

## NUCLEAR REGULATORY COMMISSION

|                            |   |                   |
|----------------------------|---|-------------------|
| In the Matter of           | ) |                   |
|                            | ) |                   |
| Pacific Gas and Electric   | ) | Docket No. 50-133 |
| Company                    | ) |                   |
| (Humboldt Bay Power Plant, | ) |                   |
| Unit No. 3)                | ) |                   |

EXEMPTION

## I.

The Pacific Gas and Electric Company (the licensee) is the holder of Facility Operating License No. DPR-7 which authorizes operation of the Humboldt Bay Power Plant, Unit No. 3 (Humboldt). This license provides, among other things, that it is subject to all rules, regulations and orders of the Commission now or hereafter in effect.

The Facility is a boiling water reactor rated at 63 Mw(e) at the licensee's site located near Eureka, California.

## II.

The regulation, 10 CFR 50.54(w), requires that each commercial power reactor licensee shall, by June 29, 1982, take reasonable steps to obtain on-site property damage insurance available at reasonable costs and on reasonable terms from private sources or to demonstrate to the satisfaction of the Commission that it possesses an equivalent amount of protection covering the facility, provided, among other things, that "this insurance must have a minimum coverage limit no less than the combined total of (i) that offered by either American Nuclear Insurers

(ANI) and Mutual Atomic Energy Reinsurance Pool (MAERP) jointly or Nuclear Mutual Limited (NML); plus (ii) that offered by Nuclear Electric Insurance Limited (NEIL), the Edison Electric Institute (EEI), ANI and MAERP jointly, or NML as excess property insurance."

On May 28, 1982, the licensee filed a Request for Exemption from 10 CFR 50.54(w). In support of this request, the licensee indicated that Humboldt Unit 3 has been shut down since July 1976 and is presently in cold shutdown condition. The licensee indicated that studies conducted by it and the NRC staff conclude that the unit presents no danger to the health and safety of the public. Further, the licensee presently maintains all-risk property damage insurance at Humboldt Unit 3 in the amount of approximately \$100,000,000 which, in the licensee's opinion, is more than enough to cover the very remote possibility of any damage to the unit. The licensee submitted that any additional insurance beyond that currently carried should not be required. In addition, the licensee stated that the annual premium for additional insurance would be a burden on its ratepayers.

The licensee did not provide sufficient information in its exemption request for the Commission to conclude that a permanent exemption to the requirements of 10 CFR 50.54(w) is justified. Consequently, the Commission requested additional information from the licensee in a letter dated June 24, 1982. The licensee has responded to this request by letter dated July 28, 1982.

Because of the additional information provided by the licensee in its July 28th letter and by staff studies performed for the Humboldt unit, the Commission is able to consider the exemption request on its merits. The Commission finds that the risk to public health and safety presented by the Humboldt unit in its present state of cold shutdown is very low compared to operating reactors. In a recent decision, the Director, Office of Nuclear Reactor Regulation declined to order decommissioning of the Humboldt unit as requested by an individual pursuant to 10 CFR 2.206. (DD-82-7; July 7, 1982) The Director found, in part: "The consequences and types of accidents are greatly diminished because of the present condition of the plant. Staff analysis has concluded that Humboldt Bay fuel has decayed sufficiently that air cooling is adequate to preserve fuel cladding integrity. Therefore, measures to assure core cooling or mitigate loss of coolant consequences are unnecessary. Due to the long period since the reactor last operated, mobile radioactivity has decayed very significantly." To illustrate, decay heat in the core of a reactor similar in configuration and cold shutdown status to the Humboldt unit is estimated by staff to be approximately  $3.0 \times 10^{-5}\%$  of full power.

Additionally, preliminary information has been developed for the Commission's accident cost study of light water reactors (Technology, Safety and Costs of Decommissioning at Reference Light Water Reactors Involved in Postulated Accidents; Pacific Northwest Laboratory: NUREG/CR-2601; to be published). This report considers three accident scenarios all of which involve loss of coolant accidents of varying severity. Such accidents are considered to present the greatest potential for

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excessive contamination requiring significant cleanup expense. As indicated above, the staff does not consider loss of coolant accidents to be credible events for Humboldt in its current status. Consequently, it is reasonable to expect that whatever on-site decontamination costs that might arise from an accident at the Humboldt unit in its current state would be covered by the \$100,000,000 all-risk property damage insurance currently maintained by PG&E.

Finally, the additional property insurance required to comply with 10 CFR 50.54(w) would require an additional annual premium of from \$610,000 to \$691,000. The Commission finds that this financial burden, if placed on the licensee and its customers, would not be warranted by the marginal additional benefit that would be obtained.

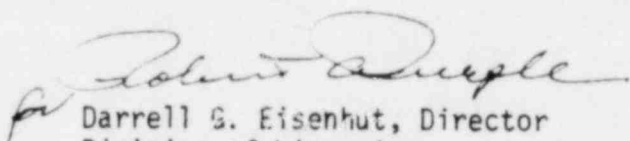
Accordingly, based upon the additional information provided by the licensee in its July 28 letter, the Commission has determined that pursuant to 10 CFR 50.12 an exemption is authorized by law and will not endanger life or property or the common defense and security and is otherwise in the public interest. Therefore, the Commission hereby approves the following exemption:

The licensee is exempt until further notice from the requirements of 10 CFR 50.54(w), with respect to on-site property damage insurance, in excess of \$100,000,000 unless and until such time as Humboldt Bay Power Plant, Unit No. 3 is removed from cold shutdown and resumes operation.

The NRC staff has determined that the granting of this exemption will not result in any significant environmental impact and that pursuant to 10 CFR 51.5(d)(4) an environmental impact statement or negative declaration and environmental impact appraisal need not be prepared in connection with this action.

This exemption is effective upon issuance.

FOR THE NUCLEAR REGULATORY COMMISSION



Darrell G. Eisenhut, Director  
Division of Licensing  
Office of Nuclear Reactor Regulation

Dated at Bethesda, Maryland  
this 3rd day of November 1982.