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July 30, 1993

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U. S. Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, D. C. 20555

Gentlemen:

Subject: **Docket No. 50-206**
SCE Application of NRC Guidance on Decommissioning Activities
San Onofre Nuclear Generating Station, Unit 1 (SONGS 1)

Reference: Letter, NRC (John O. Bradfute) to SCE (Harold B. Ray), "Issuance of Amendment for the San Onofre Nuclear Generating Station, Unit No. 1 (TAC NO. M83123)," October 23, 1992

This letter provides Southern California Edison Company's (SCE) approach for using NRC guidance for performing decommissioning activities at San Onofre Nuclear Generating Station (SONGS 1) prior to NRC approval of SONGS 1 Proposed Decommissioning Plan. The NRC guidance was contained in the NRC's letter to SCE (reference) forwarding the Possession Only License (POL) for SONGS 1. Any decommissioning activities performed by SCE will be in accordance with this approach until approval of the Decommissioning Plan.

In accordance with the requirements of 10 CFR 50.82, SCE expects to submit the Decommissioning Plan for SONGS 1 to the NRC no later than November, 1994 (within 2 years following permanent cessation of operations).

NRC GUIDANCE

On October 23, 1992, the NRC issued an amendment to SONGS 1 operating license that modified the license to a POL. The POL became effective on March 9, 1993 after SCE provided certification to the NRC that all fuel from SONGS 1 core

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was off-loaded and stored in the SONGS 1 spent fuel pool. In the letter that forwarded the POL (reference), the NRC provided specific guidance for performing decommissioning activities. This guidance was similar to that issued for Yankee Rowe and Rancho Seco.

In a Staff Requirements Memorandum (SRM) dated January 14, 1993, the staff provided additional guidance for evaluating what activities should be allowed prior to approval of a Decommissioning Plan. The SRM was in response to a briefing by the Office of the General Counsel (OGC) on the lessons learned from the Shoreham decommissioning effort. The SRM included an approach that the staff may implement, on a case-by-case basis, pending final action by the Commission on the OGC recommendations. The guidance provided in the SRM is generally consistent with that contained in the SONGS 1 POL letter, although it contained an additional criterion with respect to the impact of decommissioning activities on the environment.

SCE APPROACH FOR APPLICATION OF NRC GUIDANCE

In the October 23, 1992 letter forwarding the POL for SONGS 1, the NRC provided the following guidance with regard to performance of decommissioning activities:

"Although the NRC must approve the decommissioning alternative and major structural changes to radioactive components of the facility, Southern California Edison Company may proceed with activities after the POL becomes effective (such as additional decontamination, component disassembly, and shipment and storage of spent fuel), if these activities: (1) are permitted by the POL and 10 CFR 50.59, and (2) do not materially and demonstrably affect the methods or options available for decommissioning or substantially increase the cost of decommissioning."

The guidance in the SRM contains an additional criterion that the planned decommissioning activities not cause any significant environmental impact not previously reviewed. The SRM also requires that the planned activities not foreclose the release of the site for possible unrestricted use. However, this requirement is considered to be bounded by the POL guidance that the decommissioning activity not affect the methods or options available for decommissioning.

The following sections provide SCE interpretation of the guidance contained in the POL letter. Each of the major components of this guidance statement is addressed separately. The SRM requirement with regard to the impact on the environment is also discussed below.

NRC Approval of Decommissioning Alternative

As stated in the guidance, the decommissioning alternative chosen for SONGS 1 must be approved by the NRC. The acceptable decommissioning alternatives or methods are described in NUREG-0586, "Final Generic Environmental Impact Statement on Decommissioning of Nuclear Facilities." These include DECON, SAFSTOR, and ENTOMB. SCE will confirm SAFSTOR as the currently anticipated decommissioning alternative for SONGS 1 in the proposed Decommissioning Plan. Under this option, SCE plans to maintain SONGS 1 in safe storage until the permanent shutdown of Units 2 and 3 (currently scheduled for the year 2013) at which time the entire site will be dismantled, decommissioned, and decontaminated.

NRC Approval of Major Structural Changes

The NRC guidance states that any "major structural changes to radioactive components of the facility" must also be approved by the NRC. Performance of a decommissioning activity without prior NRC approval is allowed by 10 CFR 50.59, provided the activity does not involve a technical specification change or an unreviewed safety question. Therefore, a "major structural change" will be considered to be one that involves a technical specification change or an unreviewed safety question.

Performance of any decommissioning related structural changes will be in accordance with the guidance above. Accordingly, no major structural changes will be made without prior NRC approval. SCE may proceed with other decommissioning related structural changes, without prior NRC approval, by using the existing and approved processes in accordance with 10 CFR 50.59. The criteria for application of the 10 CFR 50.59 process in decommissioning activities are discussed below.

Activities Permitted by POL

As noted in the NRC guidance, performance of decommissioning activities are allowed, after the POL becomes effective, if these activities are permitted by the POL (and if these activities meet the additional criteria specified in the guidance). SCE's decommissioning activities will be within the conditions of the POL. This is consistent with requirements during plant operation when any operational activity performed must be only as permitted by the operating license. In the event a POL condition is determined to be not applicable to the defueled condition of the plant, and its removal from the POL is necessary to allow a decommissioning activity, SCE will request amendment to the POL as appropriate.

Activities Permitted by 10 CFR 50.59

Although 10 CFR 50.59 was originally intended to apply to "holders of a license authorizing operation of a production or utilization facility," the NRC guidance allows performance of decommissioning activities, after the POL

becomes effective, if these activities are permitted by 10 CFR 50.59 (and if these activities meet the additional criteria specified in the guidance). The 10 CFR 50.59 evaluation to determine existence of an unreviewed safety question associated with the decommissioning activities at SONGS 1 will be performed in accordance with the existing and approved processes. Consistent with the guidance contained in the SRM dated January 14, 1993, this evaluation will take credit for the non-operating status of the plant. Once the Decommissioning Plan is approved, 10 CFR 50.59 evaluation will only be required for those activities which would deviate from those described in the Decommissioning Plan.

With regard to dismantling and disposal of specific components, SCE plans to follow guidance contained in SECY-91-129 ("Status and Developments at the Shoreham Nuclear Power Station" dated May 13, 1991). This guidance allows, without prior NRC approval, dismantling and disposal of:

- nonradioactive components and structures, provided they are not required for safety in the shutdown condition (i.e., they are not required by the Technical Specifications and removal does not involve an unreviewed safety question under 10 CFR 50.59); and
- radioactive components not required for safety in the shutdown condition, provided that such activity does not involve major structural or other major changes and does not foreclose alternative decommissioning methods or materially affect the cost of decommissioning.

Effect of Activities on Methods or Options Available for Decommissioning

Guidance contained in the POL letter allows performance of decommissioning activities if they "do not materially and demonstrably affect the methods or options available for decommissioning...." SCE considers the term "methods or options" one and the same as the three alternatives (DECON, SAFSTOR, and ENTOMB) identified in NUREG-0586, and do not include any variations of these alternatives.

As discussed earlier, SAFSTOR is currently considered to be the appropriate decommissioning alternative for SONGS 1. The criteria for determining whether an activity affects the decommissioning alternative will be whether the activity has any substantial adverse impact on the ability of the plant to be placed and maintained in SAFSTOR or on the ability to release the site for unrestricted use.

Effect of Activities on Cost of Decommissioning

The NRC guidance in the POL letter requires that any decommissioning activities do not "substantially increase the cost of decommissioning." To comply with this criterion, SCE will perform an evaluation of the planned decommissioning activities for their financial impact. The decommissioning cost estimates for SONGS 1 will be used as the basis for this evaluation.

Only those activities that are identified not to have a potential of increasing the cost of decommissioning by more than 10% over the estimated costs will be performed. A program has been established to monitor and control the costs of decommissioning activities. This will ensure that the SONGS 1 decommissioning fund will not be reduced below the amount estimated to place the plant in a SAFSTOR condition at any time during plant modifications, and that sufficient funds will be available to safely complete all activities related to the release of the site for unrestricted use.

SCE utilizes an external sinking fund as the method for providing financial assurance for decommissioning. Collection of the decommissioning funds is continuing as currently approved by the California Public Utility Commission (i.e., as though the plant will continue to operate until its license expires in the year 2004). Under 10 CFR 50.82(a) (amended August 10, 1992), when a facility is shut down prematurely, the collection period to fund decommissioning of that facility is subject to a case-by-case review by the NRC. SCE plans to submit the application for collection period determination for SONGS 1 by October 1993 following completion of the 1993 General Rate Case Cost Study.

Environmental Impact Not Previously Reviewed

The SONGS 1 environmental report (SONGS Unit 1, Applicant's Environmental Report Operating License Stage, 1972) was originally submitted in August 1972. In February 1986 and August 1991, SCE submitted updated environmental information to the NRC in support of SCE's request to convert the SONGS 1 license from the Provisional Operating License to the Full-Term Operating License (FTOL). Based on review of the submittals, the NRC issued the FTOL in September 1991 (the plant had been operating under a series of Provisional Operating Licenses since March 1967). In its environmental assessment dated September 16, 1991, the NRC identified no new significant environmental effects or any significant changes in those effects identified in the Final Environmental Statement (FES) that had been issued in 1973. Based on this, the staff determined in its environmental assessment that the conclusions reached in the FES with regard to the acceptability of the license conversion from the Provisional Operating License to the FTOL were still valid.

In the Generic Environmental Impact Statement (GEIS) contained in NUREG-0586, the NRC concluded that the environmental impact of decommissioning nuclear facilities is similar to or less than that during construction and operation. Therefore, verifying that the environmental impact of a planned decommissioning activity remains within the limits of the existing SONGS 1 environmental analysis will ensure compliance with the GEIS.

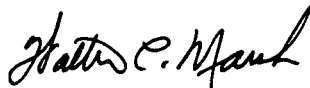
SCE will perform only those decommissioning activities whose environmental impacts are bounded by the GEIS and the updated environmental analyses submitted as part of the SONGS 1 license conversion request. This will ensure that the planned decommissioning activity will not cause any significant environmental impact not previously reviewed.

SUMMARY

Prior to approval of the Decommissioning Plan, SCE will perform any identified decommissioning activity in accordance with NRC guidance as discussed above. SCE believes the approach described in this letter is consistent with the intent of the guidance provided in the NRC's letter forwarding the SONGS 1 POL, and in the SRM dated January 14, 1993.

Should you have any questions regarding contents of this letter, or desire further information, please do not hesitate to contact me.

Very truly yours,



Walter C. Marsh
Manager of Nuclear Regulatory Affairs

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