



RELEASED TO THE PDR  
12/14/90 g  
date initials

# POLICY ISSUE

November 9, 1990

SECY-90-379

(NEGATIVE CONSENT)

For: The Commissioners

From: James M. Taylor  
Executive Director for Operations

Subject: RANCHO SECO NUCLEAR GENERATING STATION - STATUS AND DEVELOPMENTS

Purpose: To inform the Commission of recent activities related to the Rancho Seco Nuclear Generating Station and of related NRC staff actions.

Background: In a staff requirements memorandum (SRM) of June 19, 1989, the staff was requested to keep the Commission apprised of developments at the Rancho Seco Nuclear Generating Station following the Sacramento Municipal Utility District (SMUD, the licensee) ratepayers' vote on June 6, 1989, to close Rancho Seco. The staff has submitted plant status reports to the Commission on August 9, 1989, December 21, 1989, and April 6, 1990.

On June 4, 1990, Mr. S. David Freeman replaced Mr. David Boggs as the SMUD General Manager. On July 31, 1990, Mr. Freeman met with several of the Commissioners, individually, and with the Executive Director of Operations and the Director of the Office of Nuclear Reactor Regulation to introduce himself and discuss decommissioning activities for Rancho Seco.

In a letter to Chairman Carr of September 17, 1990, the Environmental Conservation Organization (ECO), a pro-nuclear group, petitioned to intervene in any hearing related to the granting of a "possession only license" (POL) amendment for Rancho Seco.

Discussion: The following provides the status of recent SMUD activities related to the Rancho Seco facility and NRC staff actions.

Plant Status - The licensee continues to implement a program for long-term lay-up and preservation of systems that are

9012200061 901109  
PDR SECY  
90-379 PDR

CONTACT:  
S. Reynolds, NRR/PDNP  
49-21368

NOTE: TO BE MADE PUBLICLY AVAILABLE  
WHEN THE FINAL SRM IS MADE  
AVAILABLE

180050

*Handwritten initials/signature*

not required to be operable while the reactor is defueled. In this program, the licensee has placed the reactor coolant system in a full wet lay-up condition with a nitrogen bubble in the pressurizer. The licensee has laid-up the "B" train of the decay heat removal system and is maintaining the "A" train in a condition available for backup cooling of the spent fuel pool. The licensee has nearly completed the lay-up of the main turbine and main condenser systems.

Although not required by the technical specifications, one of the four emergency diesel generators is being maintained available to provide backup electrical power. The other three are being laid-up from nuclear service but are being maintained for use as peaking power supply for SMUD. In August 1990, SMUD used the three diesel generators for approximately eight hours to provide approximately nine megawatts of peaking power to the grid.

After receiving NRC relief from the requirement for a plant-specific simulator, the licensee has tentatively contracted to sell its plant simulator to Toledo Edison for use as spare parts for the Davis-Besse simulator. The new \$10 million simulator has remained at the manufacturer pending salvage disposition by SMUD.

Plant Staffing - The licensee continues to reduce the size of the staff consistent with the completion of major lay-up activities. The total site staff size from the date of the plant shutdown to the present has decreased from approximately 1550 individuals to 426. This figure includes 334 SMUD, 6 contractor, and 86 security personnel. The present number of staff appears appropriate to operate and maintain systems for the present defueled condition of the plant. Except for management positions and the operations department, the personnel at the plant are on a four-day (10 hr/day) work week, with Friday as a day off.

The licensee tentatively plans on reducing the staff by another 90 to 100 persons by the end of this year. However, these reductions are pending the NRC granting relief in several areas.

Management - Several senior managers at the facility have departed in the past few months. These managers include P. Lydon, Nuclear Plant Manager, and W. Peabody, Manager of Technical Services; S. Crunk, Manager of Licensing, passed away and his position was not filled. However, the present management team at Rancho Seco appears capable of successfully bringing the facility to an appropriate caretaker status.

Operations - The operations staff is currently at 19 senior reactor operators (SROs) and 10 reactor operators (ROs). The licensee continues to have five operator crews with four or five licensed operators assigned to each crew.

The NRC staff recently approved a license amendment that affects the plant's fire protection plan. As a result of the amendment, the licensee is reducing the number of members in the fire brigade from five to three. This reduction will result in a reduction of ten positions within the operations department.

Maintenance and Surveillance - Maintenance activities have continued only on the day shift with little or no backshift activities. The major work activities support the lay-up of plant systems not needed for the present defueled condition.

Engineering - Engineering activities are focused on efforts to develop post-POL lay-up plans to maintain plant systems in a long-term preservation and protection mode, referred to as "economic asset recovery."

Emergency Preparedness - The licensee's current program meets NRC requirements and commitments. The licensee has demonstrated the ability to respond to an emergency consistent with the defueled condition of the plant.

SMUD has requested an exemption from conducting an annual emergency response exercise as required by 10 CFR 50.47 and Part 50, Appendix E. The staff has completed the review and is prepared to approve the request and issue the exemption.

Additionally, the licensee has submitted a proposed, new emergency preparedness plan for the long-term defueled condition and has requested exemptions from related emergency preparedness requirements. The new plan with the exemptions would allow the licensee to eliminate offsite emergency preparedness.

Radiological Controls and Chemistry - The licensee has finished taking an inventory of over twenty cargo vans and trailers containing contaminated equipment and scaffolds. The licensee has contracted a radioactive waste reduction firm to decontaminate and supercompact the material in the majority of the cargo vans and is studying the conditions under which the material should be shipped. Also, the licensee is installing a new liquid radwaste concentrates dryer to use in processing 30,000 gallons of radioactive waste concentrates. The staff concludes that the licensee has adequate personnel and capabilities to address radioactive waste and radiation protection.

Security - The licensee reduced the size of its security staff by approximately 34 persons over the past 4 months. These reductions do not appear to have affected the capabilities of the organization to implement the security plan.

The licensee has submitted a long-term defueled condition security plan that would no longer require the designation of any vital areas and would reduce the size of the protected area. Also, this plan would allow the licensee to reduce the number of guards. The licensee is amending its security plan to address some concerns of the staff and will be requesting exemptions to several sections of 10 CFR Part 73.

Training - The licensee has submitted a license amendment to reduce its operator training program to include only the training activities necessary for the defueled mode.

Status of Application for POL - A separate Commission Paper will address the issuance of a POL.

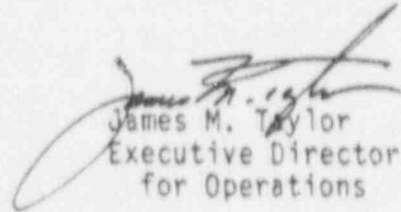
Status of Other Licensing Actions - Enclosure 1 contains a list of licensee submittals requiring NRC action and the staff's proposed disposition of these issues. In general, the licensee submittals are for license amendments and exemptions from regulations that are not safety significant while the reactor is defueled.

Enclosure 2 contains a list of completed licensing actions that are related to plant closure.

#### Other Related Issues

- \* Currently, the NRC has one resident inspector onsite; however, the staff plans for this inspector to supplement regional inspections. The inspector will be dedicated to Rancho Seco activities about 50 percent of the time or as necessary to ensure that the NRC adequately inspects facility activities.
- \* The Federal District Court dismissed the \$1.5 billion class action law suit brought against SMUD by local property owners for radioactive releases from Rancho Seco. This decision is currently being appealed. Individual civil suits are still pending against eight former managers at Rancho Seco.

Recommendation: Unless the Commission directs otherwise within 10 days from the date of this paper, the staff will complete the proposed disposition of the licensing actions listed in Enclosure 1 which are not before the Commission for decision.

  
James M. Taylor  
Executive Director  
for Operations

Enclosures:

1. Pending Licensing Actions
2. Completed Licensing Actions

SECY NOTE: In the absence of instructions to the contrary, SECY will notify the staff on Friday, November 23, 1990, that the Commission, by negative consent, assents to the action proposed in this paper.

DISTRIBUTION:

Commissioners

OGC

OIG

GPA

REGION V

EDO

ACRS

ACNW

ASLBP

ASLAP

SECY



PENDING LICENSING ACTIONS

<u>Issue</u>	<u>Status</u>	<u>Proposed Disposition</u>
1. ANNUAL EMERGENCY PREPAREDNESS EXERCISE Exemption Request	Ready for Issuance	Issue exemption
2. DECOMMISSIONING FUNDING Exemption Request and Financial Plan	Separate Commission Paper being prepared on funding policy for prematurely closed plants	Implement Commission decision
3. PROPERTY INSURANCE Exemption Request (10 CFR 50.54(w))	Licensee to provide technical basis for request. Expect staff review to be completed by 1/91	On Hold, no decision has been made
4. ANNUAL OPERATING FEE Exemption 10 CFR 171	Office of Controller preparing negative consent paper for the Commission	Issue exemption
5. "POSSESSION ONLY" License Amendment	Separate Commission Paper will be prepared; request for leaving pending before Commission	Implement Commission decision
6. TECHNICAL SPECIFICATIONS for the Defueled Mode	Licensee to provide additional information. Expect staff review to be completed by 12/90.	Approve new Technical Specifications
7. OPERATOR TRAINING PROGRAM Exemption	Review Complete	Issue exemption
8. EMERGENCY PLAN for the Defueled Mode	Under final review, expect completion by 11/90	Approve plan and issue associated exemption
9. SECURITY PLAN for the Defueled Mode	Under review, expect completion by 12/90	Approve plan and issue license amendment and associated exemption

COMPLETED LICENSING ACTIONS

Fitness for Duty Temporary Waiver	-	Issued 1/13 & 2/16/90
Postponement of NRC Evaluation of Operator Requalification Program	-	Issued 3/30/90
Emergency Plan, Change 3	-	Issued 4/2/90
10 CFR 50, Appendix J Testing Exemption	-	Issued 4/26/90
Security Plan, Amend. 17	-	Issued 4/26/90
Confirmatory Order that disallows movement of fuel into Reactor Bldg. without prior NRC approval.	-	Issued 5/2/90
Low Temp. Overpressure Protection (LTOP), Tech. Spec. 3.2.2, "Temporary Waiver"	-	Issued 5/14/90
Simulator Facility/Training Exemption Request	-	Issued 5/16/90