



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

December 22, 1988

Docket No. 50-425

Mr. W. G. Hairston, III  
Senior Vice President -  
Nuclear Operations  
Georgia Power Company  
P.O. Box 1295  
Birmingham, Alabama 35201

Dear Mr. Hairston:

SUBJECT: GEORGIA POWER COMPANY, OGLETHORPE POWER CORPORATION, MUNICIPAL ELECTRIC AUTHORITY OF GEORGIA, CITY OF DALTON, GEORGIA, VOGTLE ELECTRIC GENERATING PLANT, UNIT 2 - ENVIRONMENTAL ASSESSMENT AND FINDING OF NO SIGNIFICANT IMPACT - TEMPORARY EXEMPTION FROM THE SCHEDULAR REQUIREMENTS OF THE PROPERTY INSURANCE RULE EFFECTIVE OCTOBER 4, 1988 (10 CFR 50.54(w)(5)(i))

On August 5, 1987, the NRC published in the Federal Register a final rule amending 10 CFR 50.54(w). The rule increased the amount of on-site property damage insurance required to be carried by NRC's power reactor licensees. The rule also required these licensees to obtain by October 4, 1988 insurance policies that prioritized insurance proceeds for stabilization and decontamination after an accident and provided for payment of proceeds to an independent trustee who would disburse funds for decontamination and cleanup before any other purpose.

Subsequent to publication of the rule, the NRC has been informed by insurers who offer nuclear property insurance that, despite a good faith effort to obtain trustees required by the rule, the decontamination priority and trusteeship provisions will not be able to be incorporated into policies by the time required in the rule. In response to these comments and related petitions for rulemaking, the Commission has proposed a revision of 10 CFR 50.54(w)(5)(i) extending the implementation schedule for 18 months (53 FR 36338, September 19, 1988). However, since this rulemaking action was not completed by October 4, 1988, if a facility operating license is issued before the rulemaking is completed, the Commission would issue a temporary exemption from the requirements of 10 CFR 50.54(w)(5)(i) until completion of the pending rulemaking extending the implementation date specified in 10 CFR 50.54(w)(5)(i). Upon completion of such rulemaking, the licensee shall comply with the provisions of such rule.

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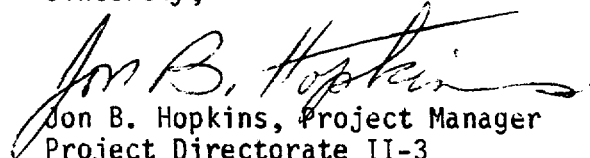
Mr. W. G. Hairston, III

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December 22, 1988

Enclosed is an Environmental Assessment and Finding of No Significant Impact relating to a temporary exemption from 10 CFR 50.54(w)(5)(i) for the Vogtle Electric Generating Plant, Unit 2. This assessment is being forwarded to the Office of Federal Register for publication.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jon B. Hopkins", written in dark ink.

Jon B. Hopkins, Project Manager  
Project Directorate II-3  
Division of Reactor Projects - I/II  
Office of Nuclear Reactor Regulation

Enclosure: Environmental Assessment

cc w/enclosure:  
See next page

December 22, 1988

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151

Jon B. Hopkins, Project Manager  
Project Directorate II-3  
Division of Reactor Projects - I/II  
Office of Nuclear Reactor Regulation

Enclosure: Environmental Assessment

cc w/enclosure:  
See next page

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Docket File

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PDII-3 Reading

S. Varga 14-E-4

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M. Rood 14-H-25

Project Manager 14-H-25

OGC 15-B-18

E. Jordan MNBB-3302

B. Grimes 9-A-2

ACRS (10) P-315

GPA/PA 17-F-2

Vogtle Plant File

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MRood

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JHopkins:ls

12/19/88

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DMatthews

12/22/88

*J. Santo agreed to EA w/o exp. expiration date.*

Mr. W. G. Hairston, III  
Georgia Power Company

Vogtle Electric Generating Plant

cc:

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Atlanta, Georgia 30334

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Room 615B  
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UNITED STATES NUCLEAR REGULATORY COMMISSIONGEORGIA POWER COMPANYOGLETHORPE POWER CORPORATIONMUNICIPAL ELECTRIC AUTHORITY OF GEORGIACITY OF DALTON, GEORGIADOCKET NO. 50-425ENVIRONMENTAL ASSESSMENT AND FINDING OFNO SIGNIFICANT IMPACTCONCERNING EXEMPTION FROM10 CFR 50.54(w)(5)(i)

The U. S. Nuclear Regulatory Commission (the Commission) is considering issuance of an exemption from the requirements of 10 CFR 50.54(w)(5)(i) to Georgia Power Company, Oglethorpe Power Corporation, Municipal Electric Authority of Georgia, and City of Dalton, Georgia (the licensee) for the Vogtle Electric Generating Plant, Unit 2, located at the licensee's site in Burke County, Georgia.

ENVIRONMENTAL ASSESSMENTIdentification of Proposed Action:

On August 5, 1987, the NRC published in the FEDERAL REGISTER a final rule amending 10 CFR 50.54(w). The rule increased the amount of on-site property damage insurance required to be carried by NRC's power reactor licensees. The rule also required these licensees to obtain by October 4, 1988 insurance policies that prioritized insurance proceeds for stabilization and decontamination after an accident and provided for payment of proceeds to an independent trustee who would disburse funds for decontamination and cleanup before any other purpose.

Subsequent to publication of the rule, the NRC has been informed by insurers who offer nuclear property insurance that, despite a good faith effort to obtain trustees required by the rule, the decontamination priority and trusteeship provisions will not be able to be incorporated into policies by the time required in the rule. In response to these comments and related petitions for rulemaking, the Commission has proposed a revision of 10 CFR 50.54(w)(5)(i) extending the implementation schedule for 18 months (53 FR 36338, September 19, 1988). Because a facility operating license may be issued for Vogtle 2 before the rulemaking action is completed, the Commission would issue as part of the license a temporary exemption from the requirements of 10 CFR 50.54(w)(5)(i) until completion of the pending rulemaking extending the implementation date specified in 10 CFR 50.54(w)(5)(i). Upon completion of such rulemaking, the licensee shall comply with the provisions of such rule.

The Need for The Proposed Action:

The exemption is needed because insurance complying with requirements of 10 CFR 50.54(w)(5)(i) is unavailable and because the temporary delay in implementation allowed by the exemption and associated rulemaking action will permit the Commission to reconsider on its merits the trusteeship provision of 10 CFR 50.54(w)(4).

Environmental Impacts of the Proposed Action:

With respect to radiological impacts on the environment, the proposed exemption does not in any way affect the operation of licensed facilities. Further, as noted by the Commission in the Supplementary Information accompanying the proposed rule, there are several reasons for concluding that

delaying for a reasonable time the implementation of the stabilization and decontamination priority and trusteeship provisions of Section 50.54(w) will not adversely affect protection of public health and safety. First, during the period of delay, the licensee will still be required to carry \$1.06 billion insurance. This is a substantial amount of coverage that provides a significant financial cushion to licensees to decontaminate and clean up after an accident even without the prioritization and trusteeship provisions. Second, nearly 75% of the required coverage already is prioritized under the decontamination liability and excess property insurance language of the Nuclear Electric Insurance Limited-II policies. Finally, there is only an extremely small probability of a serious accident occurring during the exemption period. Even if a serious accident giving rise to substantial insurance claims were to occur, NRC would be able to take appropriate enforcement action to assure adequate cleanup to protect public health and safety and the environment.

The proposed exemption does not affect radiological or nonradiological effluents from the site and has no other nonradiological impacts.

Alternatives to the Proposed Action:

It has been concluded that there is no measurable impact associated with the proposed exemption; any alternatives to the exemption will have either no environmental impact or greater environmental impact.

Alternative Use of Resources:

This action does not involve the use of any resources beyond the scope of resources used during normal plant operation.

Agencies and Persons Consulted:

The staff did not consult other agencies or persons in connection with the proposed exemption.

FINDING OF NO SIGNIFICANT IMPACT

Based upon the foregoing environmental assessment, the Commission concludes that the proposed action will not have a significant effect on the quality of the human environment. Accordingly, the Commission has determined not to prepare an environmental impact statement for the proposed exemption.

For information concerning this action, see the proposed rule (53 FR 36338). A copy of the facility operating license will be available for public inspection at the Commission's Public Document Room, 2120 L Street, NW, Washington, D.C., and at the Burke County Library, 412 Fourth Street, Waynesboro, Georgia 30830.

Dated at Rockville, Maryland this 22nd day of December , 1988.

FOR THE NUCLEAR REGULATORY COMMISSION

A handwritten signature in cursive script, appearing to read "D B Matthews".

David B. Matthews, Director  
Project Directorate II-3  
Division of Reactor Projects - I/II  
Office of Nuclear Reactor Regulation



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Based upon the foregoing environmental assessment, the Commission concludes that the proposed action will not have a significant effect on the quality of the human environment. Accordingly, the Commission has determined not to prepare an environmental impact statement for the proposed exemption.

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Dated at Rockville, Maryland this 22nd day of December, 1988.

FOR THE NUCLEAR REGULATORY COMMISSION

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David B. Matthews, Director  
Project Directorate II-3  
Division of Reactor Projects - I/II  
Office of Nuclear Reactor Regulation

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12/22/88

*Revised & changed  
to delete 4/1/89 date  
by J. Scinto, DGC  
12/21/88  
-m7*