

March 22, 2001

LICENSEE: Entergy Operations, Inc.

FACILITY: Arkansas Nuclear One, Unit 1

SUBJECT: ARKANSAS NUCLEAR ONE (ANO), MEETING SUMMARY REGARDING MEETING ON MARCH 12, 2001, TO DISCUSS DECOMMISSIONING FUNDS FOR ANO, UNIT 1 AND OTHER NUCLEAR UNITS OPERATED BY ENTERGY OPERATIONS, INC.

On March 12, 2001, representatives of the Nuclear Regulatory Commission (NRC) met with Entergy Operations, Inc. (the licensee) to discuss some of the licensee's concerns about past or pending decisions by State public service commissions (PSCs). The licensee reported that last year, the Arkansas PSC issued an Order that prevented the licensee from collecting decommissioning funds for ANO from ratepayers. The Order was based on the assumption that the operating licenses would be extended for both units and the PSC's assessment that existing funds would grow sufficiently (taking credit for extending the operating lives by the 20-year terms of the renewed licenses) to cover the decommissioning costs. Inherent in the decision is an assumption that the NRC will grant the pending application for ANO, Unit 1 and that the licensee will apply and be granted a renewed license for ANO, Unit 2. The licensee also expressed a concern that the Louisiana PSC is considering a similar order, although license renewal applications for the River Bend Station, Unit 1 and Waterford Steam Electric Station, Unit 3 are currently only in the planning stages.

The licensee identified two specific issues that the staff (or perhaps the Commission) may need to address. Both issues involve the regulatory requirements in Section 50.75 of Title 10 of the *Code of Federal Regulations* (10 CFR 50.75) that state that licensees are to provide financial assurance that adequate decommissioning funds will be available "...at the time termination of operation is expected...." The first issue is whether or not a licensee may, to calculate decommissioning funding requirements, define the "time termination of operation is expected" to be beyond the existing operating license. The second issue raised by the licensee is that, although the license renewal process might allow operation for up to 60 years, the actual operating life may be shorter and, therefore, the actions of the State PSCs may result in shortfalls in the decommissioning funds at the time of permanent shutdown. The licensee and staff, including a representative from the Office of the General Counsel, discussed the issue in the context of NRC regulations and regulatory guidance documents. The licensee stated that they would be submitting their biennial decommissioning funding report for ANO, which will report a predicted shortfall and that they will likely request a formal interpretation of NRC regulations in this area.

The staff clarified during the meeting that the NRC's right to take steps to ensure an adequate accumulation of decommissioning funds according to 10 CFR 50.75(e)(2) did not expand the agency's authority over parties other than the licensee. While the NRC may cooperate with the Federal Energy Regulatory Commission and State PSCs to agree on the collection of decommissioning funds, the NRC may only issue relief to or require additional actions by the holders of NRC issued operating licenses. The meeting concluded with the staff acknowledging the licensee's likely reporting of a shortfall in the biennial decommissioning funding report for ANO and the possibility of the licensee requesting a formal interpretation of NRC requirements contained in 10 CFR 50.75.

/RA/

William D. Reckley, Project Manager, Section 1
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Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket No. 50-313

Enclosure: Attendee List

cc w/encl: See next page

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ATTENDANCE LIST

PUBLIC MEETING HELD ON MARCH 12, 2001

ENTERGY OPERATIONS, INC.

DECOMMISSIONING FUNDING

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Susan Uttal	Nuclear Regulatory Commission
Bob Gramm	Nuclear Regulatory Commission
Michael Dusaniwskyj	Nuclear Regulatory Commission
Bill Reckley	Nuclear Regulatory Commission
Tom Alexion	Nuclear Regulatory Commission
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Enclosure