Explanation of Draft Regulatory Guidance DG-1229

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Date: August 20, 2009
Overview

• Regulatory history
  – Timing of adjustments to financial assurance
• Significant changes in RG 1.159
• Reasons for changes in RG 1.159
  – DG-1229
• Contact for comments
Regulatory History

• Regulations – 10 CFR 50.75
  – 1988 original issue
  – 1998 update for deregulation

• Regulatory Guidance RG 1.159
  – 1990
  – 2003 Revision 1
Regulatory History: Regulations

- 1988 original issue
  - “Utility” and “non-utility” licensees
  - Power reactors were all utilities
    - Minimum assurance amount specified
  - “Non-utility” meant research and test reactors
    - Minimum assurance amount specified
Regulatory History: Regulations (cont’d)

• 1998 update for deregulation
  – Deregulation changed meaning of “non-utility”
  – “Power” and “non-power” reactors
  – More assurance methods permitted
  – Earnings credit allowed
  – External sinking fund limitations
Regulatory History: Regulations (cont’d)

• 1998 update for deregulation (cont’d)
  – Rate-regulated power reactors
    • Cost recovery through cost-of-service rates or non-bypassable charges set by ratemaking regulation
  – Non-rate-regulated power reactors
    • No cost recovery through ratemaking regulation
Regulatory History: RG 1.159

• 1990
  – Timing of adjustments to financial assurance
    • Utilities: next rate case but no longer than 5 years
    • Non-utilities: unspecified
Regulatory History: RG 1.159 (cont’d)

• 2003
  – Timing of adjustments to financial assurance
    • Rate-regulated power reactors: 6 years
    • Non-rate-regulated power reactors: 2 years to coincide with biennial funding status report
Significant changes in RG 1.159

• 2009 (draft for comment)
  – Timing of adjustments to financial assurance
    • Rate-regulated power reactors: next rate case
    • Non-rate-regulated power reactors: annually by Dec. 31 of following year
  – Reference to cost estimation guidance
  – SAFSTOR earnings credit
    • Account for storage costs
Reasons for changes to RG 1.159

- Timing of adjustments to financial assurance
  - Rate-regulated power reactor: emphasize each rate case should address decommissioning costs
  - Non-rate-regulated power reactor: consistency with 50.75(b) which states, “the amount ... must be adjusted annually.”
Reasons for changes to RG 1.159 (cont’d)

• Reference to cost estimation guidance
  – Identify guidance issued since 2003

• SAFSTOR earnings credit
  – Reduce credit by the storage costs
### Summary History of RG 1.159

#### Timing of Adjustments for Power Reactors

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<thead>
<tr>
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<th>RG 1.159</th>
<th>RG 1.159, Rev.1</th>
<th>DG-1229</th>
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<tbody>
<tr>
<td>Utility</td>
<td>Non-utility</td>
<td>Rate-Regulated</td>
<td>Rate-Regulated</td>
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<tr>
<td>5 years</td>
<td>No non-utility power reactors held a license</td>
<td>6 years</td>
<td>2 years</td>
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*Note: RG 1.159, Rev.1 was updated to include all non-rate regulated reactors held a license.*
Contact for Comments

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- Mail
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- Written comments given at this meeting
- September 9, 2009 due date
Explanation of DG-1229

Questions

or

Comments