



SACRAMENTO MUNICIPAL UTILITY DISTRICT P. O. Box 15830, Sacramento CA 95852-1830, (916) 452-3211
 AN ELECTRIC SYSTEM SERVING THE HEART OF CALIFORNIA

MPC&D 94-010

March 23, 1994

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

Docket No. 50-312
 Rancho Seco Nuclear Station
 License No. DPR-54

Biennial Review of the Rancho Seco Decommissioning Funding Plan

Attention: Seymour Weiss

The District has completed its biennial review of the Rancho Seco Decommissioning Funding Plan in accordance with our submitted Financial Plan. With the assistance of TLG Engineering, the District has determined that the estimated cost to decommission Rancho Seco has increased from \$281 million in 1991 dollars (*equivalent to \$310 million in 1993 dollars*), to \$344 million in 1993 dollars. To arrive at this new number, the review included adjustments to the following areas:

- Base disposal costs for Low Level Radioactive Waste
- Salary adjustments based on current personnel
- Inflation
- Service Allocation

The District attributes most of the increase to waste disposal cost projections that were unavailable in 1991, when staff prepared the original cost estimate. Under new forecasts, Ward Valley will charge a fee of \$420/cu. ft. for the burial of low level waste. While this fee projection is high, (*greater than current fees, including substantial surcharges at operating disposal sites*), the District has decided it is prudent to base its decommissioning fund contributions on the higher amounts.

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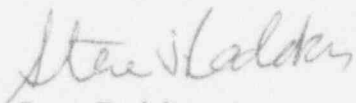
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District staff has revised the decommissioning liability to this new value and is in the process of determining the revised annual contribution to its Decommissioning Fund. Contributions at the revised annual rate will begin in 1995, subject to our Board of Directors approval. District staff will bring this issue to our Board during the second quarter of 1994 to obtain their authorization of the new annual rate before the start of the 1995 Budget preparations. We will notify you of the new contribution level after Board approval. We will also provide you with the finalized TLG report, which is still under preparation.

Members of your staff requiring additional information or clarification may contact Ken Miller at (916) 452-3211, extension 4513.

Respectfully,



Steve Redeker
Manager,
Plant Closure and Decommissioning

cc: K.T. Perkins, NRC, Walnut Creek
T. Markley, NRC, Rockville
S. Brown, NRC, Rockville