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May 31, 1994
 C311-94-2077

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

Subject: Three Mile Island Nuclear Station, Unit 2 (TMI-2)
 Operating License No. DPR-73
 Docket No. 50-320
 10 CFR 50.54 (bb) Notification

Dear Sirs:

10 CFR 50.54 (bb), as amended on April 4, 1994, requires licensees that have permanently ceased operations by April 4, 1994 to submit a written notification by April 4, 1996. This written notification shall include the program by which the licensee intends to manage and provide funding for the management of all irradiated fuel at the reactor following permanent cessation of operation of the reactor until title to the irradiated fuel and possession of the fuel is transferred to the Secretary of Energy for its ultimate disposal in a repository. GPUN has concluded that this regulation is not intended to apply to TMI-2, which has already transferred approximately 99% of its fuel to the DOE. However, this letter will address management and funding of the remaining fuel until disposition.

On December 28, 1993 Amendment No. 48 to DPR-73 was issued, which initiated the start of TMI-2 Post Defueling Monitored Storage (PDMS). GPUN intends to maintain TMI-2 in PDMS until the TMI-1 Operating License expires in 2014, at which time both units would be decommissioned. In approving Amendment No. 48 the NRC affirmed that TMI-2 has been defueled and decontaminated to the extent that the plant is in a safe, inherently stable condition suitable for long-term management and any threat to the public health and safety has been eliminated.

The quantity of fuel (i.e., Uranium Dioxide) remaining at TMI-2 is a small fraction of the initial fuel load. As a result of defueling and decontamination activities, approximately 99% of the fuel was removed and transferred to DOE and/or licensed burial facilities. The remaining approximately 1% remains primarily in the Reactor Vessel in a form and/or location which make it impractical to remove prior to decommissioning. It is intended to disposition this remaining fuel according to the existing rules and requirements when TMI-2 is decommissioned. The Decommissioning Financial Assurance Certification Report which GPUN submitted on July 26, 1990 took into account an estimate of added cost for decommissioning due to the TMI-2 accident, including residual fuel removal.

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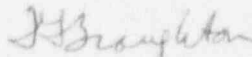
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The funding requirement to maintain TMI-2 in PDMS is anticipated to vary between \$3M and \$5M (in 1994 dollars) per year. We plan to recover much of these costs through adjustment to customer rates.

In summary, GPUN has concluded that this regulation is not applicable to TMI-2. However, the above program describes the management and funding of the small amount of irradiation level remaining at TMI-2.

Sincerely,



T. G. Broughton
Vice President and Director, TMI

AWM/mkk

cc: M. G. Evans - Senior Resident Inspector, TMI
T. T. Martin - Regional Administrator, Region I
M. T. Masnik - Project Manager, PDNP Directorate
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