

November 18, 2010

Mr. Scott Murray, Manager
GE Hitachi Nuclear Energy
Mail Code #84
3901 Castle Hayne Road
Wilmington, NC 28401

SUBJECT: UPDATED DECOMMISSIONING CLOSURE PLAN AND COST ESTIMATE: GE
HITACHI VALLECITOS FACILITY

Dear Mr. Murray:

By letter dated July 2, 2009, (Reference 1), General Electric Hitachi (GEH) submitted an updated decommissioning funding plan (DFP) and cost estimate (CE) for the Vallecitos Nuclear Center in Sunsol, California.

The U.S. Nuclear Regulatory Commission's (NRC) staff finds that the submittal contains insufficient detail, justification, and explanation for the NRC staff to evaluate the adequacy of the CE. In making this determination using Reference 2, the staff considered the completeness of the estimate (i.e., scope); the level of detail presented; and the reasonableness of the estimate (i.e., the accuracy and magnitude of estimated costs). Reference 2 states that a decommissioning cost estimate should contain a substantial level of detail to allow the NRC staff to fully evaluate the adequacy of the estimate. The deficiencies include, but are not limited to, the following:

- Incomplete discussion of the assumptions underlying the cost estimate.
- Major decommissioning tasks or activities are not itemized.
- Lack of discussion about techniques and methods that will be used to decontaminate facility components.
- Lack of discussion about the means by which the cost estimates and associated funding levels will be adjusted over the life of their facilities.

GEH may want to follow the guidance in Reference 2, focusing on Appendix A, in revising the submittal.

GEH has 30 days from the date of this letter to resubmit the DFP and CE. Following receipt of the revised DFP and CE, the NRC staff will continue the review.

In accordance with Title 10 of the *Code of Federal Regulations* 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records component of the NRC's Agencywide Document Access Management System (ADAMS). ADAMS is accessible from the NRC Web site at: <http://www.nrc.gov/reading-rm/adams.html>.

If you have any questions regarding this matter, please contact Christopher Ryder of my staff at (301) 492-3189 or via e-mail at Christopher.Ryder@nrc.gov.

Sincerely,

/RA/

Christopher Ryder, Project Manager
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No. 70-754
License No. SNM-960

cc: Mr. Rafael Rodriguez, NMSS
Mr. Robert Evans, Region IV
Mr. James Ross, GE Hitachi

References:

1. Letter from S. Murray, GE Hitachi Nuclear Energy, to M. Baker, NRC, and M. Mendonca, "Updated Decommissioning Closure Plan and Cost Estimate - GE Vallecitos Facility," July 2, 2009. ADAMS Accession Number ML091870358.
2. U.S. Nuclear Regulatory Commission, "Consolidated NMSS Decommissioning Guidance: Financial Assurance, Recordkeeping, and Timelines," NUREG-1757, Volume 3, September 2003. ADAMS Accession Number ML032471471.

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Christopher Ryder, Project Manager
Division of Fuel Cycle Safety
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1. Letter from S. Murray, GE Hitachi Nuclear Energy, to M. Baker, NRC, and M. Mendonca, "Updated Decommissioning Closure Plan and Cost Estimate - GE Vallecitos Facility," July 2, 2009. ADAMS Accession Number ML091870358.
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