

August 27, 2001

Mr. J. V. Parrish
Chief Executive Officer
Energy Northwest
P.O. Box 968 (Mail Drop 1023)
Richland, WA 99352-0968

SUBJECT: DECOMMISSIONING FUND TARGETS COMMENTS ON NUREG-1307 FOR
COLUMBIA GENERATING STATION (TAC NO. MB0943)

Dear Mr. Parrish:

The purpose of this letter is to document the discussions held between our staffs on August 7, 2001, for suggestions you provided for improving the decommissioning funding process in a letter dated March 24, 2000, (GO2-00-055). The suggestions centered on removing conservatism in the funding calculations and assumptions, updating the calculation basis in NUREG-1307, "Report on Waste Burial Charges: Changes in Decommissioning Waste Disposal Costs at Low-Level Waste Burial Facilities," with more recent information, replacing current disposal rate sheets with long-term averages or trend analysis results, and revising the NUREG-1307 assumptions to reflect savings gained through differing decommissioning methodologies such as large component disposals.

We have in the past considered various ways to address concerns such as the ones you have raised. It was concluded at that time, however, that the most appropriate method of addressing these concerns would be a change to the regulations in 10 CFR 50.75, "Reporting and recordkeeping for decommissioning planning," allowing decommissioning funding to be based on a licensee's site-specific circumstances; however, a rulemaking was not initiated due to insufficient data on actual decommissioning costs. Because this is still the case, and there does not appear to be any industry-wide interest in such a rulemaking, these changes to the regulations will probably not be considered in the near term. For your situation, a request for an exemption based on the Columbia Generating Station's site-specific circumstances may offer the best alternative for the foreseeable future. If you have any questions, contact Jack Cushing, the Project Manager for the Columbia Generating Station, at (301) 415-1424.

Sincerely,

/RA/

Jack Cushing, Project Manager, Section 2
Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket No. 50-397

cc: See next page

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Columbia Generating Station

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