

REQUEST FOR ADDITIONAL INFORMATION
RELATED TO THE
NORTHSTAR VERMONT YANKEE, LLC
NORTHSTAR NUCLEAR DECOMMISSIONING COMPANY, LLC
STATUS OF DECOMMISSIONING AND SPENT FUEL MANAGEMENT FUNDING
FOR THE
VERMONT YANKEE NUCLEAR POWER STATION

By letters dated March 28, 2019 (Agencywide Documents Access and Management System [ADAMS] Accession No. ML19087A318 and ML19087A276), Entergy Nuclear Operations, Inc. (ENOI) submitted for U.S. Nuclear Regulatory Commission (NRC) review their reports on the status of decommissioning funding and funding for managing irradiated fuel for the Vermont Yankee Nuclear Power Station (VY). The NRC staff has reviewed the reports and determined that additional information from NorthStar Vermont Yankee, LLC (NorthStar VY) and Nuclear Decommissioning Company, LLC (NorthStar NDC) is necessary in order to complete its review.

Regulatory Basis for Request

Title 10 of the *Code of Federal Regulations* (10 CFR) 50.82(a)(8) states, in relevant part:

(v) After submitting its site-specific DCE required by paragraph (a)(4)(i) of this section, and until the licensee has completed its final radiation survey and demonstrated that residual radioactivity has been reduced to a level that permits termination of its license, the licensee must annually submit to the NRC, by March 31, a financial assurance status report. The report must include the following information, current through the end of the previous calendar year:

(A) The amount spent on decommissioning, both cumulative and over the previous calendar year, the remaining balance of any decommissioning funds, and the amount provided by other financial assurance methods being relied upon;

(B) An estimate of the costs to complete decommissioning, reflecting any difference between actual and estimated costs for work performed during the year, and the decommissioning criteria upon which the estimate is based;

(C) Any modifications occurring to a licensee's current method of providing financial assurance since the last submitted report; and

(D) Any material changes to trust agreements or financial assurance contracts.

(vi) If the sum of the balance of any remaining decommissioning funds, plus earnings on such funds calculated at not greater than a 2 percent real rate of return, together with the

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amount provided by other financial assurance methods being relied upon, does not cover the estimated cost to complete the decommissioning, the financial assurance status report must include additional financial assurance to cover the estimated cost of completion.

(vii) After submitting its site-specific DCE required by paragraph (a)(4)(i) of this section, the licensee must annually submit to the NRC, by March 31, a report on the status of its funding for managing irradiated fuel. The report must include the following information, current through the end of the previous calendar year:

(A) The amount of funds accumulated to cover the cost of managing the irradiated fuel;

(B) The projected cost of managing irradiated fuel until title to the fuel and possession of the fuel is transferred to the Secretary of Energy; and

(C) If the funds accumulated do not cover the projected cost, a plan to obtain additional funds to cover the cost.

Request for Additional Information

In its decommissioning financial assurance (DFA) and spent fuel management (SFM) reports, ENOI, the previous licensee of VY, stated:

“In January 2019, Entergy Nuclear Vermont Yankee, LLC was acquired by NorthStar Nuclear Decommissioning Company, LLC, and after the acquisition, Entergy Nuclear Operations, Inc. (ENOI) was no longer the Licensee for Vermont Yankee. ENOI is submitting this report pertaining to Vermont Yankee because as of December 31, 2018, ENOI was the Licensee for the plant. Following the acquisition, ENOI is no longer responsible for Vermont Yankee decommissioning plans.”

On October 11, 2018, the NRC issued an order approving the transfer of the VY license to NorthStar NDC and NorthStar VY (ADAMS Accession No. ML18242A638). While ENOI was the licensee as of December 31, 2018, NorthStar VY and NorthStar NDC became the licensees on January 11, 2019, prior to the March 31, 2019 reporting date. The reports submitted by ENOI do not reflect the costs or funding associated with the NorthStar accelerated decommissioning plan and schedule as approved by NRC in October 2018. Rather, the reports reflect costs and funding associated with the SAFSTOR methodology, the strategy chosen by ENOI prior to the transfer of the ownership and control of the VY license to NorthStar VY and NorthStar NDC, and their parent companies.

In accordance with NRC regulations in 10 CFR 50.82(a)(8)(v) - (vii), all licensees in decommissioning, including NorthStar VY and NorthStar NDC (as holders of the VY license), are required to submit annual reports reflecting the status of decommissioning funding and spent fuel management. The NRC staff reviews these annual reports to determine whether licensees continue to provide sufficient funding to complete decommissioning and terminate the license, and to manage spent fuel until the Department of Energy takes title and possession of the fuel for long-term storage.

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Provide revised decommissioning financial assurance and spent fuel management reports in accordance with 10 CFR 50.82(a)(8)(v)(B)-(D) and 10 CFR 50.82(a)(8)(vi)-(vii), reflecting costs and funding associated with NorthStar's accelerated decommissioning plan and schedule, as approved by the NRC in its October 2018 license transfer order.