



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

September 29, 1988

Docket Nos. 50-250, 50-251
50-335, 50-389

Mr. W. F. Conway
Senior Vice President - Nuclear
Nuclear Energy Department
Florida Power and Light Company
P.O. Box 14000
Juno Beach, Florida 33408-0420

Dear Mr. Conway:

SUBJECT: TURKEY POINT UNITS 3 AND 4 AND ST. LUCIE UNITS 1 AND 2 - TEMPORARY
EXEMPTIONS FROM THE SCHEDULAR REQUIREMENTS OF THE PROPERTY INSURANCE
RULE EFFECTIVE OCTOBER 4, 1988 (10 CFR 50.54(w)(5)(i))

The Commission has issued the enclosed temporary exemptions from the schedular requirements of the property insurance rule effective October 4, 1988 (10 CFR 50.54(w)(5)(i)) for the Turkey Point Plant, Units 3 and 4 and the St. Lucie Plant, Units 1 and 2. This part of the rule requires licensees to obtain insurance policies that prioritize insurance proceeds for stabilization and decontamination after an accident and provide for payment of proceeds to an independent trustee who would disburse funds for decontamination and cleanup before any other purpose.

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, because it is unlikely that this rulemaking action will be completed by October 4, 1988, the Commission is issuing 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), but not later than April 1, 1989. Upon completion of such rulemaking, the licensee shall comply with the provisions of such rule.

The Commission, pursuant to 10 CFR 50.12(a), hereby grants temporary exemptions from the schedular requirements of 10 CFR 50.54(w)(5)(i). These temporary exemptions are valid until April 1, 1989 or until such time as action on this rulemaking is completed.

In granting these exemptions, the staff has determined that this action is authorized by law and will not endanger life or property or the common defense and security and is otherwise in the public interest.

BB10100235 880929
PDR ADDCK 05000250
J PNU

DFOL
1/1

CP2

A copy of these exemptions are being filed with the Office of the Federal Register for publication.

Sincerely,

Original signed by

Gordon E. Edison, Project Manager
Project Directorate II-2
Division of Reactor Projects-I/II
Office of Nuclear Reactor Regulation

Original signed by

E. G. Tourigny, Project Manager
Project Directorate II-2
Division of Reactor Projects-I/II
Office of Nuclear Reactor Regulation

Enclosures:

1. Exemption - Turkey Point Plant
2. Exemption - St. Lucie Plant

cc w/enclosures:
See next page

DISTRIBUTION

Docket File PDII-2 Rdg.

NRC PDR

L PDR

TMurley/JSniezek 12G18

DCrutchfield 12G18

CRossi 11E4

SVarga 14E4

GLainas 14H3

DMiller

ETourigny

GEdison

OGC 15B11

EJordan 3302 MNBB

BGrimes 9A2

TBarnhart (16)

ACRS (10)

GPA/PA

ARM/LFMB

Gray File

LA:PD22
DMiller
9/29/88

PM:PD22
ETourigny
9/29/88

PM:PD22
GEdison
9/29/88

PM:PD22
HBeckow
9/29/88

ADR2
GLainas
9/29/88

D:DRP
SVarga
9/29/88

ADR
DCrutchfield
9/29/88

Mr. W. F. Conway
Florida Power & Light Company

St. Lucie Plant

cc:

Mr. Jack Shreve
Office of the Public Counsel
Room 4, Holland Building
Tallahassee, Florida 32304

Resident Inspector
c/o U.S. NRC
7585 S. Hwy A1A
Jensen Beach, Florida 34957

State Planning & Development
Clearinghouse
Office of Planning & Budget
Executive Office of the Governor
The Capitol Building
Tallahassee, Florida 32301

Harold F. Reis, Esq.
Newman & Holtzinger
1615 L Street, N.W.
Washington, DC 20036

John T. Butler, Esq.
Steel, Hector and Davis
4000 Southeast Financial Center
Miami, Florida 33131-2398

Administrator
Department of Environmental Regulation
Power Plant Siting Section
State of Florida
2600 Blair Stone Road
Tallahassee, Florida 32301

Mr. Weldon B. Lewis, County
Administrator
St. Lucie County
2300 Virginia Avenue, Room 104
Fort Pierce, Florida 33450

Mr. Charles B. Brinkman, Manager
Washington - Nuclear Operations
Combustion Engineering, Inc.
7910 Woodmont Avenue
Bethesda, Maryland 20814

Jacob Daniel Nash
Office of Radiation Control
Department of Health and
Rehabilitative Services
1317 Winewood Blvd.
Tallahassee, Florida 32399-0700

Regional Administrator, Region II
U.S. Nuclear Regulatory Commission
101 Marietta Street N.W., Suite 2900
Atlanta, Georgia 30323

Mr. W. F. Conway
Florida Power and Light Company

Turkey Point Plant

cc:

Harold F. Reis, Esquire
Newman and Holtzinger, P.C.
1615 L Street, N.W.
Washington, DC 20036

Mr. Jack Shreve
Office of the Public Counsel
Room 4, Holland Building
Tallahassee, Florida 32304

John T. Butler, Esquire
Steel, Hector and Davis
4000 Southeast Financial
Center
Miami, Florida 33131-2398

Mr. J. Odom, Vice President
Turkey Point Nuclear Plant
Florida Power and Light Company
P.O. Box 029100
Miami, Florida 33102

County Manager of Metropolitan
Dade County
Miami, Florida 33130

Resident Inspector
U.S. Nuclear Regulatory Commission
Turkey Point Nuclear Generating Station
Post Office Box 57-1185
Miami, Florida 33257-1185

Jacob Daniel Nash
Office of Radiation Control
Department of Health and
Rehabilitative Services
1317 Winewood Blvd.
Tallahassee, Florida 32399-0700

Intergovernmental Coordination
and Review
Office of Planning & Budget
Executive Office of the Governor
The Capitol Building
Tallahassee, Florida 32301

Administrator
Department of Environmental
Regulation
Power Plant Siting Section
State of Florida
2600 Blair Stone Road
Tallahassee, Florida 32301

Regional Administrator, Region II
U.S. Nuclear Regulatory Commission
Suite 2900
101 Marietta Street
Atlanta, Georgia 30323

Attorney General
Department of Legal Affairs
The Capitol
Tallahassee, Florida 32304

Plant Manager
Turkey Point Nuclear Plant
Florida Power and Light Company
P.O. Box 029100
Miami, Florida 33102

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the matter of)	
	}	
FLORIDA POWER AND LIGHT COMPANY	}	Docket Nos. 50-335
	}	and 50-389
(St. Lucie Plant, Units 1 and 2)	}	

EXEMPTION

I.

Florida Power and Light Company (the licensee) is the holder of Facility Operating License Nos. DPR-67 and NPF-16, which authorize operation of the St. Lucie Plant, Units 1 and 2. The licenses provide, among other things, that it is subject to all rules, regulations, and orders of the Commission now or hereafter in effect.

The facility consists of pressurized water reactors at the licensee's site located in St. Lucie County, Florida.

II.

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, because it is unlikely that this rulemaking action will be completed by October 4, 1988, the Commission is issuing 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), but not later than April 1, 1989. Upon completion of such rulemaking, the licensee shall comply with the provisions of such rule.

III.

Pursuant to 10 CFR 50.12, "The Commission may, upon application by any interested person or upon its own initiative, grant exemptions from the requirements of the regulations of [10 CFR Part 50], which are ... Authorized by law, will not present an undue risk to the public health and safety, and are consistent with the common defense and security." Further, Section 50.12(a)(2) provides inter alia, "The Commission will not consider granting an exemption unless special circumstances are present. Special circumstances are present whenever ... (v) The exemption would provide only temporary relief from the applicable regulation and the licensee has made good faith efforts to comply with the regulation."

Despite a good faith effort to comply with the provisions of the rule, insurers providing property damage insurance for nuclear power facilities and licensees insured by such insurers have not been able to comply with the regulation and the exemption provides only temporary relief from the applicable regulation.

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 is already 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.

IV.

Accordingly, the Commission has determined, pursuant to 10 CFR 50.12(a), that (1) a temporary exemption as described in Section III. is authorized by law, will not present an undue risk to the public health and safety, and is consistent with the common defense and security and (2) in this case, special circumstances are present as described in Section III. Therefore, the Commission hereby grants the following exemption:

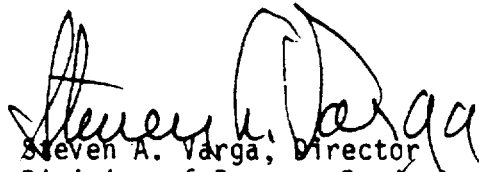
The Florida Power and Light Company is exempt from the requirements of 10 CFR 50.54(w)(5)(i) until the completion of the pending rulemaking extending the implementation date specified in 10 CFR 50.54(w)(5)(i), but not later than April 1, 1989. Upon completion of such rulemaking the licensee shall comply with the provisions of such rule.

Pursuant to 10 CFR 51.32, the Commission has determined that the granting of this exemption will not result in any significant environmental impact (53 FR 38121).

This exemption is effective upon issuance.

Dated at Rockville, Maryland this 29th day of September , 1988.

FOR THE NUCLEAR REGULATORY COMMISSION


Steven A. Varga, Director
Division of Reactor Projects I/II
Office of Nuclear Reactor Regulation

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the matter of

FLORIDA POWER AND LIGHT COMPANY

(Turkey Point Plant, Units 3 and 4)

Docket Nos. 50-250
and 50-251

EXEMPTION

I.

Florida Power and Light Company (the licensee) is the holder of Facility Operating License Nos. DPR-31 and DPR-41 which authorize operation of the Turkey Point Plant, Units 3 and 4. The licenses provide, among other things, that it is subject to all rules, regulations, and orders of the Commission now or hereafter in effect.

The facility consists of pressurized water reactors at the licensee's site located in Dade County, Florida.

II.

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,

8810100264 880929
PDR ADOCK 05000250
J PNU

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, because it is unlikely that this rulemaking action will be completed by October 4, 1988, the Commission is issuing 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), but not later than April 1, 1989. Upon completion of such rulemaking, the licensee shall comply with the provisions of such rule.

III.

Pursuant to 10 CFR 50.12, "The Commission may, upon application by any interested person or upon its own initiative, grant exemptions from the requirements of the regulations of [10 CFR Part 50], which are ... Authorized by law, will not present an undue risk to the public health and safety, and are consistent with the common defense and security." Further, Section 50.12(a)(2) provides inter alia, "The Commission will not consider granting an exemption unless special circumstances are present. Special circumstances are present whenever ... (v) The exemption would provide only temporary relief from the applicable regulation and the licensee has made good faith efforts to comply with the regulation."

Despite a good faith effort to comply with the provisions of the rule, insurers providing property damage insurance for nuclear power facilities and licensees insured by such insurers have not been able to comply with the regulation and the exemption provides only temporary relief from the applicable regulation.

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 is already 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.

IV.

Accordingly, the Commission has determined, pursuant to 10 CFR 50.12(a), that (1) a temporary exemption as described in Section III. is authorized by law, will not present an undue risk to the public health and safety, and is consistent with the common defense and security and (2) in this case, special circumstances are present as described in Section III. Therefore, the Commission hereby grants the following exemption:

The Florida Power and Light Company is exempt from the requirements of 10 CFR 50.54(w)(5)(i) until the completion of the pending rulemaking extending the implementation date specified in 10 CFR 50.54(w)(5)(i), but not later than April 1, 1989. Upon completion of such rulemaking the licensee shall comply with the provisions of such rule.

Pursuant to 10 CFR 51.32, the Commission has determined that the granting of this exemption will not result in any significant environmental impact (53 FR 38122).

This exemption is effective upon issuance.

Dated at Rockville, Maryland this 29th day of September , 1988.

FOR THE NUCLEAR REGULATORY COMMISSION

A handwritten signature in black ink, appearing to read "Steven A. Vargay", is written over the typed name and title.

Steven A. Vargay, Director
Division of Reactor Projects I/II
Office of Nuclear Reactor Regulation