



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

September 27, 1988

Docket No. 50-322

Mr. John D. Leonard, Jr.
Vice President-Nuclear Operations
Long Island Lighting Company
Shoreham Nuclear Power Station
P.O. Box 618, North Country Road
Wading River, New York 11792

Dear Mr. Leonard:

SUBJECT: SHOREHAM NUCLEAR POWER STATION - ENVIRONMENTAL ASSESSMENT AND FINDING OF NO SIGNIFICANT IMPACT - TEMPORARY EXEMPTION FROM THE SCHEDULAR REQUIREMENTS OF THE PROPERTY INSURANCE RULE EFFECTIVE OCTOBER 4, 1988 (10 CFR 50.54(w)(5)(i))

On August 5, 1987, the NRC published in the Federal Register a final rule amending 10 CFR 50.54(w). The rule increased the amount of on-site property damage insurance required to be carried by NRC's power reactor licensees. The rule also required these licensees to obtain by October 4, 1988 insurance policies that prioritized insurance proceeds for stabilization and decontamination after an accident and provided for payment of proceeds to an independent trustee who would disburse funds for decontamination and cleanup before any other purpose.

Subsequent to publication of the rule, the NRC has been informed by insurers who offer nuclear property insurance that, despite a good faith effort to obtain trustees required by the rule, the decontamination priority and trusteeship provisions will not be able to be incorporated into policies by the time required in the rule. In response to these comments and related petitions for rulemaking, the Commission has proposed a revision of 10 CFR 50.54(w)(5)(i) extending the implementation schedule for 18 months (53 FR 36338, September 19, 1988). However, because it is unlikely that this rulemaking action will be completed by October 4, 1988, the Commission is issuing a temporary exemption from the requirements of 10 CFR 50.54(w)(5)(i) until completion of the pending rulemaking extending the implementation date specified in 10 CFR 50.54(w)(5)(i), but not later than April 1, 1989. Upon completion of such rulemaking, the licensee shall comply with the provisions of such rule.

Enclosed is an Environmental Assessment and Finding of No Significant Impact relating to a temporary exemption from 10 CFR 50.54(w)(5)(i) for the Shoreham Nuclear Power Station.

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This assessment is being forwarded to the Office of Federal Register for publication.

Sincerely,



Stewart W. Brown, Project Manager
Project Directorate i-2
Division of Reactor Projects I/II
Office of Nuclear Reactor Regulation

Enclosure: Environmental Assessment

cc w/enclosure:
See next page

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Sincerely,

Original signed by /s/ Stewart W. Brown

Stewart W. Brown, Project Manager
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Office of Nuclear Reactor Regulation

Enclosure: Environmental Assessment

cc w/enclosure:
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