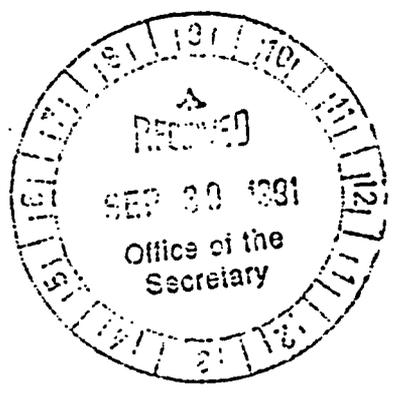


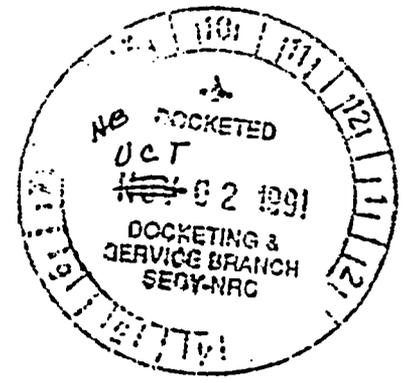
Attachment #1.
DOCKET NUMBER
PETITION RULE PRM 50-57
(57FR2059)



NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION



September 25, 1991



Secretary of the Commission
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

ATTENTION: Chief of Docketing and Service Branch

Dear Sir:

SUBJECT: Petition for Rulemaking under 10 CFR 2.802

Herewith is respectfully submitted a petition for a generic rulemaking to substantially reduce or preferably eliminate the \$1.06 billion of reactor on-site stabilization and accident decontamination insurance required by 10 CFR 50.54(w) in instances where all nuclear reactors on a reactor station site have been shut down and all-nuclear fuel has been removed from the site.

It is not apparent to the petitioner that, when a reactor station is without fuel and in a shutdown or dormant condition, for instance with a possession-only license awaiting decommissioning, that any health or safety reason would require extraordinary accident insurance protection. Since in the absence of fuel there is no reasonable risk of an empty reactor vessel or an empty fuel pool achieving criticality, the petitioner recommends that the Commission consider reducing substantially or eliminating entirely the "minimum coverage limit for each reactor site of either \$1.06 billion or whatever amount of insurance is generally available from private sources, whichever is less."

In further support of this petition, it should be pointed out that regulations do not require accident insurance protection for other types of facilities that may be to some degree contaminated where the risk of criticality is absent. Nor do regulations require such insurance coverage for a licensed Intermediate Spent Fuel Storage Installation.

By a concurrent or separate rulemaking, the undersigned likewise petitions that the requirement for public off-site liability insurance to cover an extraordinary nuclear incident under 10 CFR 140.11(a)(4) be substantially reduced or preferably eliminated for shutdown or dormant reactors when no nuclear fuel remains on the reactor site.

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There appears to be no reasonable risk of criticality which could produce a major nuclear incident for which the \$200 million of primary liability insurance protection is intended. Also, in the absence of in-reactor or in-pool fuel, it seems unreasonable for the owner of a permanently shut down reactor to continue during many years of reactor dormancy to be liable for retrospective premium charges for a pro-rata share of the \$7.6 billion of secondary liability financial protection in the event of a nuclear accident at some operating reactor elsewhere in the industry when the occurrence of a like accident is not considered possible at the dormant, unfueled reactor.

While at the moment there is no Department of Energy facility ready to receive commercially generated spent fuel, revision of both of these insurance requirements is of immediate importance. The insurance now required by 10 CFR 50.54(w) and 10 CFR 140.11(a)(4) during an extended period of SAFSTOR dormancy will result in significant collections from utility ratepayers during the reactor's current operating years. The cost of this insurance may very well discourage or preclude altogether the election of the SAFSTOR decommissioning option, an option which could otherwise reduce considerably worker exposure to radioactivity during decommissioning and could also reduce substantially low level radioactive waste storage requirements.

An example of how the regulations may be amended to achieve the petitioned improvements is attached as Exhibit A.

Your prompt and favorable consideration of these two revisions in reactor insurance regulations would be appreciated.

Yours very truly,



Robert P. Gruber
Executive Director

RPG:cj
Attachment

10 CFR 50.54, Conditions of licenses, is amended by adding a new subparagraph (w)(5) to read as follows:

(5) When all nuclear reactors on a reactor station site have been shut down and all nuclear fuel has been removed from the reactor station site except as may be stored in a licensed Intermediate Spent Fuel Storage Installation, the requirement of this subparagraph (w) that each reactor site must have insurance or equivalent protection to stabilize and decontaminate the reactor and the site in the event of an accident is waived.

10 CFR 140.11, Amounts of financial protection for certain reactors, is amended by adding a new subparagraph (c) to read as follows:

(c) In any case when all licensed electric power producing nuclear reactors at the same location have been shut down and all nuclear fuel has been removed from the location except for fuel as may be stored in a licensed Intermediate Spent Fuel Storage Installation, the requirement that the licensee have and maintain financial protection in the amount set forth in subsection 140.11(a)(4) is waived.

Note: The suggested language above is just one way to modify the rules to implement the recommendation cited in the Petition and is not intended to foreclose consideration of other alternative wordings.