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AN ELECTRIC SYSTEM SERVING THE HEART OF CALIFORNIA

MPC&D 97-006

January 29, 1997

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

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

RANCHO SECO DECOMMISSIONING SCHEDULE CHANGE

Attn.: Seymour Weiss

On March 20, 1995, the NRC issued an Order approving the Rancho Seco decommissioning plan, and authorizing the decommissioning of Rancho Seco Nuclear Generating Station. The approved decommissioning plan describes SMUD's plans to maintain Rancho Seco in a SAFSTOR configuration until 2008, when Deferred-DECON would begin. Deferred-DECON is the period where SMUD would begin reducing radioactive materials at the site to levels acceptable for license termination.

In accordance with 10 CFR 50.82(c)(7), we are informing the NRC of a schedule change from the Deferred-DECON activities described in the approved decommissioning plan. Specifically, we intend to begin dismantlement, decontamination, and radioactive waste disposition of selected systems and components containing low levels of radioactive contamination in 1997.

Our staff will begin decommissioning in accordance with the attached Incremental Decommissioning Action Plan. On January 9, 1997, the SMUD Board of Directors approved the project, which we expect to continue for at least three years. We will evaluate the effectiveness of the program periodically to determine if incremental decommissioning will continue.

The NRC's Safety Evaluation Report (SER), related to the Rancho Seco decommissioning Order, states that SMUD will provide the details necessary for NRC staff to evaluate

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Deferred-DECON activities in an update to the decommissioning plan. An update to the decommissioning plan would satisfy 10 CFR 50.82(d) of the "old" decommissioning rule. The "new" decommissioning rule supersedes the requirement for that submittal and further NRC evaluation. Therefore, this letter informs the NRC of our intention to begin incremental decommissioning in compliance with the new decommissioning rule. As required by 10 CFR 50.82, we will conduct all incremental decommissioning activities in accordance with 10 CFR 50.59.

Also, the NRC's Environmental Assessment and Finding of No Significant Impact, issued relative to Rancho Seco's currently approved Decommissioning Plan, states that SMUD will address potential environmental impacts associated with dismantlement activities in an updated "Supplement to the Environmental Report - Post Operating License Stage." Again, the "new" decommissioning rule, at 10 CFR 50.82(a)(4)(i), supersedes the old rule, and does not require a submittal if appropriate previously issued environmental impact statements bound the environmental impacts associated with decommissioning activities.

Our staff has reviewed the environmental impacts of incremental decommissioning and has concluded that these impacts fit within the envelope of the environmental effects described in:

1. NUREG-0586 "Final Generic Environmental Impact Statement," prepared pursuant to the National Environmental Policy Act (NEPA)
2. "Supplement to Rancho Seco Environmental Report - Post Operating License Stage," submitted in association with the currently approved Rancho Seco Decommissioning Plan.

Therefore, an updated "Supplement to the Environmental Report - Post Operating License Stage" is not required for incremental decommissioning.

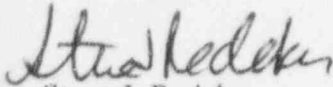
In addition, SMUD staff conducted an environmental evaluation under the California Environmental Quality Act (CEQA), and determined that implementing incremental decommissioning will not have a significant effect on the environment. Consistent with the applicable provisions of CEQA, SMUD issued a Negative Declaration for the project.

Our basic schedule for implementing incremental decommissioning is to issue a Request for Proposal (RFP) by February 1997, and award contracts for dismantlement, decontamination, and disposal by March 1997. Our staff will begin some dismantlement activities in February. Significant dismantlement activities will begin after the contract awards. Typically, our staff will base the selection of systems/components for incremental decommissioning on low contamination, ease of removal, and ease of decontamination. Examples include, large heat exchangers and vessels, large diameter piping, auxiliary boilers, and the main turbine. We forecast that the three year Incremental Decommissioning program will result in the disposition of approximately 25% of Rancho Seco's low level radwaste (LLW).

We are revising the current Decommissioning Plan to conform with the new decommissioning rule. The revised plan (i.e., PSDAR) will include incremental decommissioning, and provide the reasons for concluding that the previous environmental impact evaluations bound the environmental impacts associated with incremental decommissioning.

If you, or members of your staff, have questions requiring additional information or clarification, please contact Jerry Delezenski at (916)452-3211, extension 4914.

Sincerely,



Steve J. Redeker
Manager, Plant Closure and Decommissioning

Attachment

cc w/attachments: NRC, Region IV, Arlington
 R. Dudley, NRC, Rockville