

March 21, 2005

Mr. Steve Redeker
Manager, Plant Closure & Decommissioning
Sacramento Municipal Utility District
6201 S. Street, P.O. Box 15830
Sacramento, CA 95852-1830

SUBJECT: EXEMPTION FROM 10 CFR 72.44(d)(3) FOR DRY SPENT FUEL STORAGE
ACTIVITIES WITH CONFORMING AMENDMENT (TAC NOS. L23752 and
L23753)

Dear Mr. Redeker:

This is in response to your letter dated July 19, 2004 requesting an exemption from the requirement to submit an annual radioactive effluent report pursuant to 72.44(d)(3) in Title 10 of the Code of Federal Regulations (10 CFR). In addition, in accordance with 10 CFR 72.56, "Application for Amendment of License," in your letter you proposed Amendment No. 1 to the Rancho Seco Independent Spent Fuel Storage Installation (ISFSI) Technical Specifications to delete the requirement to submit this annual radioactive effluent report. This exemption, with conforming amendment, would relieve Sacramento Municipal Utility District (SMUD) from the requirement to submit an annual report pursuant to 10 CFR 72.44(d)(3).

The U.S. Nuclear Regulatory Commission (NRC) staff has evaluated the proposed actions. The staff's enclosed safety evaluation report concludes that the requested exemption with conforming amendment is authorized by law and will not endanger life or property or the common defense and security and is otherwise in the public interest. Accordingly, the exemption is granted and effective immediately.

The NRC staff evaluated the public health and safety and environmental impacts of the proposed exemption with conforming amendment and determined that granting these actions would not result in any significant impacts. For these actions, an Environmental Assessment and Finding of No Significant Impact was prepared and published in the Federal Register (70 FR 1911, January 11, 2005). A copy of the Federal Register Notice was provided to you by letter dated January 3, 2005.

Enclosed are copies of the revised Materials License SNM-2510, the Safety Evaluation Report, and the Federal Register Notice of Issuance of the license exemption and conforming amendment.

S. Redeker

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If you have any questions, please contact me or Amy Snyder of my staff at 301-415-8500. Any future correspondence related to this action should reference Docket 72-11 and TAC No. L23752 (exemption) and L23753 (amendment 1).

Sincerely,

/RA/

Brian E. Thomas, Deputy Director
Licensing and Inspection Directorate
Spent Fuel Project Office
Office of Nuclear Material Safety
and Safeguards

Docket No. 72-11 (50-312)

Enclosures:

1. Safety Evaluation Report
2. Federal Register Notice- Exemption and Conforming Amendment
3. SNM-2510, Amendment 1
4. Changes to Technical Specifications

cc: Mailing List

S. Redeker

- 2 -

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cc: Mailing List

DISTRIBUTION: (Closes TAC L-23753 and L-23753)

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Docket 72-11

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SAFETY EVALUATION REPORT
Docket No. 72-11
Sacramento Municipal Utility District
Independent Spent Fuel Storage Installation

1.0 Summary

This Safety Evaluation Report (SER) documents the review and evaluation of a request for an exemption from the requirement to submit an annual radioactive effluent report and the conforming amendment to the Technical Specifications for the Sacramento Municipal Utility District (SMUD or the licensee) Rancho Seco Independent Spent Fuel Storage Installation (ISFSI). By application dated July 19, 2004, SMUD requested an exemption from the requirement to submit an annual radioactive effluent report pursuant to 72.44(d)(3) in Title 10 of the Code of Federal Regulations (10 CFR). In addition, in accordance with 10 CFR 72.56, "Application for Amendment of License," SMUD also proposed amendment No. 1 to the Rancho Seco ISFSI Technical Specifications to delete the requirement to submit this annual radioactive effluent report. This exemption with conforming amendment would relieve SMUD from the requirement to submit an annual report pursuant to 10 CFR 72.44(d)(3).

The U.S. Nuclear Regulatory Commission (NRC or the Commission) staff has reviewed the application and evaluated the information provided by SMUD to support its request for the exemption with conforming amendment and concluded in the discussion below that the proposed exemption with conforming amendment is authorized by law and will not endanger life or property or the common defense and security and is otherwise in the public interest. Furthermore, the proposed change to SNM-2510 meets the requirements of 10 CFR Part 72.

2.0 Discussion

In accordance with the provision of 10 CFR 72.7, "[t]he Commission may, upon application by any interested person or upon its own initiative, grant such exemptions from the requirements of the regulations in this part as it determines are authorized by law and will not endanger life or property or the common defense and security and are otherwise in the public interest." By application dated July 19, 2004, SMUD requested an exemption from the requirement to submit an annual radioactive effluent report pursuant to 10 CFR 72.44(d)(3). In addition, in accordance with 10 CFR 72.56, "Application for Amendment of License," SMUD also proposed amendment No. 1 to the Rancho Seco ISFSI Technical Specifications to delete the requirement to submit this annual radioactive effluent report. Specifically, the Rancho Seco ISFSI Technical Specifications (Appendix to License No. SNM-2510), Section 5.5.2, Radiological Environmental Monitoring Program, item d., requires an annual report to be submitted pursuant to 10 CFR 72.44(d)(3). This would be deleted from the Technical Specifications.

In accordance with the requirement of 10 CFR 51.21, NRC performed an environmental assessment of the effects of this exemption request (70 FR 1911, January 11, 2005). The

staff has determined that the proposed actions would be administrative actions that would not endanger life or property. Further, the staff concludes that there is reasonable assurance that the proposed exemption and conforming amendment will have no impact on off-site doses.

2.1 Radioactive Effluent Reporting

The licensee is requesting Commission approval to be relieved from submitting an annual report to the Commission specifying the quantity of principal radionuclides released to the environment in liquid and gaseous effluent during the previous 12 months of the Rancho Seco ISFSI operation. NRC has evaluated the impact to the public safety that would result in granting the requested exemption. Not requiring the licensee to submit an annual report specifying principal radionuclides released to the environment in liquid and gaseous effluents does not impact public safety because the design basis for the Rancho Seco ISFSI is such that it is a passive system that generates no effluents during fuel storage. Thus, there should be no releases to the environment of either liquid or gaseous effluents from normal operations of the Rancho Seco ISFSI.

The proposed actions would not increase the probability or consequences of accidents, no changes would be made to the types of effluents that may be released offsite, and there would be no increase in occupational or public radiation exposure. Therefore, there are no significant radiological environmental impacts associated with the proposed action. Additionally, the proposed action would have no significant non-radiological impacts. Additionally, no reduction in radiation safety would occur if an exemption from this requirement were granted, based on the continued 10 CFR Part 20 requirements that require licensees to control the receipt, possession, use, transfer, and disposal of licensed material in such a manner that the total dose to an individual (including doses resulting from licensed and unlicensed radioactive material and from radiation sources other than background radiation) does not exceed the standards for protection against radiation prescribed in 10 CFR Part 20 regulations.

3.0 Conclusion

The Commission has set forth its philosophy on the application of regulations in the USNRC's Strategic Plan FY 2004 - FY2009. One of the agency's strategic goals is to ensure that NRC actions are effective, efficient, realistic, and timely. One of the means to support this goal is to take action to address regulatory practices that impose unnecessary regulatory requirements. The staff, based on its review, has determined that the requirement of 72.44(3)(d) is an unnecessarily prescriptive requirement for the Rancho Seco ISFSI because there are no credible scenarios by which liquid or gaseous effluents could be released from the dry shielded canister. The licensee stated that any concerns over small quantities of gaseous or liquid effluent that may be produced during cask loading and transfer decontamination activities are no longer relevant, since all the spent fuel has been transferred to the ISFSI, and that the NUHOMS-24P dry cask storage system used at the Rancho Seco ISFSI is a passive system which, by design, produces no gaseous or liquid effluent. Thus, granting the requested exemption from this requirement will not reduce safety at the Rancho

Seco ISFSI. Also, granting this exemption is authorized by law and will not endanger life or property or the common defense and security and is otherwise in the public interest.

In addition, a typographical error on page 5.6-2 of the Technical Specifications was corrected.

Issued with Materials License No. 2510, Amendment No. 1 on March 21, 2005.

U.S. NUCLEAR REGULATORY COMMISSION

DOCKET NO. 72-11

SACRAMENTO MUNICIPAL UTILITY DISTRICT

RANCHO SECO INDEPENDENT SPENT FUEL STORAGE INSTALLATION

ISSUANCE OF AN EXEMPTION AND CONFORMING AMENDMENT

AGENCY: Nuclear Regulatory Commission

ACTION: Issuance of an Exemption and Conforming Amendment

FOR FURTHER INFORMATION CONTACT: Amy M. Snyder, Project Manager, Spent Fuel Project Office, Office of Nuclear Material Safety and Safeguards, U.S. Nuclear Regulatory Commission, Washington, DC 20555. Telephone: (301) 415-8580; fax number: (301) 415-8555; email: ams3@nrc.gov.

SUPPLEMENTARY INFORMATION:

The U.S. Nuclear Regulatory Commission (NRC) has issued an exemption, pursuant to 10 CFR 72.7, from the provisions of 10 CFR 72.44(d)(3), to the Sacramento Municipal Utility District (SMUD or the licensee). The requested exemption (in conjunction with a conforming license amendment) relieves SMUD from the requirement to submit an annual radioactive effluent report for the Rancho Seco Independent Spent Fuel Storage Installation (ISFSI). SMUD submitted the exemption request by letter dated July 19, 2004, in which it also requested an amendment to the Rancho Seco ISFSI license; specifically, the deletion of

Technical Specification 5.5.2., Radiological Environmental Monitoring Program, item (d). The licensee is currently storing spent nuclear fuel at the Rancho Seco ISFSI on the site of the decommissioned Rancho Seco Nuclear Generating Station in Sacramento County, California.

These actions comply with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations. The Commission has made appropriate findings as required by the Act and the Commission's rules and regulations in 10 CFR Chapter I, which are set forth in the license amendment.

In accordance with 10 CFR 72.46(b)(2), a determination has been made that this exemption and conforming amendment does not present a genuine issue as to whether public health and safety will be significantly affected. Therefore, the publication of a notice of proposed action and an opportunity for hearing or a notice of hearing is not warranted. Notice is hereby given of the right of interested persons to request a hearing on whether the action should be rescinded or modified.

Also in connection with these actions, the Commission prepared an Environmental Assessment (EA) and Finding of No Significant Impact (FONSI). The EA and FONSI were published in the Federal Register on January 11, 2005 (70 FR 1911).

The NRC maintains an Agencywide Documents Access Management System (ADAMS), which provides text and image files of NRC's public documents. Supporting documentation may be accessed through the NRC's Public Electronic Reading Room on the Internet at: <http://www.nrc.gov/reading-rm/adams.html>. A copy of the EA and FONSI can be found at this site using the ADAMS accession number ML050040272. Copies of the

referenced documents are also available for review at the NRC Public Document Room (PDR), located at 11555 Rockville Pike, Rockville, MD 20852. PDR reference staff can be contacted at 1-800-397-4209, 301-415-4737 or by E-mail to pdr@nrc.gov. The PDR reproduction contractor will copy documents for a fee.

Dated at Rockville, Maryland, this 21st day of March, 2005.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Amy M. Snyder, Project Manager
Spent Fuel Project Office
Office of Nuclear Material Safety
and Safeguards

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Dated at Rockville, Maryland, this 21st day of March, 2005.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Amy M. Snyder, Project Manager
Spent Fuel Project Office
Office of Nuclear Material Safety
and Safeguards

*see previous concurrence

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DATE	01/18 /05		01/ 24/05		02/ 04 /05		03/ 04 /05		03/ 11 /05		03/ 21 /05	

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SACRAMENTO MUNICIPAL UTILITY DISTRICT
DOCKET NO. 72-11
RANCHO SECO INDEPENDENT SPENT FUEL STORAGE INSTALLATION
AMENDMENT TO MATERIALS LICENSE NO. SNM-2510

Amendment 1
License SNM-2510

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The amendment application dated July 19, 2004, complies with the standards of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations set forth in 10 CFR Chapter I;
 - B. The Rancho Seco Independent Spent Fuel Storage Installation will continue to operate in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance that (i) the activities authorized by this amendment can be conducted without endangering public health and safety, and (ii) such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of the amendment will not be inimical to the common defense and security or to public health and safety; and
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.
2. Accordingly, based on the foregoing findings, Materials License SNM-2510 is hereby amended by the enclosed changes to SNM-2510.
3. This license amendment is effective as of the date of its issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

John Monninger, Chief
Licensing Section
Spent Fuel Project Office
Office of Nuclear Material Safety
and Safeguards

Enclosed: (1) Revised License Pages
(2) Revised Technical Specification Pages

Date of Issuance: March 21, 2005

**LICENSE FOR INDEPENDENT STORAGE OF SPENT NUCLEAR FUEL AND
HIGH-LEVEL RADIOACTIVE WASTE**

Pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974 (Public Law 93-438), and Title 10, Code of Federal Regulations, Chapter 1, Part 72, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued authorizing the licensee to receive, acquire, and possess the power reactor spent fuel and other radioactive materials associated with spent fuel storage designated below; to use such material for the purpose(s) and at the place(s) designated below; and to deliver or transfer such material to persons authorized to receive it in accordance with the regulations of the applicable Part(s). This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954, as amended, and is subject to all applicable rules, regulations, and orders of the Nuclear Regulatory Commission now or hereafter in effect and to any conditions specified herein.

Licensee	
1. Sacramento Municipal Utility District	3. License No. SNM-2510 Amendment No. 1
2. Rancho Seco Nuclear Generating Station 14440 Twin Cities Road Herald, California 95638	4. Expiration Date June 30, 2020 5. Docket or Reference No. 72-11

- | | | |
|---|---|--|
| <p>6. Byproduct, Source, and/or Special Nuclear Material</p> <p>A. Spent fuel from Rancho Seco Nuclear Generating Station and associated fuel assembly control components and radioactive materials related to the receipt, storage, and transfer of the fuel assemblies.</p> | <p>7. Chemical and/or Physical Form</p> <p>A. Spent fuel assemblies and damaged fuel assemblies as UO₂ clad with Zircaloy-4.</p> | <p>8. Maximum Amount That Licensee May Possess at Any One Time Under This License</p> <p>A. 228.8 MTU of intact spent fuel assemblies and damaged fuel assemblies.</p> |
|---|---|--|
9. Authorized Use: For use in accordance with statements, representations, and the conditions of the Technical Specifications and Rancho Seco ISFSI Safety Analysis Report (SAR) dated October 4, 1991, as revised or supplemented on October 27, 1993; January 28, May 28, and November 24, 1999; February 24, and March 2, 2000; and July 19, 2004.
- The material identified in 6.A and 7.A above is authorized for receipt, possession, storage, and transfer. Storage is authorized only in Horizontal Storage Modules of the NUHOMS design as described in the SAR.
10. Authorized Place of Use: The licensed material is to be received, possessed, transferred, and stored at the Rancho Seco ISFSI located on the Rancho Seco Nuclear Generating Station site in Sacramento County, California, near Herald, California.
11. The Technical Specifications contained in the Appendix attached hereto are incorporated into the license. The licensee shall operate the installation in accordance with the Technical Specifications in the Appendix. The Appendix contains Technical Specifications related to Environmental Protection to satisfy the requirements of 10 CFR 72.44(d)(2).
12. The licensee shall follow the physical protection plan entitled "Sacramento Municipal Utility District Rancho Seco Independent Spent Fuel Storage Installation (ISFSI) Physical Protection Plan (PPP)," Amendment 0, dated February 1, 2000, and the safeguards contingency plan incorporated therein as Chapter 10, "Contingency Response Plan and Procedures," and as they may be further amended under the provisions of 10 CFR 72.44(e) and 72.186(b).

License No.

Amendment No.

SNM-2510

10

Docket or Reference No.

72-11

**LICENSE FOR INDEPENDENT STORAGE OF SPENT NUCLEAR
FUEL AND HIGH-LEVEL RADIOACTIVE WASTE
SUPPLEMENTARY SHEET**

The licensee shall follow the security organization personnel training and qualification plan entitled "Sacramento Municipal Utility District Rancho Seco Independent Spent Fuel Storage Installation (ISFSI) Training and Qualification Plan (T&QP)," Revision 0, dated February 1, 2000, and as it may be further amended under the provisions of 10 CFR 72.44(e) and 72.186(b).

13. Fuel and cask movement and handling activities that are to be performed in the Rancho Seco Nuclear Generating Station Fuel Storage Building will be governed by the requirements of the Rancho Seco Nuclear Generating Station Operating License (DPR-54) and associated Technical Specifications.

FOR THE U.S. NUCLEAR REGULATORY COMMISSION

/RA/

John D. Monninger, Chief
Licensing Section
Spent Fuel Project Office
Office of Nuclear Material Safety
and Safeguards
Washington, DC 20555

Date of Issuance: June 30, 2000

As amended by
Amendment 1 dated: March 21, 2005

Attachment: Appendix - Technical Specifications

