

March 12, 2008

Mr. Michael A. Balduzzi
Sr. Vice President & COO
Regional Operations, NE
Entergy Nuclear Operations, Inc.
440 Hamilton Avenue
White Plains, NY 10601

SUBJECT: REQUEST FOR ADDITIONAL INFORMATION TO SUPPORT THE REVIEW OF
THE PILGRIM NUCLEAR POWER STATION SPENT FUEL MANAGEMNT
PLAN PURSUANT TO 10 CFR 50.54(bb) (TAC NO. MD8036)

Dear Mr. Balduzzi:

By letter dated June 7, 2007, Entergy Nuclear Operations, Inc. (the licensee) submitted the Pilgrim Nuclear Power Station spent fuel management plan for review.

The Nuclear Regulatory Commission staff has been reviewing the submittal and has determined that additional information is needed to complete its review. The specific questions are found in the enclosed request for additional information (RAI). A response to this RAI is requested to be provided within 30 days.

Sincerely,

/ra/

James Kim, Project Manager
Plant Licensing Branch I-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-293

Enclosure:
As stated

cc w/encl: See next page

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REQUEST FOR ADDITIONAL INFORMATION BY THE OFFICE OF
NUCLEAR REACTOR REGULATION
TO SUPPORT THE REVIEW OF THE
PILGRIM NUCLEAR POWER STATION SPENT FUEL MANAGEMENT PLAN

RAI No. 1:

Table 1 entitled, "Estimated Spent Fuel Management Costs" listed expenditures for the period from 2012 - 2017 at an estimated cost of \$156 million in 2006 dollars. Describe in detail, the \$156.0 million in expenditures for the period from 2012- 2017. In the submittal, Table 1 identified these costs as spent fuel management costs. While the submittal identified the expenses associated with spent fuel storage, it did not include in the plan a mechanism for funding for the spent fuel costs. Describe in detail, a mechanism for funding for the spent fuel costs.

RAI No. 2

Section 5 entitled, "Financial Assurance" listed the balance in the decommissioning trust fund as of December 31, 2006, as \$582.63 million, and stated that the projected decommission cost amount based on the formula is \$482.28 million.

NRC regulations allow a licensee to take a 2% real rate of return credit on investments unless a higher rate is authorized by a regulated licensee's public utility commission. Pilgrim is not rate regulated, so the NRC staff applied a 2% real rate of return on the trust fund balance (\$582.6 million) based on the regulation and deducted the expenses identified in Table 1, "Estimated Spent Fuel Management Costs." The results were that the trust fund exceeded the formula amount, however, since Pilgrim has not submitted a site-specific cost estimate as required by the regulation, and recognizing that the site-specific cost estimate can be greater cost than the formula amount, Entergy's position that the trust fund balance exceeds the cost required for radiological decommissioning, and therefore, the excess funds would be available to address spent fuel management costs is not fully supported. How will Entergy fund the Pilgrim spent fuel management cost?

Enclosure

Pilgrim Nuclear Power Station

cc:

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Pilgrim Nuclear Power Station

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