



POLICY ISSUE

(Information)

December 28, 1988

SECY-88-355

For: The Commissioners

From: Victor Stello, Jr.
Executive Director for Operations

Subject: TRANSFER OF REGULATORY RESPONSIBILITY FOR POWER REACTOR
DECOMMISSIONING FROM THE OFFICE OF NUCLEAR REACTOR
REGULATION (NRR) TO THE OFFICE OF NUCLEAR MATERIAL SAFETY
AND SAFEGUARDS (NMSS)

Purpose: To inform the Commission of the status of transferring
responsibility for power reactor decommissioning from NRR
to NMSS and to identify the resources to be transferred
from NRR to NMSS.

Background: In SECY-88-128, May 10, 1988, the Commission was informed
that the responsibility for power reactor decommissioning
was being transferred from NRR to NMSS. The change was
implemented because the decommissioning process now focuses
primarily on waste management, financial assurance, and
custodial and decommissioning activities, rather than on
operational activities. Currently, NMSS is responsible for
the decommissioning associated with power reactor and
material licenses; NRR retains responsibility for research
and test reactor decommissioning. However, the transfer of
responsibility from NRR to NMSS has not been implemented
yet, because no resources were transferred to the NMSS
budget for FY89 and FY90 to accommodate this new
responsibility. To date, NMSS has helped NRR review
decommissioning plans, but NRR has retained project
management of power reactors.

Contact:
Clayton L. Pittiglio, Jr., NMSS
492-3438

On August 10, 1988, the Chairman provided Commission comments on the FY89-FY93 Draft Five Year Plan. Included was the following Commission comment:

"Secy-88-128 states that the plan to shift the responsibility for power reactor decommissioning from NRR to NMSS would be addressed in the update of the Five Year Plan. This transfer along with associated resources should be made before the plan is published in the spring. Prior to publication the Commission would like to receive an information paper that describes this transfer and identifies the resources to be transferred to NMSS."

This paper responds to the Commission's request for an Information Paper.

Discussion:

The transfer of regulatory responsibility to NMSS is summarized as follows:

1. NMSS will assume responsibility for review of the power reactor Decommissioning Plan, and preparation of the Safety Evaluation Report and Environmental Assessment associated with decommissioning.
2. NRR will remain responsible for modifying the facility Technical Specifications, Physical Security Plan, and Emergency Plan; issuing the Possession-Only License; and approving the Decommissioning Plan.
3. The overall project management technical review and inspection responsibilities will be transferred to NMSS after completion of the activities in Item 2, which includes approval of the Decommissioning Plan.
4. NMSS will be responsible for overseeing the implementation of the Decommissioning Plan and the license termination, upon successful completion of the decommissioning activities.

The transfer of responsibility does not include non-power (research, test, or training) reactors, at this time. The lead for decommissioning non-power reactors will remain in

NRR and will be coordinated with NMSS. These facilities are a unique group of reactors; most belong to universities. From an NRC standpoint, the review of the decommissioning of these reactors will be performed most efficiently by the Project Managers who handled them.

To implement the transfer, power reactors already under decommissioning review will be transitioned as discussed below. The transfer of project management responsibility for Humboldt Bay Unit 3 and Vallecitos from NRR to NMSS will be implemented once the necessary resources are obtained. For these plants, the Possession-Only Licenses and Decommissioning Plans have been approved. The project management responsibility for La Crosse, Dresden Unit 1, and Indian Point Unit 1 will be transferred after the Decommissioning Plans are approved. Project management responsibility for Fermi Unit 1 and Peach Bottom Unit 1 should be transferred after the forty-year Possession-Only License extensions are approved. Since these last five plants have ongoing NRR actions nearing completion, NMSS will continue to provide input only in the waste management areas until the transfer occurs.

On December 5, 1988, the Public Service Company of Colorado informed the NRC that it plans to decommission Fort St. Vrain (Enclosure 1). They stated that a preliminary decommissioning plan will be submitted by April 1989. The final decommissioning plan is expected to be submitted for approval in FY91. This will be the first plant for which NMSS will have full responsibility for the decommissioning activities described above. For planning purposes, it is assumed that one additional operating plant will request decommissioning plan approval in FY93.

In addition to the power reactors being transferred from NRR, an existing reactor (Pathfinder) has a byproduct material license and is assigned to NMSS. Pathfinder recently declared that it will be undergoing dismantlement starting in FY90 and will submit a dismantlement plan in FY89. The intention to initiate dismantlement of the plant was not known at the time the Five Year Plan (FYP) was developed.

A listing of all the plants and the projected dates for transfer of responsibility are provided in Enclosure 2. The estimated resources for NMSS to perform the

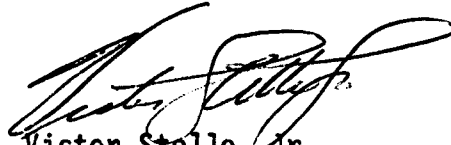
decommissioning activities for these plants are based on historical NRR full-time equivalent unit (FTE) expenditures for review of decommissioning plans, project management, and inspection of reactors that have Possession-Only Licenses. The Office of Nuclear Regulatory Research (RES) activities are not included since they are not affected by the transfer. The RES effort included in the Five Year Plan is about 1.5 FTE for FY89 through FY93, as well as a contractor assistance effort of \$350 thousand for FY89 and \$150 thousand for FY90 and FY91. The estimated total FTE required by the NMSS program for FY89 - FY93 is summarized below.

Reactor Decommissioning FTE Summary

<u>FTE Required</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>
Existing 7 Plants	0.6	1.2	1.2	1.2	1.2
New Plants	0.2	---	1.8	0.9	1.8
Pathfinder	0.7	3.1	1.4	1.4	0.5
Total	1.5	4.3	4.4	3.5	3.5
<u>FTE Available</u>					
Transferred from					
NRR	1.0	1.0	2.0	1.0	2.0
NMSS FYP	---	---	2.4	2.5	1.5
Total	1.0	1.0	4.4	3.5	3.5
<u>Overage/(Shortfall)</u>	(0.5)	(3.3)	(0)	(0)	(0)

The resources being transferred from NRR are sufficient for the NMSS decommissioning of reactors currently under NRR responsibility. The shortfall in the table above is associated with the recent decision to dismantle Pathfinder. Utility decisions on decommissioning at Shoreham and Three Mile Island Unit 2 would increase these resource requirement and shortfall projections. This paper assumes that Shoreham will continue operation and that a decommissioning decision at Three Mile Island Unit 2 will not be made before FY93.

I plan to implement the transfer of power reactor decommissioning, including the transfer of FTE from NRR to NMSS, as discussed above. The next update to the Five Year Plan will reflect this FTE transfer. The FY90 shortfall will be addressed as part of the formulation of the FY90-94 Five Year Plan.



Victor Stello, Jr.
Executive Director for Operations

Enclosures:

1. Public Service Company of Colorado Letter,
dated 12/5/88
2. Power Reactor Decommissioning Workload

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December 5, 1988
Fort St. Vrain
Unit No. 1
P-88422

**Public Service
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**R.O. WILLIAMS, JR.
SENIOR VICE PRESIDENT
NUCLEAR OPERATIONS**

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

Attention: Mr. Jose A. Calvo
Director, Project Directorate IV

Docket No. 50-267

SUBJECT: Early Termination of
Fort St. Vrain Operations

REFERENCE: 1) NRC Letter, Heitner to Williams,
dated November 4, 1988 (G-88443)
2) NRC Memorandum, Heitner to Calvo,
dated October 26, 1988 (G-88436)

Dear Mr. Calvo:

The present Facility Operating License for the Fort St. Vrain Nuclear Generating Station, License No. DPR-34, expires at midnight on September 17, 2008. Based on economic considerations associated with the ongoing operating costs of Fort St. Vrain, Public Service Company of Colorado (PSC) has determined that it will be necessary to terminate Fort St. Vrain operations early. While a final date for terminating Fort St. Vrain operations has not been selected at this time, Fort St. Vrain operations will be discontinued on or before June 30, 1990.

In Reference 1), the NRC requested that PSC provide a definitive operating plan for Fort St. Vrain within 30 days. Because of the aforementioned economic considerations, PSC has decided to terminate Fort St. Vrain operations as soon as planning and preparations can be completed for the initiation of an orderly Fort St. Vrain defueling, including the completion of the necessary NRC reviews and receipt of the required NRC approvals for initiation of the defueling process.

Enclosure 1

December 5, 1988

At the meeting on October 13-14, 1988 between representatives of the NRC, PSC and the State of Colorado (see Reference 2), PSC presented two of the possible future Fort St. Vrain operating plan scenarios:

- Operating Fort St. Vrain through Cycle 4 (Segment 9) including a power coastdown period as part of Cycle 4.
- Operating Fort St. Vrain through Cycle 5 (Segment 10) including a power coastdown period as part of Cycle 5 instead of Cycle 4.

Neither of these operating plan scenarios envisioned the procurement of Segment 11 or a sixth fuel operating cycle for Fort St. Vrain.

Based on the estimated time required to complete planning and preparations for the initiation of defueling and decommissioning activities at Fort St. Vrain, PSC has decided not to conduct a fourth Fort St. Vrain refueling outage to load new fuel Segment 10, and the fifth fuel operating cycle is therefore being cancelled. The one currently undefined operating planning premise is the final duration of the current fourth fuel operating cycle, including the power coastdown period. The final duration of the fourth fuel operating cycle will be based upon the time to complete planning and preparations for the initiation of defueling, the reliability of Fort St. Vrain, and the allowable duration of a power coastdown period prior to the end of the fourth fuel operating cycle. Based on these factors, the best current PSC estimate is that the fourth fuel operating cycle will be concluded between December 1989 and June 1990. Therefore, PSC will be terminating Fort St. Vrain operations on or before June 30, 1990.

During the remainder of the fourth fuel operating cycle, PSC intends to pursue and obtain the necessary reviews and approvals from the NRC staff to permit the safe termination of nuclear operations at Fort St. Vrain, and permit the orderly completion of defueling and decommissioning planning activities. PSC has already initiated planning discussions with the NRC staff (see Reference 2) concerning the defueling, decommissioning, and the possible conversion of Fort St. Vrain to an alternate fossil fuel source. PSC plans to make the following submittals to the NRC during 1989 to support these defueling and decommissioning planning activities, and requests that NRC reviews and approval be completed on the indicated schedule:

- PSC will submit the preliminary decommissioning plan for Fort St. Vrain by March 31, 1989 to fulfill the recently issued requirements of 10 CFR 50.75(f).

December 5, 1988

- Although not specifically required by the regulations, PSC will also submit by March 31, 1989 information concerning PSC's financial plans to support the defueling of Fort St. Vrain as discussed during the October 13-14, 1988 meeting.
- PSC will submit by May 31, 1989 the Fort St. Vrain defueling plan, and associated safety analysis report and required Technical Specification changes to the NRC for approval.
- PSC requests that NRC review and approve the defueling plan, and associated safety analysis report and Technical Specification changes by December 31, 1989 to support the early termination of Fort St. Vrain operations.

As part of the planning process, PSC is reviewing all outstanding NRC requirements and PSC commitments to identify those that should be completed to support the safe, short-term completion of nuclear operations at Fort St. Vrain. PSC is also identifying those PSC commitments and new NRC requirements that are longer term in nature, and whose safety benefits would not be realized, to any significant extent, since Fort St. Vrain operations will be discontinued on or before June 30, 1990. To optimize the utilization of both NRC and PSC resources, work on commitments and new requirements whose safety benefits would largely accrue only if Fort St. Vrain were to be operated beyond June 30, 1990 would be terminated at the present time. PSC plans to submit by January 20, 1989 a definitive listing of proposed changes to current PSC commitments as required to assure the safe termination of Fort St. Vrain operations.

If you should have any questions concerning this matter, please contact Mr. M. H. Holmes at (303) 480-6960.

Very truly yours,



R. O. Williams, Jr.
Senior Vice President
Nuclear Operations

ROW/MHH:brc

cc: (See next page)

POWER REACTOR DECOMMISSIONING WORKLOAD

<u>FACILITIES</u>	<u>REGION</u>	<u>CURRENT STATUS</u>	<u>PROJECTED DATE OF TRANSFER</u>
UNDER REVIEW:			
HUMBOLDT BAY 3	V	APPROVED	IMMEDIATELY
INDIAN POINT 1	I	AWAITING DECOM OK	APRIL 1989
VALLECITOS	V	IN SAFSTOR	IMMEDIATELY
DRESDEN 1	III	IN DECOM REVIEW	NOVEMBER 1989
LA CROSSE	III	IN DECOM REVIEW	JUNE 1989
FERMI 1	III	IN SAFSTOR	APRIL 1989
PEACH BOTTOM 1	I	IN SAFSTOR	JUNE 1989
NEW APPLICATIONS:			
FORT ST. VRAIN	IV	PRELIMINARY DECOM PLAN IN FY89	FY93
ONE NEW PLANT	--	FINAL DECOM PLAN IN FY91 DECOM PLAN IN FY93	BEYOND FIVE YEAR PLAN
PATHFINDER*	IV	IN SAFSTOR	NWSS LICENSEE

* HAS BYPRODUCT MATERIAL LICENSE.