



Nebraska Public Power District

GENERAL OFFICE
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NLS8800464
September 27, 1988

U.S. Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, DC 20555

Subject: Insurance Reporting Requirements,
10 CFR 50.54(w)(4)
Cooper Nuclear Station
NRC Docket No. 50-298, DPR-46

Reference 1) 52FR28972
August 5, 1987

Gentlemen:

The Nuclear Regulatory Commission promulgated a final rule effective October 5, 1987, which amended its regulations requiring licensees to maintain substantial amounts of onsite property insurance to provide financial security for stabilizing and decontaminating their licensed reactors in the event of an accident, Reference 1. The final rule imposed a requirement contained in 10 CFR 50.54(w)(4) that the proceeds of property damage insurance be subject to the decontamination priority in 10 CFR 50.54(w)(3) and be made payable "to a separate trust established for the sole purpose of paying for costs incurred in decontaminating the reactor and removing radioactive debris." Pursuant to 10 CFR 50.54(w)(5)(i), the decontamination priority and trust provisions are required to be incorporated into insurance policies by October 4, 1988.

Since insurance policies fully satisfying the decontamination priority and independent trustee requirements are not available, trust arrangements cannot be established by October 4, 1988. Because of this and other related issues, we understand that three separate petitions for rulemaking have been filed with the NRC: (a) on June 3, 1988, on behalf of American Nuclear Insurers and MAERP Reinsurance Association; (b) on June 22, 1988, on behalf of the Edison Electric Institute, the Nuclear Management and Resources Council, and 22 power reactor licensees; and (c) on July 6, 1988, on behalf of Nuclear Mutual Limited and Nuclear Electric Insurance Limited. These petitions requested the NRC to reconsider various aspects of the subject requirements and to suspend the October 4, 1988, deadline while addressing the requests contained in the petitions.

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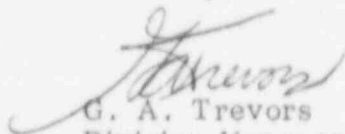
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On September 7, 1988, the NRC signed a proposed rule that would suspend the October 4, 1988, deadline for 18 months, to April 14, 1988 (see Extension of Time for the Implementation of the Decontamination Priority and Trusteeship Provisions of Property Insurance Requirements). However, the District understands that the proposed rule cannot be finalized prior to the October 4, 1988, deadline, since the comment period expires October 19, 1988. Accordingly, the NRC Staff has indicated that action will be taken for each affected docket prior to October 4, 1988, to exempt or otherwise relieve licensees from that deadline. The NRC Staff has requested that we not file a request for a specific exemption from the schedular requirements of 10 CFR 50.54(w)(5).

This letter is to inform the NRC that we are cognizant of the October 4, 1988, deadline, and to document our understanding of actions that are pending by the NRC, and our reliance on the assurance that the District will be relieved from the October 4, 1988, deadline. While we plan no further action, in the event that we are not relieved of such requirement, we will require an exemption and believe that the date of this letter should be deemed to be the date of our request for such exemption.

Should you have any questions or comments, please contact this office.

Sincerely,



G. A. Trevors
Division Manager
Nuclear Support

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cc: U.S. Nuclear, Regulatory Commission
Regional Office - Region IV

NRC Resident Inspector
Cooper Nuclear Station