

October 6, 1997

MEMORANDUM TO: L. Joseph Callan - Executive Director for Operations
FROM: John C. Hoyle /s/
SUBJECT: STAFF REQUIREMENTS - SECY-97-186 - CHANGES TO THE FINANCIAL PROTECTION REQUIREMENTS FOR PERMANENTLY SHUTDOWN NUCLEAR POWER REACTORS, 10 CFR 50.54(w) AND 10 CFR 140.11

The Commission has approved issuance of the proposed rule that would amend the financial protection requirements for permanently shutdown nuclear power reactors subject to the changes in the attachment.

(EDO)

(SECY Suspend: 10/31/97)

With the economic deregulation of the electricity industry, the staff should consider the impact of a declining number of operating reactor licensees (due to the potential increase in the number of plants that prematurely shutdown) on the existing financial protection and indemnity requirements necessary to comply with the Price-Anderson statutory provisions. Insights from this review should be included in any recommendations for modification of Indemnification and Limitation of Liability provisions in the NRC report to Congress by August 1, 1998.

(EDO)

(SECY Suspend: 6/30/98)

Attachment: As stated

cc: Chairman Jackson
Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
OGC
CIO
CFO
OCA
OIG
Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail)
PDR
DCS

SECY NOTE: THIS SRM, SECY-97-186, AND THE COMMISSION VOTING RECORD CONTAINING THE VOTE SHEETS OF ALL COMMISSIONERS WILL BE MADE PUBLICLY AVAILABLE 5 WORKING DAYS FROM THE DATE OF THIS SRM.

936, 937, 938, 948, 953, 954, 955, 956, as amended, sec. 234, 83 Stat. 444, as amended (42 U.S.C. 2132, 2133, 2134, 2135, 2201, 2232, 2233, 2236, 2239, 2282); secs. 201, as amended, 202, 206, 88 Stat. 1242, as amended 1244, 1246, (42 U.S.C. 5841, 5842, 5846).
Section 50.7 also issued under Pub. L. 95-601, sec. 10, 92 Stat. 2951, (42 U.S.C. 5851). Sections 50.10 also issued under secs. 101, 185, 68 Stat. 955, as amended (42 U.S.C. 2131, 2235); sec. 102, Pub. L. 91-190, 83 Stat. 853 (42 U.S.C. 4332). Sections 50.13, 50.54(dd), and 50.103 also issued under sec. 108, 68 Stat. 939, as amended (42 U.S.C. 2138). Sections 50.23, 50.35, 50.55, and 50.56 also issued under sec. 185, 68 Stat. 955 (42 U.S.C. 2235). Sections 50.33a, 50.55a and Appendix Q also issued under sec. 102, Pub. L. 91-190, 83 Stat. 853 (42 U.S.C. 4332). Sections 50.34 and 50.54 also issued under sec. 204, 88 Stat. 1245 (42 U.S.C. 5844). Sections 50.58, 50.91, and 50.92 also issued under Pub. L. 97-415, 96 Stat. 2073 (42 U.S.C. 2239). Section 50.78 also issued under sec. 122, 68 Stat. 939 (42 U.S.C. 2152). Sections 50.80-50.81 also issued under sec. 184, 68 Stat. 954, as amended (42 U.S.C. 2234). Appendix F also issued under sec. 187, 68 Stat. 955 (42 U.S.C. 2237).

2. In § 50.54(w), paragraph (5) is added to read as follows:

§ 50.54 Conditions of licenses.

* * * * *

(w) * * *

(5) For the specified reactor configurations during permanent shutdown, licensees shall maintain the following insurance requirements notwithstanding paragraph (w)(1):

PART 140--FINANCIAL PROTECTION REQUIREMENTS AND INDEMNITY AGREEMENTS

1. The authority citation for Part 140 continues to read as follows:

AUTHORITY: Secs. 161, 170, 68 Stat. 948, 71 Stat. 576, as amended (42 U.S.C. 2201, 2210); secs. 201, as amended, 202, 88 Stat. 1242, as amended, 1244 (42 U.S.C. 5842, 5842).

2. In § 140.11(a), delete "and" at the end of paragraph (3), change "." at the end of paragraph (4) to "; and" and add paragraphs (5) and (6) as added to read as follows:

~~§ 140.11 Amounts of financial protection for certain reactors.~~

~~(a) * * *~~

(5) For the specified reactor configurations during permanent shutdown of nuclear power reactors (such reactors being classified as having zero electric power level rated capacity) that were covered during their operation by paragraph (a)(4) ~~of this section, licensees shall maintain the following financial protection requirements:~~

(i) For Reactor Configuration 1: when the reactor is defueled, permanently shutdown, and the spent fuel cladding temperature in the spent fuel pool is 565⁰C or greater for a postulated loss of spent fuel pool cooling event, in the amount ~~the financial protection must be~~ as specified in paragraph (a)(4) ~~of this section.~~

(ii) For Reactor Configuration 2: when the reactor is defueled and permanently shutdown, no operating reactors are on the site, and the spent fuel cladding temperature in the spent fuel pool does not exceed 565⁰C for a postulated loss-of-spent-fuel-pool-cooling event, in the amount of ~~the required financial protection for each reactor must be~~ \$100 million for each reactor ~~and the secondary liability coverage under the Price Anderson Act is not required.~~

21

(iii) For Reactor Configuration 3: when the reactor is defueled and permanently shutdown, no operating reactors are on the site, no fuel is in the spent fuel pool, and the radioactive liquid inventory onsite is 1,000 gallons or greater, in the amount of ~~the required financial protection for each reactor must be~~ \$50 million for each reactor ~~and the secondary liability coverage under the Price Anderson Act is not required.~~

(iv) For Reactor Configuration 4: when the reactor is defueled and permanently shutdown, no operating reactors are on the site, no fuel is in the spent fuel pool, and the radioactive liquid inventory onsite is less than 1,000 gallons, in the amount of ~~the required financial protection for each reactor must be~~ \$25 million for each reactor ~~and the secondary liability coverage under the Price Anderson Act is not required.~~

~~(6) Power reactors that are defueled and permanently shutdown must be classified as having zero electric power level rated capacity.~~

Dated at Rockville, Maryland, this day of , 1997.

For the Nuclear Regulatory Commission.

John C. Hoyle,
Secretary of the Commission.