

UNITED STATES NUCLEAR REGULATORY COMMISSIONPUBLIC SERVICE COMPANY OF COLORADODOCKET NO. 50-267ENVIRONMENTAL ASSESSMENT AND FINDING OFNO SIGNIFICANT IMPACT

The U.S. Nuclear Regulatory Commission (the Commission) is considering issuance of an exemption from the required onsite primary property damage insurance requirement of 10 CFR 50.54(w)(1) to the Public Service Company of Colorado (PSC) the licensee for the Fort St. Vrain Nuclear Generating Station (FSV) located in Weld County, Colorado.

ENVIRONMENTAL ASSESSMENTIdentification 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 onsite primary property damage insurance. By letter dated August 8, 1990, the licensee requested an exemption to reduce the amount of primary property damage insurance from \$1.06 billion to \$169 million. The reduction in the amount of required onsite primary property damage insurance is the proposed action being considered by the staff.

The Need for the Proposed Action:

The licensee's August 8, 1990 letter provided technical justification that \$169 million of primary property damage insurance provides an adequate level of coverage to return the FSV plant to a condition ready for decommissioning following an accident considering the shutdown 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 onsite 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 consequences, 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 onsite damage insurance, from \$1.06 billion to \$169 million is commensurate with the clean-up cost associated with a postulated accident with the FSV reactor shutdown and partially defueled. Thus, the reduced coverage authorized by the proposed exemption is sufficient to fund clean-up of radiological impacts associated with any accident in the present 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 alternatives 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 of on-site primary property damage insurance or another amount greater than \$169 million. However, the NRC staff had determined that \$169 million is sufficient to fund clean-up of radiological impacts associated with any accident at FSV. Requiring more than \$169 million 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 in the Final Environmental Statements for the Fort St. Vrain 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

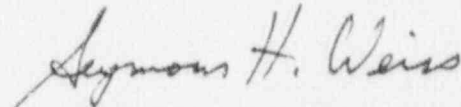
The Commission has determined not to prepare an environmental impact statement for the proposed exemption.

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 letter dated August 8, 1990. This letter is available for public inspection at the Commission's Public Document Room, 2120 L Street, N.W., Washington, D.C. and the Greeley Public Library, City Complex Building, Greeley, Colorado 80631.

Dated at Rockville, Maryland, this 11th day of January 1991.

FOR THE NUCLEAR REGULATORY COMMISSION



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