



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

Docket

September 26, 1988

Docket Nos. 50-313
and 50-368

Mr. T. Gene Campbell
Vice President, Nuclear
Operations
Arkansas Power & Light Company
P. O. Box 551
Little Rock, Arkansas 72203

Dear Mr. Campbell:

SUBJECT: ARKANSAS NUCLEAR ONE, UNITS 1 AND 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, 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.

8809300119 880926
PDR ADOCK 05000313
J FDC

DFOL
11

CP-1
EJW

Mr. T. Gene Campbell

-2-

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 Arkansas Nuclear One, Units 1 and 2.

This assessment is being forwarded to the Office of Federal Register for publication.

Sincerely,

151

C. Craig Harbuck, Project Manager
Project Directorate - IV
Division of Reactor Projects - III,
IV, V and Special Projects

Enclosure:
Environmental Assessment

cc w/enclosure:
See next page

~~DISTRIBUTION~~

Docket File
NRC PDR
Local PDR
PD4 Reading
L. Rubenstein
J. Calvo
P. Noonan
C. Harbuck
OGC-Rockville
E. Jordan
B. Grimes
ACRS (10)
GPA/PA
PD4 Plant File
E. Tourigny

PDIV:LA *PM*
PNoonan
09/22/88

PDIV:PM *CH*
CHarbuck:kb
09/22/88

DM; autg
PDIV:D
JCalvo
09/26/88

Mr. T. Gene Campbell

-2-

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 Arkansas Nuclear One, Units 1 and 2.

This assessment is being forwarded to the Office of Federal Register for publication.

Sincerely,

C. Craig Harbuck

C. Craig Harbuck, Project Manager
Project Directorate - IV
Division of Reactor Projects - III,
IV, V and Special Projects

Enclosure:
Environmental Assessment

cc w/enclosure:
See next page

Mr. T. Gene Campbell
Arkansas Power & Light Company

Arkansas Nuclear One
Unit Nos. 1 and 2

cc:

Mr. Dan R. Howard, Manager
Licensing
Arkansas Nuclear One
P. O. Box 608
Russellville, Arkansas 72801

Mr. Charles B. Brinkman, Manager
Washington Nuclear Operations
C-E Power Systems
7910 Woodmont Avenue
Suite 1310
Bethesda, Maryland 20814

Mr. James M. Levine, Executive Director
Site Nuclear Operations
Arkansas Nuclear One
P. O. Box 608
Russellville, Arkansas 72801

Mr. Frank Wilson, Director
Division of Environmental Health
Protection
Department of Health
Arkansas Department of Health
4815 West Markham Street
Little Rock, Arkansas 72201

Nicholas S. Reynolds, Esq.
Bishop, Cook, Purcell
& Reynolds
1400 L Street, N.W.
Washington, D.C. 20005-3502

Honorable William Abernathy
County Judge of Pope County
Pope County Courthouse
Russelville, Arkansas 72801

Regional Administrator, Region IV
U.S. Nuclear Regulatory Commission
Office of Executive Director for
Operations
611 Ryan Plaza Drive, Suite 1000
Arlington, Texas 76011

Senior Resident Inspector
U.S. Nuclear Regulatory Commission
1 Nuclear Plant Road
Russellville, Arkansas 72801

Ms. Greta Dicus, Director
Division of Environmental Health
Protection
Arkansas Department of Health
4815 West Markam Street
Little Rock, Arkansas 72201

Mr. Robert B. Borsum
Babcock & Wilcox
Nuclear Power Generation Division
Suite 220
1700 Rockville Pike, Suite 525
Rockville, Maryland 20852

UNITED STATES NUCLEAR REGULATORY COMMISSIONARKANSAS POWER & LIGHT COMPANYARKANSAS NUCLEAR ONE, UNITS 1 AND 2DOCKET NOS. 50-313 AND 50-368ENVIRONMENTAL 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 Arkansas Power & Light Company (the licensee) for the Arkansas Nuclear One, Units 1 and 2, located at the licensee's site in Pope County, Arkansas.

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). However, because it is unlikely that this rulemaking action will be effective 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 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), and the exemption which is being processed concurrent with this notice. A copy of the exemption will be available for public inspection at the Commission's Public Document Room, 2120 L Street, NW, Washington, D.C., and at the Tomlinson Library, Arkansas Technical University, Russellville, Arkansas 72801.

Dated at Rockville, Maryland this 26th day of September , 1988.

FOR THE NUCLEAR REGULATORY COMMISSION



David L. Wigginton, Acting Director
Project Directorate - IV
Division of Reactor Projects - III,
IV, V and Special Projects
Office of Nuclear Reactor Regulation