

United States Nuclear Regulatory Commission
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NRC PROPOSES CHANGES IN DECOMMISSIONING FUNDING RULE

The Nuclear Regulatory Commission is proposing to amend its regulations on decommissioning funding to reflect conditions expected from deregulation of the electric power industry.

NRC is seeking public comment on the proposed rule change, which would amend the current regulation which was adopted in 1988 before the current moves for deregulation began. Comments will be due 75 days after the proposed rule is published shortly in the Federal Register.

The amended rule would:

- Revise the definition of an "electric utility" to reflect changes caused by restructuring within the industry.
- Define a "Federal licensee" as any licensee which has the full faith and credit backing of the United States government. Only such licensees could use statements of intent to meet decommissioning financial assurance requirements for power reactors.
- Require nuclear power plant licensees to report to NRC on the status of their decommissioning funds at least once every three years and annually within five years of the planned end of operation. NRC's present rule contains no such requirement because state and Federal rate-regulating bodies actively monitor these funds. A deregulated nuclear utility would have no such monitoring.
- Permit nuclear licensees to take credit on earnings for prepaid decommissioning trust funds and external sinking funds from the time the funds are set aside through the end of the decommissioning period. The present rule does not permit such credit because it is assumed that inflation and taxes would erode any investment return. NRC has decided, however, that this position is not borne out by historical performance of

inflation-adjusted funds invested in U.S. Treasury instruments.

Further details will be available in the forthcoming Federal Register notice. Comments should be mailed to: The Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Docketing and Service Branch. Comments also may be delivered to NRC's headquarters offices at 11555 Rockville Pike, Rockville, Maryland, between 7:30 a.m. and 4:15 p.m. on Federal workdays.

In preparing this proposed rule amendment, NRC has considered 650 comments received in response to an advance notice of proposed rulemaking on this subject published in April of last year.

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