

UNITED STATES NUCLEAR REGULATORY COMMISSIONLONG ISLAND LIGHTING COMPANYDOCKET NO. 50-322ENVIRONMENTAL ASSESSMENT AND FINDING OFNO 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 Long Island Lighting Company (LILCO), the licensee, for the Shoreham Nuclear Power Station (SNPS), located in Suffolk County, New York.

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 on-site primary property damage insurance. By letter dated November 23, 1987, the licensee requested an exemption to reduce the amount of primary property damage insurance from 1.06 billion dollars to 337 million dollars until such time LILCO is authorized to operate SNPS at power levels greater than five percent of full rated power. 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 November 23, 1987 letter provided technical justification that 337 million dollars of primary property damage insurance provides an adequate level of coverage to return the SNPS plant to a condition ready for decommissioning following an accident considering the current operational limit.

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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) while operation of SNPS is limited to five percent of full rated power.

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 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, in a safety evaluation which will be issued separately, that a reduction in the amount of required on-site damage insurance, from 1.06 billion dollars to 337 million dollars is commensurate with the clean-up cost associated with a postulated accident while operating at power levels less than or equal to five percent of full rated power. Thus, the reduced coverage authorized by the proposed exemption is sufficient to fund clean-up of radiological impacts associated with any accidents postulated at 5% power. 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 is no measurable environmental impact associated with the proposed exemption, any alternatives with equal or greater environmental impacts need not be evaluated. The principal alternative to the exemption would be to require the licensee to carry 1.06 billion dollars of on-site primary property damage insurance. Such an action would not enhance the protection of the environment.

Alternative Use of Resources:

This action does not involve the use of any resources not considered in the Final Environmental Statement for the Shoreham Nuclear Power Station.

Agencies and Persons Consulted:

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

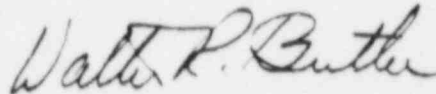
FINDING OF NO SIGNIFICANT IMPACT

The Commission has determined not to prepare an environmental impact statement for the proposed exemption. Based upon the environmental assessment, the NRC 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 proposed action, see the licensee's letter dated November 23, 1987. This letter is available for public inspection at the Commission's Public Document Room, 1717 H Street, N.W., Washington, D.C. and at the Shoreham-Wading River Public Library, Route 25A, Shoreham, New York 11786-9697.

Dated at Rockville, Maryland, this 12th day of May 1988.

FOR THE NUCLEAR REGULATORY COMMISSION



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