

VISTRA ENERGY



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TXX-19032

U. S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555-0001

Ref 10 CFR 50.75(f)
10 CFR 72.30(c)

3/27/2019

SUBJECT: Comanche Peak Nuclear Power Plant (CPNPP)
Docket Nos. 50-445 and 50-445 and 72-74
Decommissioning Report

Reference 1. Vistra Operations Company LLC letter logged TXX-17035, from T. Hope to the NRC,
"Decommissioning Report," dated March 30, 2017 (ADAMS No. ML17094A247)

Dear Sir or Madam:

Attached is the biennial decommissioning report for Comanche Peak Nuclear Power Plant (CPNPP) Units 1 and 2, prepared and submitted by Vistra Operations Company LLC (Vistra OpCo / operator) pursuant to 10CFR50.75(f) and 10CFR72.30(c). Comanche Peak Power Company LLC (CP PowerCo / owner) is an unregulated utility and therefore does not meet the definition of an electric utility as defined by 10CFR50.2. The recovery of decommissioning funds for the eventual decommissioning of CPNPP Units 1 and 2 is assured through the collection of a non-bypassable charge which is subsequently contributed to an external trust.

The applicable sections of the citation (e.g., an Order by the rate-regulatory authority) by the regulatory authority that allows for the collection of non-bypassable charges established for the collection of decommissioning funds estimated to be required under 10 CFR 50.75(b) and (c) is provided below.

The distribution utility will collect from customers and the generation company will contribute all funds collected to the decommissioning trust fund:

- Enclosure to TXX-17035 (Reference 1), Public Utility Commission of Texas (PUCT) Order dated November 6, 2015, page 3 of 7, paragraph #9.

ADD1
NM5526
NRR
NM55

The annual collection rate for each unit:

- Enclosure to TXX-17035, Annual Projected Funding Requirement, 2015 Funding Analysis, Exhibit 8RF-4, Page 5 of 5.
- Enclosure to TXX-17035, PUCT Order dated November 6, 2015, Page 6 of 7, paragraph #2 of Section IV.

Also, pursuant to the requirements of 10 CFR 72.30(c), Vistra OpCo is submitting the 2019 Decommissioning Funding Status Report for Comanche Peak Nuclear Power Plant (CPNPP) Independent Spent Fuel Storage Installation, Docket No. 72-74 (CPNPP ISFSI). Attachment 2 to this letter contains the information required by 10 CFR 72.30(b).

The amounts to be collected for CPNPP decommissioning are based on a site specific decommissioning study that includes direct waste disposal. In addition, the radiological cost component breakdown of the 2014 Site Specific cost is included in the 2015 Financial Assurance filing (Enclosure to TXX-17035, Luminant Filing dated June 15, 2015, document L11-1703-001, Rev. 0, Page xx of xxi).

When projected to the license expiration date for each unit using the 2 percent annual real rate of return as allowed per 10CFR50.75(e)(ii), the projected Nuclear Decommissioning Trust balance is greater than the escalated NRC minimum cost of decommissioning for Units 1 and 2.

Should you have any questions, please contact Carl B. Corbin at (254) 897-0121.

Sincerely,



Thomas P. McCool

Attachment 1 2019 Decommissioning Funding Status Report for Comanche Peak Nuclear Power Plant Units 1 and 2

Attachment 2 2019 Decommissioning Funding Status Report for Comanche Peak Nuclear Power Plant Units 1 and 2 Independent Spent Fuel Storage Installation

c - Scott A. Morris, Region IV
Margaret Watford O'Banion, NRR
Resident Inspectors, Comanche Peak

NRC Decommissioning Funding Status Report for Financial Assurance at December 31, 2018

Luminant Generation Company LLC Comanche Peak Nuclear Power Plant (CPNPP)

<u>Information is submitted to provide Financial Assurance</u>	<u>Unit # 1</u>	<u>Unit # 2</u>
1. The minimum amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75 (b) and (c).		
At December 31, 2018		
Using NRC 10 CFR 50.75(c) formulas (Note 1)	\$ 407.9 million	\$ 407.9 million
Site-specific study (Note 2)	\$ 825.3 million	\$ 896.6 million
2. The amount accumulated at the end of the calendar year preceding the date of the report for items included in 10 CFR 50.75 (b) and (c). Investment categories per Regulatory Guide 1.159 2.6.2. (Note 3)		
Cash	1%	1%
U.S. Equities	62%	62%
U.S. Fixed Income	37%	37%
	100%	100%
Market Value at December 31, 2018	\$ 552.8 million	\$ 616.9 million
3. A schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75 (b) and (c).	<u>Unit # 1</u>	<u>Unit # 2</u>
Years 2019 through 2029 (11 years)	11.9 million	8.2 million
Year 2030	3.0 million	8.2 million
Year 2031		8.2 million
Year 2032		8.2 million
Year 2033		2.0 million
Totals	\$ 133.8 million	\$ 116.7 million
4. The assumptions used regarding escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections.	<u>Unit # 1</u>	<u>Unit # 2</u>
Estimated Escalation rate for decommissioning costs (Note 4)	2.4810%	2.4730%
Estimated Earnings rates on decommissioning funds (Note 5)		
2019 through 2029	4.46%	4.46%
2030 through 2075	3.58%	3.58%
2076 and thereafter	2.61%	2.61%
Rates of other factors used in funding projections	None	None
5. Any power sale contracts upon which licensee is relying to certifying financial assurance.	None	None
6. Modifications to licensee's method of providing financial assurance since previous report.	None	None
7. Material changes to trust agreement.	None	None

NOTE: All forecast data are based on the Decommissioning Cost Study and Funding Analysis filed with the Public Utility Commission of Texas on June 16, 2015 and is subject to approval by the Commission.

Note 1 Labor (South) and Energy are based on BLS (Lx=2.624, Ex=2.365) as of December 2018. Burial inflation factors are based on NUREG 1307, "Report on Waste Burial Charges," Revision 17 (Bx=8.508).

Note 2 The Site Specific Decommissioning Cost estimates for unit 1 and 2, with a 10% contingency adjustment, are provided in the Enclosure to the referenced letter, pages 228-231. See the Financial Escalation Analysis Document L11-1703-002, Rev. 0, Page 12 through 15 of 29.

Note 3 The after-tax amount of funds accumulated through December 31, 2018 is provided below.

	Tax Basis	Market Value	After Tax
Unit 1	\$337,792,776.00	\$552,823,824.00	\$509,817,614.40
Unit 2	\$386,325,326.00	\$616,877,229.00	\$570,766,848.40
Total	\$724,118,102.00	\$1,169,701,053.00	\$1,080,584,462.80

Note: Calculation of after tax balance assumes 20% tax rate.

Note 4 The rate of escalation in decommissioning costs for Unit 1 and 2 are provided in the Enclosure to the referenced letter, page 223. See the Financial Escalation Analysis Document L11-1703-002, Rev. 0, Page 7 of 29.

Note 5 The rate of earnings on decommissioning funds is provided in the Enclosure to the referenced letter, page 275. See the Direct Testimony of Robert Frenzel, Witness for Luminant Generation Company, 2015 Nuclear Decommissioning Study, Exhibit RF-4, pages 1-4 of 5. The Net Expected Investment Returns Allocation Factor in this schedule represents the weighted average allocations during the referenced Period as established in the June 16, 2015 filing.

2019 Decommissioning Funding Status Report for Comanche Peak Nuclear Power Plant Units 1 and 2 Independent Spent Fuel Storage Installation

Pursuant to 10 CFR 72.30(c), each licensee for an Independent Spent Fuel Storage Installation (ISFSI), including an ISFSI licensed under the General License provided for in 10 CFR Part 72, Subpart K, is required, at intervals not to exceed 3 years, to resubmit a decommissioning funding plan with adjustments as necessary to account for changes in costs and the extent of contamination, as well as information regarding the financial assurance provided for funding such costs. Vistra Operations Company LLC (Vistra OpCo) provides the following information regarding the Comanche Peak Nuclear Power Plant (CPNPP) Units 1 and 2 Independent Spent Fuel Storage Installation, Docket No. 72-74 (CPNPP ISFSI):

1. Information on how reasonable assurance will be provided that funds will be available to decommission the ISFSI:

See response to number 4 below, which discusses the appropriate method of financial assurance contemplated under 10 CFR 72.30(e).

2. A detailed cost estimate (DCE) for decommissioning:

In a reported dated June 2015, TLG Services, Inc. (TLG) (Enclosure to TXX-17035 (ADAMS NO. ML17094A247) prepared a site specific Decommissioning Cost Study (with an adequate contingency factor) for the Comanche Peak Nuclear Power Plant (CPNPP) that included the costs of decommissioning the ISFSI. The TLG Report determined the total cost of decommissioning the CPNPP ISFSI (without contingency, Enclosure to letter TXX-17035, document L11-1703-002, Rev.0, Appendix E, page 2 of 2, Table E, "Comanche Peak Nuclear Power Plant ISFSI Decommissioning Cost Estimate") to be:

	2014 Dollars (million)	Escalation Factor (%) (from TLG Report)	2018 Dollars (million)
Unit 1	3.6	2.481	3.97
Unit 2	3.6	2.473	3.97
Total			7.9

This cost estimate includes the cost of an independent contractor to perform all decommissioning activities and the cost of meeting the 10 CFR 20.1402 criteria for unrestricted release.

Below is the effect of the following on the detailed cost estimate since the previous report.

Spills of radioactive material producing additional residual radioactivity in onsite subsurface material	None
Facility modifications	None*
Changes in authorized possession limits	None
Actual remediation costs that exceed the previous cost estimate	None

**2019 Decommissioning Funding Status Report for
Comanche Peak Nuclear Power Plant Units 1 and 2
Independent Spent Fuel Storage Installation**

*Enclosure to TXX-17035 (ADAMS No. ML17094A247), Document L11-1703-002, Rev. 0, dated May 2015, page viii of xii) states in part, "The only substantive changes made to the plant inventory from the 2010 analysis (that would impact decommissioning) were the addition of the Flex storage building and RP building." A stator assembly building has been added since Document L11-1703-002 was issued in May 2015. These changes (addition of FLEX storage, stator assembly, and RP buildings) are within the scope of the analysis under 10 CFR 50.75 (Attachment 1 to TXX-19032).

3. Identification of and justification for using the key assumptions contained in the decommissioning cost estimate:

The assumptions used in the development of the decommissioning cost estimate and their justification can be found in the TLG Report.

4. A description of the method of assuring funds for decommissioning from 10 CFR 72.30(e), including means of adjusting cost estimates and associated funding levels periodically over the life of the facility:

Vistra OpCo is using the external sinking fund method as authorized in 10 CFR 72.30(e)(5) and 50.75(e)(1)(ii). Vistra OpCo recovers its costs for decommissioning through cost of service ratemaking, including the estimated costs to decommission the CPNPP ISFSI, which are included in the TLG Report. Pursuant to Substantive Rule 25.303(f)(2) of the Public Utility Commission of Texas (PUCT), the TLG Report is updated, and the required annual funding amount necessary to decommission CPNPP is adjusted under the jurisdiction of the PUCT.

In the event that funds remaining to be placed into the Vistra OpCo's external sinking funds are no longer approved for recovery in rates by competent rate making authorities, Vistra OpCo will make changes to provide financial assurance using one or more of the methods stated in 10 CFR 72.30(e)(1)-(4).

5. The volume of onsite subsurface material containing residual radioactivity that will require remediation to meet the criteria for license termination:

There has been no event at the ISFSI facility to lead us to believe there is subsurface contamination. Therefore, Vistra OpCo assumes that there is no volume of onsite subsurface material containing residual radioactivity that will require remediation to meet the criteria for license termination.

6. A certification that financial assurance for decommission has been provided in the amount of the cost estimate for decommissioning:

The submission of this report serves as certification that financial assurance has been provided in the amount of the cost estimate for decommissioning.

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