

July 15, 1999

Mr. James W. Langenbach
Vice President and Director, TMI
GUP Nuclear, Inc.
P. O. Box 480
Middletown, Pennsylvania 17057-0480

SUBJECT: ENVIRONMENTAL ASSESSMENT AND FINDING OF NO SIGNIFICANT
IMPACT - THREE MILE ISLAND NUCLEAR STATION, UNIT 2 (TMI-2)
(TAC NO. MA5086)

Dear Mr. Langenbach:

Enclosed is a copy of the "Environmental Assessment and Finding of No Significant Impact" notice related to your application for exemption dated March 9, 1999. The proposed exemption would reduce the amount of insurance to \$50 million for onsite property damage coverage on the basis that the potential for significant release of radioactive material from TMI-2 has been eliminated due to the plant's permanently shutdown and defueled status.

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

Sincerely,

Original signed by T. Friedrichs for:

Lee H. Thonus, Project Manager
Decommissioning Section
Project Directorate IV & Decommissioning
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

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Docket No. 50-320

Enclosure: Environmental Assessment

cc w/encl: See next page

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Three Mile Island Nuclear Station 2

cc:

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Mr. Bill Hoffman
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UNITED STATES NUCLEAR REGULATORY COMMISSION**GPU NUCLEAR, INC.****DOCKET NO. 50-320****THREE MILE ISLAND NUCLEAR STATION, UNIT 2****ENVIRONMENTAL ASSESSMENT AND FINDING OF****NO SIGNIFICANT IMPACT**

The U.S. Nuclear Regulatory Commission (the Commission or NRC) is considering issuance of an exemption from Title 10 of the Code of Federal Regulations (10 CFR) Part 50 for Facility Operating License No. DPR-73, issued to GPU Nuclear, Inc. (GPUN or the licensee), for operation of the Three Mile Island Nuclear Station, Unit 2 (TMI-2), located in Dauphin County, Pennsylvania.

ENVIRONMENTAL ASSESSMENT**Identification of the Proposed Action:**

The proposed action would reduce the amount of onsite property insurance as required by 10 CFR 50.54(w), based on the permanently shutdown status of TMI-2 and that the plant is in a safe, inherently stable condition suitable for long-term management and any threat to the health and safety of the public has been eliminated. The requested action would allow GPUN to reduce onsite insurance coverage from \$1.6 billion to \$50 million.

The proposed action is in accordance with the licensee's application for exemption dated March 9, 1999.

Need for the Proposed Action:

The proposed action is needed because the licensee's required insurance coverage significantly exceeds the potential cost consequences of radiological incidents possible at a permanently shutdown and defueled reactor with over 99 percent of the fuel removed.

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PDR

Environmental Impacts of the Proposed Action:

The Commission has completed its evaluation of the proposed action and concludes that the issuance of the proposed exemption is an administrative action and will not have any environmental impact. TMI-2 permanently ceased operations following the March 28, 1979, accident. The licensee maintains the facility in a safe, stable configuration to comply with the facility operating license and the Commission's rules and regulations.

No changes are being made in the types or amounts of any radiological effluents that may be released offsite. There is no increase in occupational or public radiation exposure. Accordingly, the Commission concludes that there are no significant radiological environmental impacts associated with the proposed action.

With regard to potential nonradiological impacts, the proposed action does not involve any historic sites. It does not affect nonradiological plant effluents and has no other environmental impact. Therefore, there are no significant nonradiological environmental impacts associated with the proposed action.

Accordingly, the Commission concludes that there are no significant environmental impacts associated with the proposed action.

Alternatives to the Proposed Action:

The principal alternative to the action would be to deny the request thereby requiring the licensee to maintain insurance coverage required of an operating plant (i.e., the "no action" alternative); such an action would not enhance the protection of the environment. Denial of the application would result in no change in current environmental impacts. The environmental impacts of the proposed action and the alternative action are similar.

Alternative Use of Resources:

This action does not involve the use of any resources not previously considered in the Programmatic Final Environmental Statement Related to Decontamination and Disposal of

Radioactive Wastes Resulting from the March 28, 1979, Accident - Three Mile Island Nuclear Station, Unit 2, Supplement No. 3, issued in August 1989.

Agencies and Persons Contacted:

In accordance with its stated policy, on June 3, 1999, the NRC staff consulted with Pennsylvania State official, Stan Mlangi of the Pennsylvania Department of Environmental Protection regarding the environmental impact of the proposed action. The State official had no comments.

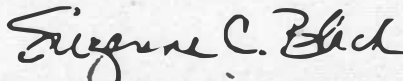
FINDING OF NO SIGNIFICANT IMPACT

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

For further details with respect to the proposed action, see the licensee's letter dated March 9, 1999, which is available for public inspection at the Commission's Public Document Room, The Gelman Building, 2120 L Street NW., Washington DC, and at the local public document room located at the Government Publications Section, State Library of Pennsylvania, Walnut Street and Commonwealth Avenue, Harrisburg, Pennsylvania.

Dated at Rockville, Maryland, this 15th day of July 1999.

FOR THE NUCLEAR REGULATORY COMMISSION



Suzanne C. Black, Deputy Director
Division of Licensing Project Management
Office of Nuclear Reactor Regulation