
DRAFT RESPONSE TO REQUEST FOR ADDITIONAL INFORMATION

North Anna Unit 3

Dominion

Docket No. 52-017

RAI NO.: 8616 (RAI LETTER NO. 158)

REVIEW SECTION: 01 - Introduction and Interfaces

APPLICATION SECTION: Part 1 - General and Administrative

DATE OF RAI ISSUE: 5/18/2016

Question No.: 01-6

The provisions of the Price-Anderson Act (Section 170 of the Atomic Energy Act of 1954, as amended) and the Commission's regulations in 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements," require, in part, each holder of a license issued pursuant to 10 CFR Part 52, "Licenses, Certifications, and Approvals for Nuclear Power Plants," have and maintain financial protection. Under these regulations, an applicant is required to provide satisfactory documentation that it has obtained financial protection. As required by 10 CFR 140.13, "Amount of financial protection required of certain holders of construction permits and combined licenses under 10 CFR Part 52," each holder of a combined license under Part 52 before the date that the Commission has made a 10 CFR 52.103(g) finding, who also holds a license under Part 70, "Domestic Licensing of Special Nuclear Material," authorizing ownership, possession and storage only of special nuclear material at the site of the nuclear reactor for use as fuel in operation of the nuclear reactor after issuance of a combined license under Part 52, shall, during the period before the Commission makes the finding under 10 CFR 52.103(g), have and maintain financial protection in the amount of \$1,000,000.

The NRC staff has reviewed the information provided in the Dominion Virginia Power (Dominion) combined license (COL) application for a Part 52 license for North Anna Unit 3, and determined that additional information related to the financial protection requirements of 10 CFR Part 140 is required in order to complete its review. The NRC staff notes that Dominion's North Anna Unit 3 COL application does not indicate how Dominion will address the requirement in 10 CFR 140.13. Therefore, the NRC staff requests that Dominion provide proof of financial protection in the amount of \$1,000,000 and as specified in 10 CFR 140.15, "Proof of financial protection." In addition, Dominion's application does not address the other Part 50 and Part 140 insurance and indemnity regulations that are required for Part 52 licenses at the time of the 10 CFR 52.103(g) finding. As such, the NRC staff requests that Dominion state how it plans to comply with 10 CFR 140.11(a)(4), 10 CFR 140.21, and 10 CFR 50.54(w).

Dominion Response

The NRC staff has requested that Dominion provide information regarding how it plans to comply with four specific regulations concerning financial protection. Following are the responses which address the four regulations.

10 CFR 140.13. The NRC staff requested that Dominion provide proof of financial protection in the amount of \$1,000,000 as required by 10 CFR 140.13. Under 10 CFR 140.13, COL holders who also hold licenses under 10 CFR Part 70 for possession and storage of reactor fuel must maintain \$1,000,000 in financial protection until the 10 CFR 52.103(g) finding. Enclosure 2 documents American Nuclear Insurers' (ANI) commitment to amend the nuclear liability insurance policy for North Anna Units 1 and 2 to include primary financial protection coverage of \$375,000,000 for North Anna Unit 3. This coverage will be concurrent with the effective date of issuance of the Combined Operating License. The \$375,000,000 coverage satisfies the \$1,000,000 coverage requirement in 10 CFR 140.13.

10 CFR 140.11(a)(4). 10 CFR 140.11(a)(4) requires in part that the licensee have and maintain financial protection in an amount equal to \$375,000,000. 10 CFR 140.11(a)(4) also requires the licensee to have and maintain secondary financial protection in the form of private liability insurance providing for deferred premium charges. While 10 CFR 140.13 limits to \$1,000,000 the amount of coverage that a COL holder must maintain prior to the 52.103(g) finding, Enclosure 2 documents the commitment to include Unit 3 on the nuclear liability insurance policy for the existing units, with \$375,000,000 coverage effective at the date of COL issuance.

10 CFR 140.21. 10 CFR 140.21 requires the licensee to demonstrate that it maintains a guarantee of payment of the deferred premium required by 10 CFR 140.11(a)(4). Dominion proposes a License Condition that would require Dominion to provide evidence to the NRC that it maintains a guarantee of payment of deferred premium. The proposed License Condition is as follows:

Prior to the scheduled date of initial fuel load, and within ninety (90) days after the NRC publishes the notice of intended operation in the *Federal Register*, the licensee shall provide evidence to the Director of NRO, or the Director's designee, that it would have the ability to pay into the industry self-insurance program in the event of a nuclear incident and in the amount specified in 10 CFR 140.11(a)(4) for one calendar year using one of the following methods:

- (a) Surety bond,
- (b) Letter of credit,
- (c) Revolving credit/term loan arrangement,
- (d) Maintenance of escrow deposits of government securities, or
- (e) Annual certified financial statement showing either that a cash flow (i.e., cash available to a company after all operating expenses, taxes, interest charges, and dividends have been paid) can be generated and would be available for payment of retrospective premiums within three (3) months after submission of the statement, or a cash reserve or a combination of cash flow and cash reserve.

Thereafter, the licensee shall annually provide evidence of such guarantee in accordance with the provisions in 10 CFR 140.21.

10 CFR 50.54(w). 10 CFR 50.54(w) requires financial protection to cover the licensee's obligation, in the event of an accident at the licensee's reactor, to stabilize and decontaminate the reactor and the reactor station site. *Under the first paragraph of 10 CFR 50.54, this provision is only applicable to a combined license after the 52.103(g) finding.* To demonstrate compliance with this regulation, Dominion proposes a License Condition as follows:

Upon the date of initial fuel load, Dominion shall provide satisfactory documentary evidence to the Director of NRO, or the Director's designee, that it has obtained the appropriate amount of financial protection required of licensees pursuant to 10 CFR 50.54(w).

Proposed COLA Revision

See attached markups.