

Goshen, John

To: jo
Subject: RE: Addiitonal RSI question

From: Greene, Ken [<mailto:Ken.Greene@cengllc.com>]
Sent: Thursday, February 02, 2012 7:10 AM
To: Goshen, John
Subject: RE: Addiitonal RSI question

John,

As we discussed during Tuesday's conference call, below is Calvert Cliffs answer to the financial question shown below. I think the new Decommissioning funding rule will adequately address this concern.

Response

Constellation Energy Nuclear Group provides biennial financial submittals for Calvert Cliffs Unit 1 and 2 in accordance with 10 CFR 50.75(f)(1). Calvert Cliffs Independent Spent Fuel Storage Installation (ISFSI) is regulated by 10 CFR Part 72. There is currently no requirement in 10 CFR Part 72 for a biennial financial submittal for the ISFSI. Instead, 10 CFR 72.80 requires that each licensee of a spent fuel storage facility shall furnish a copy of its annual financial report to the Nuclear Regulatory Commission. Constellation Energy Nuclear Group complies with 10 CFR 72.80 through its submittal of a Form 10-Q with the Securities and Exchange Commission as is allowed under 10 CFR 72.80. Going forward, Calvert Cliffs will comply with the revised Decommissioning Planning rule which becomes effective on December 17, 2012, and contains a new requirement to submit updated ISFSI decommissioning funding plans at the time of license renewal and at intervals not exceeding three years.

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From: Goshen, John [<mailto:John.Goshen@nrc.gov>]
Sent: Wednesday, January 25, 2012 8:40 PM
To: Greene, Ken
Subject: Addiitonal RSI question
Importance: High

Ken, If we have time, I would also like to discuss the following draft financial RSI.

Provide supplemental information to confirm that the biennial financial submittals include the operating costs and decommissioning funding balances for the ISFSI.

The staff has reviewed the Calvert Cliffs Unit 1 and 2 biennial financial submittals from 1999 to 2011. Some of the submittals have Docket 72-8 (ISFSI) referenced on the submittal. Most do not. Title 10 CFR 50.75(f)(1) requires that each power reactor licensee report, on a calendar-year basis, to the U.S. Nuclear Regulatory Commission at least once every two years on the status of its decommissioning funding for each reactor or part of a reactor that it owns. 10 CFR 72.30 has no corresponding provision. The provisions of 10 CFR 72.30, however, do require the licensee to provide financial assurance for decommissioning an ISFSI.

10 CFR 72.22(e) only requires that an applicant must submit information that shows that the applicant either possesses the necessary funds, or has reasonable assurance of obtaining the necessary funds to cover

(construction), operating, and decommissioning costs for the original license application and not for license renewals.

In the 2011 submittal, CC provided an updated decommissioning funding report that did reference docket 72-8 (ISFSI). The report provided detailed decommissioning plans and funding updates for Units 1 and 2 and the ISFSI. This report was reviewed and approved as part of the evaluation of the merger between Exelon and Constellation Energy. It is not clear, however, that the report covers the additional costs of operating the ISFSI for an additional 40 years along with the revised costs of decommissioning the ISFSI.

This information is required to evaluate compliance with 10 CFR 72.30 and 10 CFR 72.42.

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