

DLR:CTE

Docket No. 50-205

DEC 13 1963

Mr. Kalvin Taylor  
3 Hob Hill Terrace  
Petaluma, California

Dear Mr. Taylor:

This replies to your letter of October 20, 1963 concerning the reactor proposed for construction at Bodega Bay, California.

The Pacific Gas & Electric Company issued a press announcement in June, 1961 which gave notice of the Company's intent to construct a nuclear reactor at Bodega Bay. The application for license was filed with the Atomic Energy Commission on December 31, 1962. A press announcement of receipt of the application was issued by the Atomic Energy Commission on January 2, 1963.

The Atomic Energy Commission issued a press announcement within hours following the accident which occurred at the Commission's National Reactor Testing Station on January 3, 1961. Enclosed is a copy of the final report of that accident, which involved an experimental reactor, the SL-1. The final report was one of 34 AEC press announcements on the subject.

Since it was an experimental reactor, the SL-1 was located at the National Reactor Testing Station at Idaho. That site is used by the Atomic Energy Commission for the construction and operation of reactors employing concepts which the Commission feels should be tested in the isolation afforded by the National Reactor Testing Station.

Despite the fact that about 5% of the fission products, i.e., radioactive material generated in the operation of the reactor, were released, the extent of contamination of the surrounding area was quite limited. This was true even though the SL-1, as an experimental reactor and, therefore, located in a remote area, was housed in a building which was not designed to afford more than a very minimum amount of confinement of radioactive material. In contrast, nuclear power reactors which are licensed by the AEC for construction and operation must be provided with containment such that exposure of individuals outside the plant boundaries would not be serious even in the event of a maximum credible accident.

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Mr. Kelvin Taylor

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The SL-1 accident is the only reactor accident in the United States which has resulted in fatalities. It was not an AEC licensed reactor.

Concerning the location of the proposed reactor, in cases of this kind the public utility concerned chooses the site. The Atomic Energy Commission then considers whether there is reasonable assurance that the proposed reactor can be constructed and operated at the proposed site without undue risk to the health and safety of the public. Pacific Gas & Electric Company has indicated that the proposed site was chosen because of its proximity to the area which the plant would serve.

The Atomic Energy Commission's authority to enter into indemnification agreements is found in the Price-Anderson amendments to the Atomic Energy Act of 1954, as amended. The Price-Anderson amendments were passed by Congress and became effective law on September 26, 1957. A copy of House of Representatives Report No. 435 dated May 9, 1957 concerning the matter is enclosed. You may wish to further review the legislative history to determine the objectives of Congress respecting indemnification.

Concerning the expenditure of funds by Pacific Gas & Electric Company in connection with preparation of the site of the proposed reactor, the Atomic Energy Commission has stated many times that such expenditures are made at the risk of the applicant and will have no effect on the subsequent granting or denial of a construction permit for the proposed reactor. A copy of a letter from the Commission's General Counsel to Pacific Gas & Electric Company on the subject is enclosed.

Sincerely yours,

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- G. Hadlock, OGC
- C. T. Edwards

Original Signed by  
Eber R. Price

**Eber R. Price**  
Assistant Director  
Division of Licensing  
and Regulation

Enclosures:

1. Final Report - SL-1 Accident
2. Record of Hearings
3. Interpretation dated 7/23/63

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SURNAME	CTEdwards:bmj	Hadlock	ERPrice		
DATE	12/12/63	12/13/63	12/17/63		