



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

October 19, 1988

Docket No. 50-320

Mr. Michael B. Roche  
Vice President/Director  
Three Mile Island Unit 2  
GPU Nuclear Corporation  
Post Office Box 480  
Middletown, Pennsylvania 17057

Dear Mr. Roche:

SUBJECT: THREE MILE ISLAND NUCLEAR STATION UNIT 2 - 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, since this rulemaking action was not 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 Three Mile Island Nuclear Station, Unit 2.

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Michael B. Roche

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

Sincerely,



Michael T. Masnik, Senior Project Manager  
Project Directorate I-4  
Division of Reactor Projects-I/II

Enclosure:  
Environmental Assessment

cc w/enclosure:  
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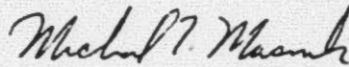
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Michael B. Roche

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Sincerely,



Michael T. Masnik, Senior Project Manager  
Project Directorate I-4  
Division of Reactor Projects-I/II

Enclosure:  
Environmental Assessment

cc w/enclosure:  
See next page

UNITED STATES NUCLEAR REGULATORY COMMISSIONGPU NUCLEAR CORPORATIONTHREE MILE ISLAND NUCLEAR STATION, UNIT 2DOCKET NO. 50-320ENVIRONMENTAL ASSESSMENT AND FINDING OFNO SIGNIFICANT IMPACTCONCERNING EXEMPTION FROM10 CFR 50.54(w)(5)(i)

The U. S. Nuclear Regulatory Commission (the Commission) is considering issuance of an exemption from the requirements of 10 CFR 50.54(w)(5)(i), relative to Facility Operating License No. DPR-73, issued to GPU Nuclear Corporation (the licensee) for the Three Mile Island Nuclear Station Unit 2 (TMI-2), located at the licensee's site in Londonderry Township, Dauphin County, Pennsylvania. By Order for Modification of License, dated July 20, 1979, the licensee's authority to operate the facility was suspended and the licensee's authority was limited to maintenance of the facility in the present shutdown cooling mode (44 FR 45271). By further Order of the Director, Office of Nuclear Reactor Regulation, dated February 11, 1980, a new set of formal license requirements was imposed to reflect the post-accident condition of the facility and to assure the continued maintenance of the current safe, stable, long-term cooling condition of the facility (45 FR 11292). The license provides, among other things, that it is subject to all rules, regulations and Orders of the Commission now or hereafter in affect.



ENVIRONMENTAL ASSESSMENT

Identification of Proposed Action:

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, since this rulemaking action was not 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.

The Need for The Proposed Action:

The exemption is needed because insurance complying with requirements of 10 CFR 50.54(w)(5)(i) is unavailable and because the temporary delay in implementation allowed by the exemption and associated rulemaking action will permit the Commission to reconsider on its merits the trusteeship provision of 10 CFR 50.54(w)(4).

Environmental Impacts of the Proposed Action:

With respect to radiological impacts on the environment, the proposed exemption does not in any way affect the operation of licensed facilities. Further, as noted by the Commission in the Supplementary Information accompanying the proposed rule, there are several reasons for concluding that delaying for a reasonable time the implementation of the stabilization and decontamination priority and trusteeship provisions of Section 50.54(w) will not adversely affect protection of public health and safety. First, during the period of delay, the licensee will still be required to carry \$1.06 billion insurance. This is a substantial amount of coverage that provides a significant financial cushion to licensees to decontaminate and clean up after an accident even without the prioritization and trusteeship provisions. Second, nearly 75% of the required coverage already is prioritized under the decontamination liability and excess property insurance language of the Nuclear Electric Insurance Limited-II policies. Finally, there is only an extremely small probability of a serious accident occurring during the exemption period. Even if a serious accident giving rise to substantial insurance claims were to occur, NRC would be able to take appropriate enforcement action to assure adequate cleanup to protect public health and safety and the environment.

The proposed exemption does not affect radiological or nonradiological effluents from the site and has no other nonradiological impacts.

Alternatives to the Proposed Action:

It has been concluded that there is no measurable impact associated with the proposed exemption; any alternatives to the exemption will have either no environmental impact or greater environmental impact.

Alternative Use of Resources:

This action does not involve the use of any resources beyond the scope of resources used during normal plant operation.

Agencies and Persons Consulted:

The staff did not consult other agencies or persons in connection with the proposed exemption.

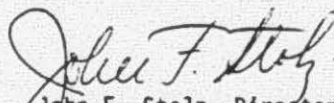
FINDING OF NO SIGNIFICANT IMPACT

Based upon the foregoing environmental assessment, the Commission concludes that the proposed action will not have a significant effect on the quality of the human environment. Accordingly, the Commission has determined not to prepare an environmental impact statement for the proposed exemption.

For information concerning this action, see the proposed rule (53 FR 36338), and the exemption which is being processed concurrent with this notice. A copy of the exemption will be available for public inspection at the Commission's Public Document Room, 2120 L Street, NW, Washington, D.C., and at the State Library of Pennsylvania, Government Publications Section, Education Building, Walnut Street and Commonwealth Avenue, Harrisburg, Pennsylvania 17105.

Dated at Rockville, Maryland this 19th day of October, 1988.

FOR THE NUCLEAR REGULATORY COMMISSION



John F. Stolz, Director  
Project Directorate 1-4  
Division of Reactor Projects-1/11



Mr. M. B. Roche  
GPU Nuclear Corporation

Three Mile Island Nuclear Station  
Unit No. 2

cc:

Regional Administrator, Region I  
U.S. Nuclear Regulatory Commission  
475 Allendale Road  
King of Prussia, PA 19406

Frank Lynch, Editorial  
The Patriot  
812 Market Street  
Harrisburg, PA 17105

Dr. Judith H. Johnsrud  
Environmental Coalition on Nuclear Power  
433 Orlando Avenue  
State College, PA 16801

Robert B. Borsum  
Babcock & Wilcox  
Nuclear Power Division  
Suite 525  
1700 Rockville Pike  
Rockville, MD 20852

Ernest L. Blake, Jr., Esquire  
Shaw, Pittman, Potts, and Trowbridge  
2300 N Street, N.W.  
Washington, DC 20037

Marvin I. Lewis  
7801 Roosevelt Blvd. #E2  
Philadelphia, PA 19152

Secretary  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555

Jane Lee  
183 Valley Road  
Etters, PA 17319

Sally S. Klein, Chairperson  
Dauphin County Board of Commissioners  
Dauphin County Courthouse  
Front and Market Streets  
Harrisburg, PA 17101

Walter W. Cohen, Consumer  
Advocate  
Department of Justice  
Strawberry Square, 14th Floor  
Harrisburg, PA 17127

Thomas M. Gerusky, Director  
Bureau of Radiation Protection  
Department of Environmental Resources  
P. O. Box 2063  
Harrisburg, PA 17120

Mr. Edwin Kinter  
Executive Vice President  
GPU Nuclear Corporation  
100 Interpace Parkway  
Parsippany, NJ 07054

Ad Crable  
Lancaster New Era  
8 West King Street  
Lancaster, PA 17601

U.S. Environmental Prot. Agency  
Region III Office  
Attn: EIS Coordinator  
Curtis Building (Sixth Floor)  
6th and Walnut Streets  
Philadelphia, PA 19106

U.S. Department of Energy  
P. O. Box 88  
Middletown, PA 17057

David J. McGoff  
Office of LWR Safety and Technology  
NE-23  
U.S. Department of Energy  
Washington, DC 20545

Richard Conte  
Senior Resident Inspector (TMI-1)  
U.S.N.R.C.  
Post Office Box 311  
Middletown, Pennsylvania 17057



Mr. M. B. Roche  
GPU Nuclear Corporation

Three Mile Island Nuclear Station  
Unit No. 2

cc:

T. F. Demmitt  
GPU Nuclear Corporation

R. E. Rogan  
GPU Nuclear Corporation

G. Kuehn  
GPU Nuclear Corporation

S. Levin  
GPU Nuclear Corporation

J. J. Byrne  
GPU Nuclear Corporation

W. J. Marshall  
GPU Nuclear Corporation