



SOUTHERN CALIFORNIA  
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A. Edward Scherer  
Manager of  
Nuclear Regulatory Affairs

May 5, 1999

U. S. Nuclear Regulatory Commission  
Document Control Desk  
Washington, DC 20555-0001

Gentlemen:

Subject: **Docket No. 50-206**  
**Decommissioning Cost Estimate**  
**San Onofre Nuclear Generating Station Unit 1**

Reference: December 15, 1998 letter from Dwight E. Nunn (SCE) to  
Document Control Desk (NRC), Subject: Post Shutdown  
Decommissioning Activities Report, San Onofre Unit 1

According to 10 CFR 50.82(a)(8)(ii), the use of the full decommissioning fund, as determined by the 10 CFR 50.75 generic cost estimate, requires the submittal to the NRC of 1) certification of permanent plant shutdown and defueling, 2) a Post Shutdown Decommissioning Activities Report (PSDAR), and 3) a site-specific decommissioning cost estimate.

As stated in 10 CFR 50.82(a)(1)(iii), the certifications for permanent plant shutdown and defueling for San Onofre Unit 1 are deemed submitted because Southern California Edison (SCE) and San Diego Gas & Electric (SDG&E) maintained a license to possess but not operate Unit 1 when the rule went into effect. On December 15, 1998, SCE and SDG&E submitted the updated PSDAR to the NRC (Reference). The PSDAR referenced the 1998 site-specific decommissioning cost estimate of \$459 million in 1998 dollars to complete the decommissioning of San Onofre Unit 1. SCE and SDG&E's site-specific cost estimate was based on the "Decommissioning Cost Analysis for the San Onofre Nuclear Generation Station Unit 1," prepared by TLG Services, Inc. dated May 1998. With this letter, SCE and SDG&E are submitting the 1998 site-specific cost analysis as an enclosure in order for SCE and SDG&E to fully satisfy the 10 CFR 50.82(a)(ii) prerequisites for the use of the full 10 CFR 50.75 decommissioning fund 90 days after NRC receipt of the PSDAR.

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The California Public Utilities Commission (CPUC) previously authorized SCE and SDG&E access up to 3% of the decommissioning fund for planning purposes. However, CPUC authorization is still required in order for SCE and SDG&E to access amounts in excess of 3% of the decommissioning fund.

If you have any questions or need additional information regarding this matter, please feel free to contact me or Jack Rainsberry at (949) 368-7420.

Sincerely,

A handwritten signature in black ink, appearing to read "J. A. Sloan". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Enclosure

cc: E. W. Merschoff, Regional Administrator, NRC Region IV  
J. A. Sloan, NRC Senior Resident Inspector, San Onofre Units 2 & 3  
R. A. Burrows, NRC Project Manager, San Onofre Unit 1

