

July 30, 2015

Mr. Scott Head,  
Manager of Regulatory Affairs  
Nuclear Innovation North America, LLC  
122 West Way, Suite 405  
Lake Jackson, TX 77566

SUBJECT: REQUEST FOR ADDITIONAL INFORMATION LETTER NO. 450 RELATED TO  
SRP SECTION 1.4 FOR NUCLEAR INNOVATION NORTH AMERICA, LLC  
(NINA) COMBINED LICENSE APPLICATION

Dear Mr. Head:

By letter dated September 20, 2007, South Texas Project (STP), submitted for approval a combined license application pursuant to 10 CFR Part 52. The U. S. Nuclear Regulatory Commission (NRC) staff is performing a detailed review of this application to enable the staff to reach a conclusion on the safety of the proposed application.

The NRC staff has identified that additional information is needed to continue portions of the review. The staff's request for additional information (RAI) is contained in the enclosure to this letter.

To support the review schedule, you are requested to respond within **30** days of the date of this letter. If changes are needed to the safety analysis report, the staff requests that the RAI response include the proposed wording changes.

S. Head

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If you have any questions or comments concerning this matter, I can be reached at 301-415-8484 or by e-mail at [Tom.Tai@nrc.gov](mailto:Tom.Tai@nrc.gov).

Sincerely,

**/RA/**

Tom M. Tai, Senior Project Manager  
Licensing Branch 2  
Division of New Reactor Licensing  
Office of New Reactors

Docket Nos. 52-012  
52-013

eRAI Tracking No. 8165

Enclosure:  
Request for Additional Information

cc: William Mookhoek  
Richard Scheide

S. Head

- 2 -

If you have any questions or comments concerning this matter, I can be reached at 301-415-8484 or by e-mail at [Tom.Tai@nrc.gov](mailto:Tom.Tai@nrc.gov).

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Tom M. Tai, Senior Project Manager  
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cc: William Mookhoek  
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NRO-002

OFFICE	NRO/DNRL/LB2: PM
NAME	TTai
DATE	07/30/15

**\*Approval captured electronically in the electronic RAI system.**

**OFFICIAL RECORD COPY**

## **Request for Additional Information 450**

Issue Date: 07/30/2015

Application Title: South Texas Project Units 3 and 4 - Dockets 52-012 and 52-013

Operating Company: South Texas Project Nuclear Operating Co

Docket No. 52-012 and 52-013

Review Section: 01 - Introduction and Interfaces

Application Section: 1.4 Decommissioning Funding Assurance

### **QUESTIONS**

01-27

In accordance with 10 CFR 50.75(b)(1), a COL applicant must certify that financial assurance for decommissioning will be provided, no later than 30 days after the Commission publishes notice in the Federal Register under § 52.103(a), in an amount which may be more, but not less, than the amount stated in 10 CFR 50.75(c). Section 50.75(b)(3) further provides that the amount must be covered by one or more of the methods described in 10 CFR 50.75(e) as acceptable to the NRC. Section 50.75(e)(1)(i) through (v) outlines five acceptable mechanisms for providing financial assurance. Section 50.75(e)(1)(vi) allows reliance on other mechanisms if the NRC determines, based on its evaluation of the specific circumstances, that such mechanisms provide assurance of decommissioning funding equivalent to that provided by the mechanisms specified in Section 50.75(e)(1)(i) through (v). NINA cites in its application, reliance on Texas law, Texas Utility Code Ann. § 39.206, and Public Utility Commission (PUC) Substantive Rule 25.304, "Nuclear Decommissioning Funding and Requirements for Power Generation Companies," for establishing reasonable assurance for decommissioning funding. In order to rely on this Texas law and rule, a Power Generation Company (PGC) must, among other things, comply with the State Funding Assurance Obligation requirements in PUC Substantive Rule 25.304(k).

To create a decommissioning trust pursuant to PUC Substantive Rule 25.304, NINA 3 and NINA 4 must meet Section 25.304(k) with regard to the State Assurance Obligation. Provide supporting evidence that NINA 3 and NINA 4 can meet the several requirements in Section 25.304(k). Specifically identify how NINA intends to meet these requirements, including the funding method requirements in Section 25.304(k)(1), (2), (3), or (4), as applicable.

01-28

In accordance with 10 CFR 50.75(b)(1), a COL applicant must certify that financial assurance for decommissioning will be provided, no later than 30 days after the Commission publishes notice in the Federal Register under § 52.103(a), in an amount which may be more, but not less, than the amount stated in 10 CFR 50.75(c). Section 50.75(b)(3) further provides that the amount must be covered by one or more of the methods described in 10 CFR 50.75(e) as acceptable to the NRC. Section 50.75(e)(1)(i) through (v) outlines five acceptable mechanisms for providing financial assurance. Section 50.75(e)(1)(vi) allows reliance on other mechanisms if the NRC determines, based on its evaluation of the specific circumstances, that such mechanisms provide assurance of decommissioning funding equivalent to that provided by the mechanisms specified in Section 50.75(e)(1)(i) through (v).

NINA cites in its application, reliance on Texas law, Texas Utility Code Ann. § 39.206, and Public Utility Commission (PUC) Substantive Rule 25.304, "Nuclear Decommissioning Funding

and Requirements for Power Generation Companies,” for establishing reasonable assurance for decommissioning funding. In order to rely on this Texas law and rule, a Power Generation Company (PGC) must, among other things, comply with the State Funding Assurance Obligation requirements in PUC Substantive Rule 25.304(k).

Explain what the “Decommissioning Fund Collateral” value identified in COL Application, Part 1, Table 1.3-2, is to be used for, how it is funded, and any connection to the State of Texas Nuclear Decommissioning Fund regulatory code or statutes.

01-29

In accordance with 10 CFR 50.75(b)(1), a COL applicant must certify that financial assurance for decommissioning will be provided, no later than 30 days after the Commission publishes notice in the Federal Register under § 52.103(a), in an amount which may be more, but not less, than the amount stated in 10 CFR 50.75(c). Section 50.75(b)(3) further provides that the amount must be covered by one or more of the methods described in 10 CFR 50.75(e) as acceptable to the NRC. Section 50.75(e)(1)(i) through (v) outlines five acceptable mechanisms for providing financial assurance. Section 50.75(e)(1)(vi) allows reliance on other mechanisms if the NRC determines, based on its evaluation of the specific circumstances, that such mechanisms provide assurance of decommissioning funding equivalent to that provided by the mechanisms specified in Section 50.75(e)(1)(i) through (v). NINA cites in its application, reliance on Texas law, Texas Utility Code Ann. § 39.206, and Public Utility Commission (PUC) Substantive Rule 25.304, “Nuclear Decommissioning Funding and Requirements for Power Generation Companies,” for establishing reasonable assurance for decommissioning funding. In order to rely on this Texas law and rule, a Power Generation Company (PGC) must, among other things, comply with PUC Substantive Rule 25.304.

Texas regulations at PUC Substantive Rule 25.304(h)(2) require “[c]onfirmation that the federal Nuclear Regulatory Commission either has made, or will make, a finding that there is reasonable assurance of the financial qualifications” of NINA 3 and NINA 4, “as required by federal regulations.” In light of NINA’s proposed use of an exemption to the NRC’s current “reasonable assurance” financial qualification requirement, provide information establishing the ability of NINA 3 and NINA 4 to satisfy this PUC requirement.

01-30

In accordance with 10 CFR 50.75(b)(1), a COL applicant must certify that financial assurance for decommissioning will be provided, no later than 30 days after the Commission publishes notice in the Federal Register under § 52.103(a), in an amount which may be more, but not less, than the amount stated in 10 CFR 50.75(c). Section 50.75(b)(3) further provides that the amount must be covered by one or more of the methods described in 10 CFR 50.75(e) as acceptable to the NRC. Section 50.75(e)(1)(i) through (v) outlines five acceptable mechanisms for providing financial assurance. Section 50.75(e)(1)(vi) allows reliance on other mechanisms if the NRC determines, based on its evaluation of the specific circumstances, that such mechanisms provide assurance of decommissioning funding equivalent to that provided by the mechanisms specified in Section 50.75(e)(1)(i) through (v). NINA cites in its application, reliance on Texas law, Texas Utility Code Ann. § 39.206, and Public Utility Commission (PUC) Substantive Rule 25.304, “Nuclear Decommissioning Funding and Requirements for Power Generation Companies,” for establishing reasonable assurance for decommissioning

funding. In order to rely on this Texas law and rule, a Power Generation Company (PGC) must, among other things, comply with PUC Substantive Rule 25.304.

Per 10 CFR 50.75(e)(3), "No later than 30 days after the [U.S. Nuclear Regulatory] Commission publishes notice in the *Federal Register* under 10 CFR 52.103(a), the licensee shall submit a report containing a certification that financial assurance for decommissioning is being provided in an amount specified in the licensee's most recent updated certification, including a copy of the financial instrument obtained to satisfy the requirements of paragraph (e) of this section." Should NINA 3 and NINA 4 be unable to meet Texas requirements under PUC Substantive Rule 25.304, describe what other method or methods they will take to provide assurance of decommissioning funding per §§ 50.75(e)(1) and 50.75(e)(3).