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NRC REVISES RULES GOVERNING DECOMMISSIONING FUNDING
FOR PREMATURELY SHUTDOWN NUCLEAR POWER PLANTS

The Nuclear Regulatory Commission is amending its regulations governing the collection of funds to pay for the decommissioning of nuclear power plants that are shut down before the expected end of their operating lives. In the future, the NRC staff will evaluate decommissioning funding plans for those power reactors on case-by-case basis, taking into account the specific financial and safety situations at each plant.

The NRC's existing regulations allow utilities licensed to operate nuclear power plants the option of accumulating funds to pay for decommissioning over the operating life of their facilities.

The same regulations also provide that, for nuclear power plants that were permanently shut down prior to July 27, 1988, the Commission may approve modifications to the decommissioning plan, including provisions for assuring that adequate funding is available.

In addition, they require utilities that permanently shut down their nuclear power facilities after July 27, 1988, to make application to terminate the license, accompanied by or preceded by a proposed decommissioning plan, within two years following permanent cessation of operations and, in no case, later than one year prior to expiration of the operating license.

The Commission's existing regulations further reflect its objective that, at the time of permanent end of operations, sufficient funds are available to decommission the facility in a manner which protects the public health and safety.

The effective amendments to these regulations reflect the permanent shut down--after the July 27, 1988, effective date of the final decommissioning regulations--of the Fort St. Vrain (Colorado), Rancho Seco (California) and Shoreham (New York) nuclear power plants and subsequent Commission guidance to the staff on the appropriate period for collecting funds to

compensate for any shortfall of decommissioning funds for these and other facilities that were shut down prematurely.

Under these amendments, the following criteria will be used to evaluate funding options for licensees that shut down their nuclear power plants prematurely:

-- All funds needed for decommissioning will have to be available or guaranteed in external accounts before the start of DECON operations (the removal or decontamination of equipment, structures and portions of the site contaminated with radioactivity to a level which would permit release of the site for unrestricted use); however, the accumulation of funds during a SAFSTOR period (a period in which the plant would be placed and maintained in a condition that it could be safely stored and decontaminated to levels that would permit release of the site for unrestricted use at a later date) will be permitted.

-- Other factors, such as the number of power plants in a licensee's system that continue to generate revenues and the policies of rate regulators will be considered.

-- Licensees who elect to collect funds in external accounts during the SAFSTOR period will be required to demonstrate financial solvency during the collection process. These licensees will be permitted to continue such collections only until the term of the original operating license expires and will have to have the necessary decommissioning funds available or guaranteed prior to final dismantlement operations.

The amendments to Part 50 of the Commission's regulations will become effective on August 10, 1992.

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