



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

November 28, 2018

Mr. Dan A. Tallman
Manager
Rancho Seco Assets
14440 Twin Cities Road
MS N493
Herald, CA 95638

SUBJECT: CORRECTION TO LETTER TERMINATING RANCHO SECO NUCLEAR
GENERATING STATION'S OPERATING LICENSE DPR-54 AND INDEMNITY
AGREEMENT

Dear Mr. Tallman:

The purpose of this letter is to inform you of a correction to the letter addressed to you dated August 31, 2018 (Agencywide Documents Access and Management System (ADAMS) Accession Number ML18082B076). The August 31, 2018, letter informed Sacramento Municipal Utility District (SMUD) that License DPR-54 had been terminated, and also stated that the existing indemnity agreement between SMUD and the NRC had also been terminated.

The indemnity agreement has not been terminated, but has been "amended" as reflected in Enclosure 1 to this letter. Notice of this action has been sent to the *Federal Register* for correction and publication.

As a condition of the termination of License DPR-54, SMUD is required to maintain \$100 million in nuclear liability insurance coverage, as described in Indemnity Agreement No. B-66, "until all the radioactive material has been removed from the location and transportation of the radioactive material from the location has ended as defined in subparagraph 5(b), Article I, or until the Commission authorizes the termination or modification of such financial protection." Termination of the Rancho Seco Title 10 of the *Code of Federal Regulations (10 CFR)*, Part 50 license has no impact on the terms of the indemnity agreement. Further, it should be noted that the site location described in Item 4 of the attachment to the indemnity agreement refers to the "original" 10 CFR Part 50 license site boundaries, including additional details for the independent spent fuel storage installation.

Please complete, sign and return the enclosed revised indemnity agreement to Ted Carter, NRC, 11545 Rockville Pike, Rockville, MD 20852.

In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure," 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 NRC's ADAMS. ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

If you have any questions, please contact Ted Carter at (301) 415-5543.

Sincerely,

/RA/

John R. Tappert, Director
Division of Decommissioning, Uranium Recovery
and Waste Programs
Office of Nuclear Material Safety
and Safeguards

Docket No.: 50-312
License No. DPR-54

Enclosure:
Revision No. 10 to Indemnity Agreement No. B-66

cc: Rancho Seco Dist. List

SUBJECT: CORRECTION TO LETTER TERMINATING RANCHO SECO NUCLEAR
GENERATING STATION'S OPERATING LICENSE DPR-54 **DATE**
November 28, 2018

ADAMS Accession No.: ML18302A157

*** via email**

OFFICE	NMSS/DUWP	NMSS/DUWP	NRR/DLP/PFPB	OGC	NMSS/DUWP
NAME	JHickman for TCarter	JParrott for BWatson	ABowers*	JMaltese*	JTappert
DATE	10/29/18	10 /30/2018	11/1/2018	11/20/2018	11/28/18

OFFICIAL RECORD COPY