

UNITED STATES NUCLEAR REGULATORY COMMISSION  
SACRAMENTO MUNICIPAL UTILITY DISTRICT  
DOCKET NO. 50-312  
ENVIRONMENTAL ASSESSMENT AND FINDINGS OF  
NO SIGNIFICANT IMPACT

The U. S. Nuclear Regulatory Commission (the Commission) is considering issuance of an exemption from the required on-site primary property damage insurance requirement of 10 CFR 50.54(w)(1) to the Sacramento Municipal Utility District (SMUD), the licensee for operation of the Rancho Seco Nuclear Generating Station (RSNGS) located in Sacramento County, California.

ENVIRONMENTAL ASSESSMENT

Identification of Proposed Action:

The proposed action would grant an exemption from the requirements of 10 CFR 50.54(w)(1) to reduce the full amount of required on-site primary property damage insurance. By letter dated March 5, 1990, as amended October 22, 1990, the licensee requested an exemption to reduce the amount of primary property damage insurance from 1.06 billion dollars to 30 million dollars. The reduction in the amount of required on-site primary property damage insurance is the proposed action being considered by the staff.

The Need for the Proposed Action:

The licensee's March 5, 1990, letter, as amended October 22, 1990, provided technical justification that 30 million dollars of primary property damage insurance provides an adequate level of coverage to return the RSNGS plant to a condition ready for decommissioning following an accident considering

the current non-operational condition. Granting the exemption request relieves the licensee from the unnecessary financial burden of carrying insurance coverage of 1.06 billion as required by 10 CFR 50.54(w)(1).

Environmental Impacts of the Proposed Action:

The proposed exemption affects only the amount of on-site primary property damage insurance coverage and does not affect the manner of normal facility operation or the risk of facility accidents. While the change in insurance coverage may affect the financial arrangements of the licensee and have some economic consequence, the possibility that the environmental impact of licensed activities would be altered by changes in insurance coverage is extremely remote. The staff has determined that a reduction in the amount of required on-site damage insurance, from 1.06 billion dollars to 30 million dollars is commensurate with the clean-up cost associated with a postulated accident while the reactor is defueled and the fuel is in the spent fuel pool. Thus, the reduced coverage authorized by the proposed exemption is sufficient to fund clean-up of radiological impacts associated with any accident in the defueled condition. In addition, the exemption in question would not authorize construction or operation, would not authorize a change in licensed activities nor effect changes in the permitted types or amounts of radiological effluents. Post-accident radiological releases will not differ from those determined previously, and the proposed exemption does not otherwise affect facility radiological effluents or occupational exposures. With regard to potential non-radiological impacts, the proposed exemption does not affect plant non-radiological effluents and has no other environmental

impact. Therefore, the Commission concludes there are no measurable radiological or non-radiological environmental impacts associated with the proposed exemption.

Alternative to the Proposed Action:

Since the Commission concluded that there are no measurable environmental impacts associated with the proposed exemption, any alternative with equal or greater environmental impacts need not be evaluated.

The principal alternatives to the exemption are to require the licensee to carry 1.06 billion dollars of on-site primary property damage insurance or another amount greater than 30 million dollars. However, the NRC staff had determined that 30 million dollars is sufficient to fund clean-up of radiological impacts associated with any accident in the defueled condition. Requiring more than 30 million dollars would impose an unnecessary financial burden and would not enhance protection of the environment.

Alternative Use of Resources:

This action does not involve the use of any resources not previously considered for the Rancho Seco Nuclear Generating Station.

Agencies and Persons Consulted:

The NRC staff reviewed the licensee's request and did not consult other agencies or persons.

FINDING OF NO SIGNIFICANT IMPACT

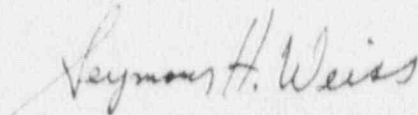
The Commission has determined not to prepare an environmental impact statement for the proposed exemption.

Based upon the foregoing environmental assessment, the staff concludes that the proposed action will not have a significant effect on the quality of the human environment.

For further details with respect to this action, see the licensee's letters dated March 5, 1990, and October 22, 1990. These letters are available for public inspection at the Commission's Public Document Room, 2120 L Street, N.W., Washington, D.C. and at the Martin Luther King Regional Library, 7340 24th Street Bypass, Sacramento, California 95822.

Dated at Rockville, Maryland this January 8, 1991.

FOR THE NUCLEAR REGULATORY COMMISSION



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