



**Florida
Power**

CORPORATION
Crystal River Unit 3
Docket No. 50-302
Operating License No. DPR-72

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(65FR30550)

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Secretary of the Commission
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001
Attention: Rulemaking and Adjudication Staff

Subject: Comments on Petition for Rulemaking Regarding Financial Assurance
Requirements for Decommissioning Nuclear Power Reactors (65 FR 30550-30553)

Dear Sir:

Florida Power Corporation (FPC) appreciates the opportunity to comment on the petition for rulemaking regarding amending financial assurance requirements for decommissioning nuclear power reactors. FPC would like to submit the attached comments on this petition.

If you have any questions regarding this submittal, please contact Mr. Sid Powell, Manager, Nuclear Licensing at (352) 563-4883.

Sincerely,

S. L. Bernhoft
Director, Nuclear Regulatory Affairs

SLB/smg

Attachment

xc: Regional Administrator, Region II
Senior Resident Inspector
NRR Project Manager
NRC Document Control Desk

Comments on Petition for Rulemaking Regarding Financial Assurance Requirements for Decommissioning Nuclear Power Reactors (65 FR 30550-30553)

The petitioner proposes three remedies, essentially: 1) new decommissioning funding reporting requirements for non-licensee minority owners, 2) extend 10 CFR 50.75 requirements to all nuclear partners, and 3) establish new requirements for prudency reviews. Comments on each proposed recommendation are provided below:

1. The petitioner recommends that non-licensee minority owners conduct revised and updated site specific analyses. For Crystal River Unit 3 (CR-3), the proportional minority owners are licensees and therefore the petitioner's recommendation is not applicable to CR-3.

The NRC public health and safety jurisdiction is applicable to ensuring an adequate level of decommissioning funding. This level of funding is determined by the NRC cost estimating method (10 CFR 50.75) and not through a site specific cost study. Thus, the NRC has the jurisdiction and already has established requirements for licensees to provide an adequate level of funding using the prescribed NRC minimum funding method and biennial reporting requirements.

The NRC does not have jurisdiction to set licensee economic recovery rates. This is the responsibility of the economic regulatory agencies (e.g., Public Service Commissions (PSCs) or Public Utility Commissions (PUCs). In a deregulated environment, licensees are responsible to obtain adequate funds either from ratepayers, shareholders, or other methods as they deem appropriate.

For CR-3, the Florida Public Service Commission currently has economic jurisdiction over the majority owner (Florida Power Corporation) and requires a periodic site specific cost study. These cost studies undergo extensive PSC scrutiny. Additionally, the PSC has the jurisdiction to select and or adjust the appropriate timeframes for updating the site specific cost studies, depending on circumstances (as mentioned in the petitioner's proposed recommendations). These circumstances include factors such as changing cost factors which affect decommissioning cost estimates (targets), dry cask storage needs, fuel management costs associated with Yucca Mountain delays, and low level waste costs.

The CR-3 minority owners are under their own economic jurisdiction as governmental entities. These minority owners are also subject to NRC public health and safety jurisdiction as licensees, and as such, must meet the minimum NRC funding requirements. These governmental entities have the economic jurisdiction to conduct an independent site specific cost study if desired. Nevertheless, the minority owners are provided copies of the PSC approved site specific cost analyses for their use as deemed prudent.

2. Decommission funding assurance under 10 CFR 50.75 already requires that the minority licensees provide an adequate level of decommissioning funding and decommissioning fund reporting. The PSCs and PUCs have jurisdiction over economic issues, including decisions on financial responsibilities of ratepayers.
3. The NRC does not have the economic jurisdiction to require site specific cost study prudence reviews. The PSC, municipalities, rural electric's, etc., retain jurisdiction to determine the prudence of decommissioning fund accruals and determination as to the appropriate adjustments to accruals.

CR-3 believes current rules adequately provide for financial responsibility by licensees for decommissioning of nuclear-electric generating stations.