



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

NOV 27 1989

Docket No. 50-312

Mr. David Boggs
General Manager, Nuclear
Sacramento Municipal Utility District
14440 Twin Cities Road
Herald, California 95638-9799

Dear Mr. Boggs:

SUBJECT: CLOSURE OF RANCHO SECO NUCLEAR GENERATING STATION

This letter summarizes our understanding of your intentions regarding the Rancho Seco Nuclear Generating Station decommissioning and outlines the regulatory process associated with plant closure. At a meeting held at NRC headquarters on August 29, 1989, you presented the status of the Rancho Seco closure process. A working meeting between SMUD and NRC staff members was held on October 11, 1989, to discuss amendment of the current Rancho Seco operating license to one that focuses on the nuclear safety concerns relevant to a defueled reactor.

During the two meetings mentioned above, the SMUD staff

- acknowledged that Rancho Seco is bound by the operating license issued by the NRC, and until formal regulatory relief is obtained, the plant will be maintained in accordance with license requirements.
- stated that plant equipment will be maintained in a nondegraded status, that existing operations-related programs will continue unless specific relief is granted or until decommissioning is authorized, and that there will be an adequate number of properly trained staff to assure safety at the facility.
- proposed to submit requests for near-term license amendments to reduce some of the operating license requirements that are not applicable to a defueled reactor. Changes were outlined in the areas of emergency preparedness, training, security, fitness-for-duty requirements, and existing commitments for plant improvements.
- stated that a Rancho Seco decommissioning plan would be submitted by June 1, 1991.

Although nuclear safety concerns at a nuclear power station are significantly reduced after the reactor is defueled, decommissioning may not commence without NRC approval. The staff will process proposed license changes commensurate with the nuclear safety requirements that will be applicable at Rancho Seco after the

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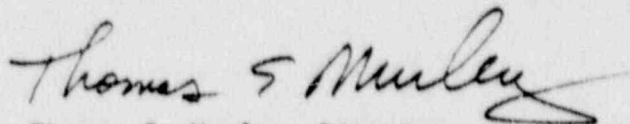
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reactor is defueled. Relief requests from regulatory requirements will be evaluated on a case-by-case basis. The general criterion for processing relief requests will be an evaluation to determine whether the action is relevant to nuclear safety while the reactor is defueled.

However, in connection with such individual license amendments and relief requests, it is important to bear in mind that NRC regulations do not permit segmented decommissioning of the plant by a process that bypasses regulatory requirements to evaluate the full scope of the proposed action. Before initiating irreversible steps toward decommissioning, you will be required to submit a decommissioning plan pursuant to 10 CFR 50.82 and a supplemental environmental report as described by 10 CFR 51.53 and will need NRC review and approval of the decommissioning plan. Recognizing that the decision to decommission Rancho Seco was unexpected, we look forward to discussing your plans for plant closure and decommissioning as they are developed.

Sincerely,



Thomas E. Murley, Director
Office of Nuclear Reactor Regulation

cc: See next page

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Sincerely,

Original signed by
Thomas E. Murley

Thomas E. Murley, Director
Office of Nuclear Reactor Regulation

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Rancho Seco Nuclear Generating
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