMENTS: Below ___ Attached X None ___



SIGNATURE

10/27/11

DATE

Entered on "STARS" Yes x No _____

**Chairman Jaczko's Comments on SECY-11-0133,
"Options to Evaluate Requests to Use Discounted Parent Company Guarantees to
Assure Funding of Decommissioning Costs for Power Reactors"**

I disapprove the staff's recommended option 3. Instead, I approve option 1, to not allow the sinking fund discount combination for determining decommissioning funding costs.

I appreciate staff seeking a creative way to allow use of a discounted parent company guarantee (PCG) for funding of decommissioning costs for power reactors given the Commission's indication of its interest in this mechanism. The staff has done a good job with option 3 of presenting a narrow, case-by-case application of permitting use of the discounted PCG in an obvious and appreciated attempt to mitigate some of the dangers of proceeding down this path. It is abundantly clear, however, from the staff's analysis that this is simply not the right tool to use for determining decommissioning funding assurance.

Ensuring that licensees have the funds necessary to adequately decommission a site is, at its core, a safety issue. Wrapping it in layers of financial details might obfuscate that, but it does not negate it. As the staff points out, in the Statement of Considerations for the 1998 Decommissioning Rule, the agency stated, "Making riskier financial assurance mechanisms available to riskier licensees compounds risk to the public that adequate funds will not be available when needed. Thus, prudent public policy may limit the range of mechanisms that should be offered to certain categories of licensees." I am not willing to support the increased risk to stakeholders, including local communities, States and Tribal governments, that allowing this funding scheme would create. I, instead, opt for the sounder public policy option of not allowing the use of discounted PCG to assure funding of decommissioning costs for power reactors.



Gregory B. Jaczko

6/27/11

Date