

June 18, 2013

The Honorable Edward J. Markey
United States House of Representatives
Washington, D.C. 20515

Dear Congressman Markey:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am responding to your letter of May 6, 2013, urging the Commission to make changes in the methodology and reporting process by which it determines licensee financial capability to meet future decommissioning needs.

The NRC's processes for the review of decommissioning funding provide reasonable assurance that funds will be available when needed. The NRC's formula for calculating the minimum funding necessary for decommissioning is only one input to the regulatory framework for funding assurance. The NRC's regulations also require annual adjustments to account for any changes in the estimates of decommissioning costs and accounting for site specific costs. The formula is intended to provide a reference level decommissioning funding amount for use by licensees as a planning tool early in a reactor plant's life. The NRC requires a plant-specific cost estimate at or about five years from permanent cessation of operation, such as license expiration. However, if a licensee chooses to terminate its license (such as the recent case with Kewaunee), it has up to two years following permanent cessation of operations to submit a plant-specific cost estimate.

In addition, the NRC monitors licensee performance and takes action to ensure that each licensee's funding assurance meets the requirements. Based on our experience, the regulatory system has been adequate to ensure that power reactor licensees obtain funds when needed for decommissioning. However, the NRC is re-evaluating the formula, which will also include a comparison of the minimum formula to the range of expected decommissioning costs.

Answers to the first seven of your specific inquiries are enclosed with this letter. We are still reviewing your request for sensitive documents related to the Office of Investigations' review of the Exelon decommissioning funding situation. We will provide a response once that process concludes.

- 2 -

If you need any additional information, please contact me or Rebecca Schmidt, Director of the Office of Congressional Affairs, at (301) 415-1776.

Sincerely,

/RA/

Allison M. Macfarlane

Enclosure:
As stated