

6/2/06

Mr. Glen R. Mills
P. O. Box 3393
Mission Viejo, California 92690

Dear Mr. Mills:

I am responding to your April 26, 2006, letter to the Nuclear Regulatory Commission (NRC), which expressed your concerns about the Decommissioning Funding Report for San Onofre Nuclear Generating Station, Units 2 & 3, ADAMS Document Number ML060590262.

ADAMS Document Number ML060590262, is a correspondence from Southern California Edison (SCE), dated February 23, 2006, in connection to their request to seek NRC consent to transfer the City of Anaheim's 3.16% undivided ownership interest in San Onofre Nuclear Generating Station, Units 2 & 3, to SCE. SCE's transfer request is currently under review. However, among the required regulations governing transfer requests of ownership interests in nuclear production facilities, SCE has provided to the NRC the status of their decommissioning funding.

The NRC has determined that the requirements to provide reasonable assurance of decommissioning funding are necessary to ensure the adequate protection of public health and safety. The regulation, 10 CFR 50.33(k), requires that an application for an operating license for a nuclear production facility contain information to demonstrate how reasonable assurance will be provided that funds will be available to decommission the facility.

A preliminary review indicates that SCE and the other owners of San Onofre Nuclear Generating Station, Units 2 & 3, have accumulated decommissioning funds in excess of the minimum decommissioning funds required pursuant to NRC Regulations 10 CFR 50.75(c). The minimum decommissioning funds so required, are for the eventual decommissioning and decontamination activities required by the NRC.

In this case, SCE and the other owners of San Onofre Nuclear Generating Station, Units 2 & 3, have accumulated decommissioning funds in excess of their own site-specific estimate, which appears to include decommissioning activities beyond those required by the NRC. As a practical matter, when the units will permanently terminate operations, mandatory NRC decommissioning and decontamination activities will need to be conducted first, leaving the site radiologically-free to NRC standards before the site will be released for restricted or unrestricted use.

G. Mills

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I trust that your expressed concerns have been answered. However, if you wish any further clarifications about this matter, please feel free to contact Mr. Michael Dusaniwskyj, an NRC staff Economist, dealing with Decommissioning Funding Assurance for nuclear production and utilization facilities. Mr. Dusaniwskyj can be reached at 301-415-1260.

Sincerely,

/RA/

Christopher I. Grimes, Director
Division of Policy and Rulemaking
Office of Nuclear Reactor Regulation

G. Mills

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Christopher I. Grimes, Director
Division of Policy and Rulemaking
Office of Nuclear Reactor Regulation

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