
Standard Review Plan on Power Reactor Licensee Financial Qualifications and Decommissioning Funding Assurance

Draft Report for Comment

U.S. Nuclear Regulatory Commission

Office of Nuclear Reactor Regulation

R. S. Wood



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Abstract

The NRC is issuing this draft this Standard Review Plan (SRP) to describe the process it uses to review the financial qualifications and methods of providing decommissioning funding assurance required of power reactor licensees. A separate SRP is being issued for the NRC's antitrust review responsibilities. This draft SRP will be used as the basis for reviews as the electric utility industry moves from an environment of rate regulation toward greater competition. This draft SRP reflects current regulations and policy, and will be updated to reflect changes to the regulations resulting from responses to the Advanced Notice of Proposed Rulemaking and the Draft Policy Statement, or any future initiatives. The NRC is concerned that rate deregulation and disaggregation resulting from various restructuring actions involving power reactor licensees could have adverse effects on the protection of public health and safety.

Contents

	Page
ABSTRACT	iii
REVIEW RESPONSIBILITIES	1
I. AREAS OF REVIEW	1
II. ACCEPTANCE CRITERIA	1
1. Financial Qualifications	1
2. Decommissioning Funding Assurance	1
3. Foreign Ownership	2
III. REVIEW PROCEDURES	2
1. Financial Qualifications	2
2. Decommissioning Funding Assurance	5
IV. EVALUATION FINDINGS	10
V. IMPLEMENTATION	10
VI. REFERENCES	11

REVIEW RESPONSIBILITIES

Primary – Generic Issues and Environmental Projects Branch (PGEB)

Secondary – None

I. AREAS OF REVIEW

The NRC is issuing this draft Standard Review Plan (SRP) to describe the process it uses to review the financial qualifications and methods of providing decommissioning funding assurance required of power reactor licensees. A separate SRP is being issued for the NRC's antitrust review responsibilities. This draft SRP will be used as the basis for reviews as the electric utility industry moves from an environment of rate regulation toward greater competition. This draft SRP reflects current regulations and policy, and will be updated to reflect changes to the regulations resulting from responses to the Advanced Notice of Proposed Rulemaking and the Draft Policy Statement, or any future initiatives. The NRC is concerned that rate deregulation and disaggregation resulting from various restructuring actions involving power reactor licensees could have adverse effects on the protection of public health and safety.

II. ACCEPTANCE CRITERIA

1. Financial Qualifications

Section 182.a. of the Atomic Energy Act of 1954, as amended, (AEA) provides that "Each application for a license... shall specifically state such information as the Commission, by rule or regulation, may determine to be necessary to decide such of the technical and financial qualifications of the applicant ... as the Commission may deem appropriate for the license." The NRC's regulations governing financial qualifications reviews of applications for licenses to construct or operate nuclear power plants are in Section 50.33(f) of Title 10 of the *Code of Federal Regulations*. Guidance for Construction Permit (CP) financial qualifications reviews is provided in Appendix C to 10 CFR Part 50. Transfers of licenses are governed by 10 CFR 50.80. Name change requests are governed by 10 CFR 50.90, which contains general procedures for license amendments.

2. Decommissioning Funding Assurance

Decommissioning funding assurance for nuclear power plants is governed by 10 CFR 50.33(k), 50.75, and 50.82 in a three-stage process. First, as required in section 50.33(k), on or before July 26, 1990, licensees were required to submit a report, including a certification, on how financial assurance for decommissioning would be provided. Second licensees are required to update annually the amount of decommissioning funding assurance required under the formulas in section 50.75(c), although they are not required to file this adjustment with the NRC. Pursuant to section 50.75(a), licensees are required to adjust collections from ratepayers in coordination with the appropriate public utility commissions (PUCs) or the Federal Energy Regulatory Commission (FERC). Third, in accordance with section 50.75(f), 5 years before permanent cessation of operations, a licensee must submit a preliminary decommissioning cost estimate that includes a funding plan that would make up any additional decommissioning funds needed over the last 5 years of operation, so that at the time of permanent cessation of operations, all funds estimated to be needed for decommissioning would be available. By

the time of submission of the post-shutdown decommissioning activities report (PSDAR) required in section 50.82, licensees should be fully funded, although final funding plans and adjustments to them during any safe storage period are subject to NRC audit. For those licensees that shut down their power plants prematurely (that is, before the scheduled end of their operating license term), section 50.82 provides that the schedule for collecting any balance of funds estimated to be needed for decommissioning will be determined on a case-by-case basis.

3. Foreign Ownership

License applications for new facilities or for transfers of ownership of existing facilities may include requests by foreign entities to own all or part of a reactor facility. In general, Section 103d of the AEA, prohibits foreign ownership, domination, or control of a license applicant.¹

III. REVIEW PROCEDURES

The reviewer selects and emphasizes material from the review procedures described in this section of the SRP as may be appropriate for a particular case.

1. Financial Qualifications

a. Construction Permit Reviews

The NRC does not currently have any CP applications for review. All reviews for any new CP applications will be performed under the following procedures. Section 50.33(f)(1) requires CP applicants to submit information that "demonstrates that the applicant possesses or has reasonable assurance of obtaining the funds necessary to cover estimated construction costs and related fuel cycle costs." Appendix C to 10 CFR Part 50 provides more specific directions for evaluating the financial qualifications of CP applicants. Applicants should provide at least 3 types of information: (1) an estimate of construction costs, including plant costs ascribable to the nuclear plant itself; general and overhead plant costs, including transmission and distribution costs ascribable to the plant; and nuclear fuel cost for the first core load; (2) the source(s) of construction funds, including a financial plan describing internal and external sources of funds; and (3) the latest published annual financial reports, together with any current interim financial statements that are pertinent, including income, balance sheet, and cash flow statements.

In addition to this information, section 50.33(f)(3) and Appendix C to 10 CFR Part 50 require newly established organizations to provide information showing (1) the legal and financial relationships they have or propose to have with their stockholders, corporate affiliates, and others (such as financial institutions) upon which they are relying for financial assistance; and, if the sources of funds upon which applicants intend to rely include parent companies or other

¹The NRC regulation that implements this prohibition in the Atomic Energy Act is 10 CFR 50.38, which states:

Any person who is a citizen, national, or agent of a foreign country, or any corporation, or other entity which the Commission knows or has reason to believe is owned, controlled or dominated by an alien, a foreign corporation, or a foreign government, shall be ineligible to apply for and obtain a license.

corporate affiliates, applicants should include information to support the financial capability of each such company or affiliate to meet its commitments to the applicants; (2) their financial ability to meet any contractual obligations to the entity which they have incurred or propose to incur; (3) any other information considered necessary by the Commission to enable it to determine applicants' financial qualifications; and (4) applicants' statements of assets, liabilities, and capital structure as of the date of the application

The NRC believes that this framework is sufficient to provide reasonable assurance of the financial qualifications of both electric utility and non-electric-utility applicants under the various ownership arrangements currently contemplated. These ownership arrangements include (1) holding companies, (2) operating, generating, or service company subsidiaries, (3) merged companies, (4) independent power producers (IPPs), (5) exempt wholesale generators, and (6) "hybrid" companies with characteristics of various combinations of these organizations. If entities using unanticipated ownership arrangements apply for new CPs, the NRC has sufficiently broad authority under section 50.33(f) either to require adequate information to assure itself that the applicant has demonstrated reasonable assurance of obtaining adequate funds for the safe construction of the facility or to deny issuance of a CP.

b. Operating License Reviews

"Electric utilities" as defined in 10 CFR 50.2 are exempt under 10 CFR 50.33(f) from financial qualification reviews for OL applications. OL applicants that are not "electric utilities" are required *under section 50.33(f)(2) to submit information that demonstrates that they possess or have reasonable assurance of obtaining the funds necessary to cover estimated operating costs for the period of the license. Non-electric utility OL applicants are required to submit estimates for total annual operating costs for each of the first 5 years of operation of their facilities, and must also indicate the source(s) of funds to cover operating costs. In its reviews, the staff would evaluate the projected cost of producing electricity from the plant compared to projections of demand and likely market-set prices. If applicable, the NRC would also use information from *Moody's*, *Standard and Poors*, and *Value Line* or other widely accepted rating organizations to assist in its reviews. If a license applicant has an "investment-grade" rating or equivalent from at least two of these sources, and has demonstrated that it has met the electricity supply and demand test described above, the NRC would find such applicants financially qualified. OL applicants that remain "electric utilities" will not be subject to further NRC financial qualifications review, other than to determine that they, in fact, remain "electric utilities" and all of their owners, including parent companies, have been identified. On the basis of the information submitted for OL applications, the staff issues findings as to the financial qualifications of its license applicants.

c. Combined License Applications

As authorized in 10 CFR Part 52, applicants may apply for a combined CP and OL license. In accordance with section 52.77, all such applications must contain all of the information required under section 50.33, including information regarding financial qualifications. The review procedures as described in Sections III.1.a. and b. will be used to review any combined applications that the NRC receives.

d. Post-OL Non-transfer Reviews

The NRC does not systematically review its power reactor licensees once it has issued an OL, other than for transfers discussed in Section III.1.e. However, section 50.33(f)(4) states: "The Commission may request an established entity or newly-formed entity to submit additional or more detailed information respecting its financial arrangements and status of funds if the Commission considers this information appropriate. This may include information regarding a licensee's ability to continue the conduct of the activities authorized by the license and to decommission the facility." The NRC has used this provision only in limited situations, but does conduct general follow-up reviews of all licensees by screening trade and financial press reports of licensees' financial health. This information has been used, and will be used, to determine when additional NRC action is warranted, including requests for additional information and the assignment of additional inspection resources to monitor the adequacy of plant safety performance.

e. Reviews of Transfers of Licenses

NRC regulations in 10 CFR 50.80 require Commission review and approval of transfers of operating licenses, including licenses for nuclear power plants owned or operated by "electric utilities."² In addition, some licensees apply for license amendments under section 50.90 when a licensee changes its name without a transfer of control taking place. These reviews are performed to determine whether a proposed transferee is qualified to hold the license. To date, the NRC has evaluated transfers involving mergers, formation of holding companies, and outright sales of facilities, or portions of facilities to other parties. The NRC evaluates the financial qualifications associated with these transfers by (1) determining whether the licensee will remain an "electric utility" following the transfer, (2) reviewing the recent financial performance of the proposed transferee, or, if the proposed transferee is a new entity such as an operating, generating, or service company subsidiary, evaluating the participation agreement with its owners or other responsible party, and (3) identifying all parent companies that are not licensed by the NRC or did not undergo an NRC section 50.80 review.

The NRC has been treating all applications for changes of ownership, mergers, formation of holding companies, and other restructuring proposals that go beyond simple corporate name changes as transfers of licenses, directly or indirectly, through transfer of control of the license, subject to section 50.80 review, and not merely a section 50.90 license amendment review. Approval of such changes will be accomplished by order and accompanied by an appropriate license amendment. In addition, the NRC intends to review transfers for their potential impact on the licensee not only to determine the adequacy of funds for safe operation and decommissioning, but to ensure that the licensee maintains adequate technical qualifications and organizational control and authority over the facility. Effective December 28, 1995, all orders approving section 50.80 transfers have been signed by the Director, Office of Nuclear Reactor Regulation (NRR). Additionally, the Director, NRR, will consult with the Commission on all applications for transfers of licenses that represent new or unusual organizational structures.

²Section 50.80(a) reads, "No License for a production or utilization facility, or any right thereunder, shall be transferred, assigned, or in any manner disposed of, either voluntarily, directly or indirectly, through transfer or control of the license to any person, unless the Commission shall give its consent in writing."

For mergers and restructuring actions involving the formation of holding companies, the NRC determines whether the surviving licensed owner or operator will remain an "electric utility" as defined in section 50.2. Because of the concern that the establishment of a holding (parent) company over a licensee could eventually result in the parent depleting assets from the licensee to such an extent that the ability to fund safe operations and decommissioning could be affected, the NRC has sought commitments from the licensee to inform the NRC before significant assets are transferred from the licensee to its parent or related company. When co-owners have requested approval of sales of their interests in power reactors, the NRC has reviewed the financial qualifications of each buyer to own or operate its proposed percentage share of the facility by following the same procedure as described for mergers in section III.1.e. of this SRP.

The NRC also reviews financial qualifications on the basis of current financial data based on current information from the financial ratings services such as *Moody's* and *Value Line*. To date, the NRC has not found any proposed mergers in which the surviving licensee would not remain an "electric utility" or that would present unacceptable financial risks (i.e., whose bonds are not rated investment-grade and whose retained earnings are insufficient to cover the estimated cost of decommissioning). The NRC publishes the results of such an evaluation in a Safety Evaluation Report (SER), and issues an order, with a license amendment where deemed appropriate. These actions are noticed in the *Federal Register*.

NRC regulations in 10 CFR 50.81 govern the relationships that licensees may have with their creditors, including trustees under any mortgage, pledge, or lien and court-appointed trustees under bankruptcy proceedings. This section permits the creation of such creditor relationships, provided that creditors do not take possession of the facility and are subject to the same restrictions under NRC regulations and the AEA as the licensee. The NRC has typically not reviewed creditor relationships other than sale-leaseback³ transactions. See *Arizona Public Service Co.* (Palo Verde Nuclear Generating Station, Unit 1), CLI-85-17, 22 NRC 875 (1985)

2. Decommissioning Funding Assurance

a. Verifying the Initial Certification Amount

A licensee's calculations of both the basic certification formula amount and the annual escalation amount are subject to NRC inspection to verify their correctness.

- (1) Power reactor licensees were required to certify by July 27, 1990, that they would have adequate funds to decommission each unit by the time they plan to shut the unit down. Pursuant to section 50.33(k), a new applicant for an OL is required to submit information in the form of a report indicating how reasonable assurance of decommissioning will be provided. This certification is required to be based on the applicable formulas contained in sections 50.75(c)(1) and (2).

³ Sale-leaseback transactions typically involve the licensed owner of a nuclear power plant selling all or a portion of its share of the plant to an investor, who then leases back that portion of the facility to the licensee. The licensee continues to "possess" and/or operate the plant and is responsible for safe operation and decommissioning under the terms of the NRC license.

(a) Section 50.75(c)(1) contains two formulas to determine the certification amounts *in 1986 dollars* for pressurized water reactors (PWRs) and boiling water reactors (BWRs). The formulas include scaling factors to account for size differences in reactors. The decommissioning cost ranges in 1986 dollars are from \$85.6 million to \$105 million for PWRs and from \$114.8 million to \$135 million for BWRs.

(b) Section 50.75(c)(2) contains a formula to determine the annual change (inflation or escalation, although deflation is also possible) in the three primary decommissioning cost components— labor, energy, and low-level waste (LLW) burial charges.

- The 1990 certifications should have included escalation calculations from 1986 dollars to 1989 or 1990 dollars.
 - Licensees are required to recalculate the formula amounts annually to account for inflation in the three decommissioning cost factors during the previous year. Calculations are to be based on data from the U.S. Bureau of Labor Statistics and NUREG-1307 as specified in section 50.75(c)(2). ("Electric utility" licensees do not need to change their collection amounts every year but only periodically, in concert with the rate cycles set by their PUCs. Non-electric utilities are required to adjust their funding amounts annually to reflect changes in formula amounts.)
- (2) A licensee's calculations of both the basic certification formula amount and the escalation amount from 1986 to the current year are subject to NRC inspection for verification and completeness. Although data may be over a year out-of-date, the licensee is required to have performed an escalation calculation sometime in the previous year.
- Because escalation in the three decommissioning cost factors, labor, energy, and LLW disposal, are given regionally in the reference documents, the NRC may check a licensee's methodology and sources in making the calculations.
 - Licensees may use information from several tables of regional data in the U.S. Department of Labor, Bureau of Labor Statistics cited in section 50.75(c). Such information is subject to NRC inspection to confirm that the choice of data is reasonable. That is, site-specific data should not vary substantially from generic cost data without demonstrable reason.
- (3) The NRC formulas in section 50.75(c) include only those decommissioning costs incurred by licensees to remove sufficient residual radioactivity from their sites to terminate their licenses and release their sites for unrestricted use. Thus, costs of dismantling or demolishing non-radiological systems and structures, for example, are not included in the NRC cost formulas. In addition, the costs of managing and storing spent fuel on site until transfer to the Department of Energy for permanent disposal are not included in NRC cost formulas. Therefore, the NRC will ensure that either—
- Such costs are not included in licensee formula calculations; or

- If such costs are included, they are separately identified and are in addition to NRC-defined decommissioning costs included in the formulas.

The NRC will review the submissions of non-electric utility licensees to determine that they are providing assurance as required by section 50.75(e) for such licensees, including reviews of those guarantee instruments that are required for assurance of funds not yet accumulated.

b. Verifying Annual Amortization Amounts for External Sinking Funds

- (1) Once a licensee has established the decommissioning cost for each of its reactors in current-year dollars, it must demonstrate to the NRC that it will have this amount by the time it plans to shut down by using one of the financial assurance mechanisms allowed in section 50.75(e). Virtually all power reactor licensees have chosen to use an external sinking fund. This assurance method requires a licensee to pay at least annually into an external trust fund held by a third party, usually a bank licensed by a State to act as a trustee. The trustee will invest a licensee's deposits to earn interest and dividends to increase the value of the fund. If a licensee permanently shuts down its reactor at the expected end of the reactor's operating life, it should have sufficient funds to complete decommissioning, either by immediate dismantlement or by storage over some period followed by deferred dismantlement. If, on the other hand, a licensee permanently shuts down its reactor prematurely, it will need to accumulate any shortfall in decommissioning funds. As provided in section 50.82(c), the collection period for making up any shortfall will be determined on a case-by-case basis.
- (2) In the 1988 decommissioning rule, the NRC deferred to the ratemaking authority of the PUCs and FERC to set annual rates for decommissioning. Thus, "electric utility" licensees may collect more or less than a prorated amount each year. As long as the projected final amount at the end of facility operating life at least equals projected cost, such a licensee would be in compliance with NRC requirements. For non-electric utilities, the NRC will require licensees to make equal annual contributions into an external sinking fund over a reactor's remaining operating license term. When the NRC evaluates licensees' amortization schedules, it will use the following benchmarks:
 - (a) Some licensees will base their amortization schedules on the certification amount adjusted to current-year dollars. At its simplest, licensees should have an annual amortization amount that equals the adjusted certification amount divided by the remaining years of projected plant operation. This amount will change as the certification amount is continually readjusted to account for inflation and trust fund earnings and as the remaining operating life decreases.
 - (b) Other licensees will project decommissioning costs out to the planned time of permanent shutdown by inflating costs at some predetermined inflation rate. They will most likely also discount the fund by the expected earnings rate on the fund. On the basis of these calculations, licensees will be able to calculate an annual amortization amount that, coupled with projected earnings, will equal the inflated certification amount.

- Although projected inflation rates may be expected to vary, they should be in the 2 percent to 5 percent range based on recent economic experience. Some licensees may use higher rates for LLW disposal costs.
- Projected earnings rates on funds may also vary. Depending on the types of investments made, projected earnings may range from 4 percent to 10 percent based on recent economic experience. The spread between inflation and earnings (typically referred to as the real, or inflation-adjusted, interest rate) should not exceed percent. For conservative investments such as U.S. Treasury bonds and other similar-risk investments, this spread should be no more than 2 percent.

(c) The decommissioning rule is structured to allow for changes in amortization rates over time. Thus, it is not essential that a licensee achieve prorated annual amortizations as long as the licensee periodically adjusts the amortization rate to compensate for changes in the certification amount and the fund earnings rate.

- Licensees' adjustments to the amortization rate do not need to be made annually, but should be coordinated with licensees' rate case schedules with their PUCs. Rate cases are typically on a three-year cycle, but the licensee should document decommissioning rate filings and their underlying assumptions. Although the NRC defers to PUCs and FERC to establish rate recovery for decommissioning, the licensee and its owners are ultimately responsible for decommissioning regardless of its rate regulator's decision. For those licensees that are owned by a municipality or State, and thus set their own rates, changes in amortization schedules should be consistent with overall rate setting schedules.
- Some licensees are part owners of power reactors. In this case, the NRC will evaluate separately each licensee's amortization schedule for its share of the facility, unless the lead licensee has agreed to coordinate funding documentation for all co-owners.

c. Evaluating Investments in External Trust Funds

- (1) As with other rate-making issues, the NRC defers to State PUCs and FERC to set standards in this area for "electric utilities." For non-electric utility licensees, the NRC has specified in Regulatory Guide 1.159 that external decommissioning trust fund investments should be "investment-grade."⁴

(a) For example, this means that corporate or municipal bonds or preferred stocks should be rated at least "BBB" by *Moody's* or an equivalent rating by another bond rating agency. (Standard and Poors, Duff and Phelps, and Fitch are examples of other major rating agencies.)

(b) Common stocks are not rated. Although the NRC does not explicitly prohibit external trusts from being invested in common stocks, NRC guidance indicates that speculative

⁴Regulatory Guide 1.159, "Assuring the Availability of Funds for Decommissioning Nuclear Reactors," August 1990.

issues (i.e., below investment grade) should be avoided. There is no simple way to determine whether a stock issue is speculative.

(c) As long as an external trust is invested in a diversified portfolio of bonds, stocks, and other investments, losses on any one issue should not significantly affect the overall value of the trust fund. Further, because external trust funds are required to be adjusted periodically, losses in one year may be recouped by increased amortizations in following years. When the NRC checks the amortization amounts, it will ensure that licensees are revising their amortization rates based on the current net market value of their trust investment portfolios.

- (2) The procedure for checking on investments is simplified when a licensee's PUC or FERC is monitoring or has approved its decommissioning trust investments. Although the NRC defers to the rate regulators' decisions on trust investments, licensees should document their rate regulators' decisions and have them available at a licensee location for NRC inspection. Non-electric utility licensees are subject to NRC oversight with respect to trust fund investments.

d. Evaluating External Sinking Fund Trust Documents

- (1) Power reactor licensees were required to submit executed or conformed copies of their external sinking fund trusts (or other assurance mechanisms, if used) by July 27, 1990. Essentially, all power reactor licensees are using external sinking fund trusts. These trusts were reviewed by the NRC shortly after submission in 1990. The NRC notified those few licensees whose trust provisions were found to be deficient. In accordance with 10 CFR 50.9 and Regulatory Guide 1.159, Section 2.1.6., licensees should submit any significant revisions to trust agreements, including changes in trustees, to ensure that NRC records are current. The NRC will follow review procedures for these changes similar to those it used for the 1990 submissions.
- (2) The NRC does not require licensees to use specific trust wording. However, sample wording is provided in Appendix B.3.1. of Regulatory Guide 1.159. Trusts are acceptable in this respect if they contain the following provisions:
 - (a) The trust should be segregated from the licensee's assets and outside the licensee's administrative control. The licensee should avoid day-to-day investment decisions.
 - (b) The trustee should be licensed to act as trustee by State or Federal authority.
 - (c) Disbursements from the trust should be restricted to decommissioning expenses or for transfer to another assurance mechanism acceptable under section 50.75(e). Licensees may make withdrawals from decommissioning trust funds as long as the purpose of such withdrawals meets the criteria specified in section 50.82(a)(8)(i). In addition, licensees are restricted at various stages of the decommissioning process by section 50.82(a)(8)(ii) to (iv) in the amounts of funds they may withdraw for decommissioning expenses until the NRC has terminated the license and released the licensee's site for unrestricted use. Licensees

also should not use decommissioning trust funds for "operational" expenses (e.g., waste disposal costs while a plant remains in operating status).

e. Evaluating Other Financial Assurance Mechanisms

- (1) If a power reactor licensee decides to switch from an external trust to some other assurance mechanism, the licensee should submit information on this new mechanism to the NRC in accordance with section 50.9 and Regulatory Guide 1.159, Section 2.6.1. Sample wording of other mechanisms is provided in Regulatory Guide 1.159.
- (2) Third-party guarantee mechanisms such as surety bonds or letters of credit should guarantee the total amount of currently estimated decommissioning costs. If these mechanisms are used in combination with other assurance mechanisms, the combined amount should at least equal current estimated decommissioning costs.

3. Foreign Ownership

As indicated in Section II.3. of this SRP, foreign ownership, control, or domination of a power reactor licensee is prohibited by the Atomic Energy Act and the NRC's regulations. Because the Commission has determined that all co-owners of reactor facilities are co-licensees, the staff believes that a foreign owned, controlled, or dominated entity may be prohibited by law from owning even a minority share of a power reactor. An entity, whether a majority or minority plant owner, that is partially owned, but not controlled or dominated, by a foreign entity may be able to apply for, and be granted, an NRC license. In all cases, the staff will evaluate the totality of the facts and circumstances against Commission precedent (e.g., *GE and Southwest Atomic Energy Assoc.*, 3 AEC 99 (1966)) in order to determine whether foreign ownership, control or domination exists. The staff is reviewing the levels of ownership that would be able to be considered *de minimis*. (The staff notes that it has not evaluated power reactor licensees to determine the degree to which foreign entities or individuals own their voting stock.)

IV. EVALUATION FINDINGS

The reviewer verifies that sufficient information has been provided to satisfy the requirements of this Standard Review Plan section and the underlying regulations, and concludes that his or her evaluation is sufficiently complete and adequate to support the conclusion to be included in the staff's safety evaluation report that the applicant (1) is financially qualified to conduct the activities under the license, (2) has satisfied the NRC's decommissioning funding assurance requirements, and (3) is not owned, controlled, or dominated by a foreign individual or entity.

V. IMPLEMENTATION

The following is intended to provide guidance to applicants and licensees regarding the NRC staff's plans for using this SRP.

Except in those cases in which the applicant proposes an acceptable alternative method for complying with specified portions of the NRC's regulations, the method described herein will be used by the staff in its evaluation of conformance with Commission regulations.

VI. REFERENCES

1. Part 50 "Domestic Licensing of Production and Utilization Facilities" of Title 10 of the *Code of Federal Regulations* (10 CFR Part 50)
 - 10 CFR 50.33(f)
 - 10 CFR 50.33(k)
 - 10 CFR 50.75
 - 10 CFR 50.82
 - 10 CFR Part 50, Appendix C
2. Part 30 "Rules of General Applicability to Domestic Licensing of Byproduct Material" of Title 10 of the *Code of Federal Regulations* (10 CFR Part 30)
 - 10 CFR Part 30, Appendices A and C

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