

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)(1))

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.

ВВ10030065 ВВ0927 PDR ADDCK 0500032 PNU This assassment is being forwarded to the Office of Federal Register for publication.

Sincerely,

Litwa 2cm

Stewart W. Brown, Project Manager Project Directorate 1-2 Division of Reactor Projects I/II Office of Nuclear Reactor Regulation

Enclosure: Environmental Assessment

cc w/enclosure: See next page This assessment is being forwarded to the Office of Federal Register for publication.

Sincerely,

Original signed by /s/ Stewart W. Brown

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

Enclosure: Environmental Assessment

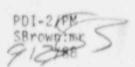
49

cc w/enclosure: See next page

DISTRIBUTION

Docket File NRC PDR Local PDR PDI-2 Reading SVarga/BBoger WButler MO'Brien SBrown/GRivenbark OGC EJordan BGrimes ACRS (10) GPA/PA

/88



PDI-2/D WButler 912-188

OFOI

Mr. John D. Leonard, Jr. Long Island Lighting Company

cc:

Stephen B. Latham, Esq. John F. Shea, III, Esq. Twomey, Latham & Shea Attorneys at Law Post Office Box 398 33 West Second Street Riverhead, New York 11901

Alan S. Rosenthal, Esq., Chairman Atomic Safety & Licensing Appeal Board U.S. Nuclear Regulatory Commission Washington, D.C. 20555

W. Taylor Reveley, III, Esq. Hunton & Williams Post Office Box 1535 707 East Main Street Richmond, Virginia 2321?

Howard A. Wilber Atomic Safety & Licensing Appeal Board U.S. Nuclear Regulatory Commission Washington, D.C. 20555

Atomic Safety & Licensing Board Panel U.S. Nuclear Regulatory Commission Washington, D.C. 20555

Atomic Safety & Licensing Appeal Board Panel U.S. Nuclear Regulatory Commission Washington, D.C. 20555

Gary J. Edles, Esq. Atomic Safety & Licensing Appeal Board U.S. Nuclear Regulatory Commission Washington, D.C. 20555

Richard M. Kessel Chairman & Executive Director New York State Consumer Protection Board Room 1725 250 Broadway New York, New York 10007

Jonathan D. Feinberg, Eso. New York State Department of Public Service Three Empire State Plaza Albany, New York 12223 Shoreham Nuclear Power Station (list 1)

Gerald C. Crotty, Esq. Ben Wiles, Esq. Counsel to the Governor Executive Chamber State Capitol Albany, New York 12224

Herbert H. Brown, Esq. Lawrence Coe Lanpher, Esq. Karla J. Letsche, Esq. Kirkpatrick & Lockhart South Lobby - 9th Floor 1800 M Street, N.W. Washington, D.C. 20036-5891

Dr. Monroe Schneider North Shore Committee Post Office Box 231 Wading River, New York 11792

Fabian G. Palomino, Esq. Special Counsel to the Governor Executive Chamber - State Capitol Albany, New York 12224

Anthony F. Earley, Jr., Esq. General Counsel Long Island Lighting Company 175 East Old County Road Hicksville, New York 11801

Mr. Lawrence Britt Shoreham Nuclear Power Station Post Office Box 518 Wading River, New York 11792

Martin Bradley Ashare, Esq. Suffolk County Attorney H. Lee Dennison Building Veteran's Memorial Highway Hauppauge, New York 11788

Resident Inspector Shoreham NPS U.S. Nuclear Regulatory Commission Post Office Box B Rocky Point, New York 11778

Regional Administrator, Region I U.S. Nuclear Regulatory Commission 475 Allendale Road King of Prussia, Pennsylvania 19406 Long Island Lighting Company

cc:

Robert Abrams, Esq. Attorney General of the State of New York ATTN: John Corwin, Esq. New York State Department of Law Consumer Protection Bureau 120 Broadway 3rd Floor New York, New York 10271

Mr. William Steiger Plant Manager Shoreham Nuclear Power Station Post Office Box 628 Wading River, New York 11792

MHB Technical Associates 1723 Hamilton Avenue - Suite K San Jose, California 95125

Honorable Peter Cohalan Suffolk County Executive County Executive/Legislative Building Veteran's Memorial Highway Hauppauge, New York 11788

Ms. Donna Ross New York State Energy Office Agency Building 2 Empire State Plaza Albany, New York 12223

Ms. Nora Bredes Shoreham Opponents Coalition 195 East Main Street Smithtown, New York 11787

Chris Nolin New York State Assembly Energy Committee 626 Legislative Office Building Albany, New York 12248

Peter S. Everett, Esq. Hunton & Williams 2000 Pennsylvania Avenue, NW Washington, D.C. 20036 Town Attorney Town of Brookhaven 3232, Route 112 Medford, NY 11763

State of New York Department of Law ATTN: Charlie Donaldson, Esq. 120 Broadway New York, New York 10271