

September 12, 2008

Vice President, Operations
Entergy Nuclear Operations, Inc.
Pilgrim Nuclear Power Station
600 Rocky Hill Road
Plymouth, MA 02360-5508

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) AND THE PRELIMINARY DECOMMISSIONING
COST ESTIMATE PURSANT TO 10 CFR 50.75(f)(3) (TAC NOS. MD8036 AND
MD9416)

Dear Sir or Madam:

By letters dated June 7, 2007, and July 31, 2008, Entergy Nuclear Operations, Inc. (the licensee) submitted the Pilgrim Nuclear Power Station spent fuel management plan and preliminary decommissioning cost estimate respectively for review.

The Nuclear Regulatory Commission staff has been reviewing the submittals 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 AND
PRELIMINARY DECOMMISSIONING COST ESTIMATE

Spent Fuel Management Program (SFMP) and Preliminary Decommissioning Cost Estimate (PDCE)

RAI No. 1: Section 5 of the SFMP, Financial Assurance and Section 1.7.1 of the PDCE, Spent Fuel Disposition

Pilgrim stated in both Section 5 of the SFMP and in Section 1.7.1 of the PDCE, the cost associated with the isolation and continued operation of the spent fuel pool, and the construction and operation of the Independent Spent Fuel Storage Installation (ISFSI) would be covered by the decommissioning trust funds. The costs are identified in Table 5 and included in the decommissioning cost estimate in Table 8 of PDCE.

Withdrawals from decommissioning trust funds under 10 CFR 50.82(a)(8)(i)(A) are limited to legitimate decommissioning activities consistent with the definition of decommissioning. In addition, withdrawals under 10 CFR 50.82(a)(8)(i)(C) are not permitted if they would inhibit the ability of the licensee to complete funding of any shortfalls in the decommissioning trust needed to ensure the availability of funds to ultimately release the site and terminate the license. For the scenario that was identified in Pilgrim's submittal, Pilgrim did acknowledge in their discussion the necessity for an exemption in accordance with 10 CFR 50.12, from the requirements of 10 CFR 50.82(a)(8)(i)(A) in order to use the decommissioning trust funds for spent fuel management expenses. What is the source of funds to address the annual spent fuel costs identified in Table 5 of the PDCE?

Preliminary Decommissioning Cost Estimate (PDCE)

RAI No. 2: Section 2.2 Financial Assurance of the PDCE

In Section 2.2, Pilgrim stated that their analysis, whose results are shown in Table 8 of the July 31, 2008, submittal, was based on a 3-percent inflation rate. Was the 3-percent inflation rate based on the information identified in Section 2.1, "Escalation of the 2005 Costs to 2007 Dollars" or was it based on a different analysis? Based on the information provided in Section 2.1, the NRC staff could not reproduce the 3-percent inflation rate. Pilgrim should provide the supporting analysis that was used to develop the 3-percent escalation rate.

Enclosure

RAI No. 3: Section 2.2 Financial Assurance of the PDCE

Section 2.2 stated that Pilgrim used a 1.47 percent real rate of return to produce the results listed in Table 8. The staff applied both the Pilgrim's 1.47 percent real rate of return as well as a 2 percent real rate of return. The staff analysis was based on a trust balance of \$621.76 million and a license termination date of 2012 and deducted the expenses identified in Table 7, "Pilgrim Nuclear Power Station Schedule of Annual Expenditures, License Termination and Spent Fuel Management Allocations." The staff analysis did not support the conclusion that sufficient funds would be available to decommission Pilgrim starting in 2043 applying the licensee's real rate of return of 1.47 percent. In addition, the staff could not reconcile the differences between Pilgrim's and the staff's approaches for analyzing the decommissioning trust fund balance and projected expenditures. The licensee should provide the supporting analysis for values/cost identified in each of the columns listed in Table 8.

Pilgrim Nuclear Power Station

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