



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

December 3, 1990

Docket No. 50-322

Mr. Victor A. Staffieri
General Counsel
Long Island Lighting Company
175 East Old Country Road
Hicksville, New York 11801

Dear Mr. Staffieri:

I am responding to your letter of June 11, 1990, in which you requested that the NRC either find LILCO's proposed method for funding Shoreham's decommissioning acceptable or, alternatively, grant an exemption for Shoreham from the NRC decommissioning funding regulations.

In accordance with 10 CFR 50.33(k), 50.75 and 50.82(c) the funds necessary to decommission a facility are to be available at the time operation terminates, and during the storage and surveillance period if the SAFSTOR option is chosen. The regulations apply both to nuclear facilities that operate through their normal lifetime and to facilities that may be shut down prematurely; they make no distinctions between these two groups of facilities with respect to the accumulation of funds. Related to the foregoing is the requirement of 10 CFR 50.54(bb) that funding provisions be made for the management of irradiated fuel until such time as title to the fuel is transferred to the Secretary of Energy.

At this time, the staff is developing an approach to provide for the accumulation of the required funds which will assure that the objectives underlying the decommissioning funding requirements are achieved without imposing an undue burden on the several licensees who have prematurely terminated operation of licensed facilities. The staff will inform you when an approach is approved.

Sincerely,

Stewart W. Brown, Project Manager
Non-Power Reactors, Decommissioning and
Environmental Projects Directorate
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and Special Projects
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cc: See next page

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