



Public Service Company of Colorado

16805 WCR 19 1/2, Platteville, Colorado 80651



June 30, 1983
Fort St. Vrain
Unit #1
P-83231

Office of the Secretary of the Commission
U. S. Nuclear Regulatory Commission
Washington, D.C. 20555

SUBJECT: Property Damage Insurance

REFERENCE: P-83124, Dated
March 28, 1983

Gentlemen:

Based on a recent conversation with our project manager, Nuclear Regulatory Commission Region I, we became aware of the fact that the above referenced letter was not being considered as a request for exemption from 10CFR50.54(w), but rather was being considered as our annual report under subparagraph (4) of 10CFR50.54(w). While our letter, P-83124, does serve the purpose of the annual report, the primary intent of the letter was to request exemption.

In this regard we are supplementing P-83124 to request specific exemption from the requirements of 10CFR50.54(w), subparagraph (1) (ii), excess property insurance. Our request for exemption is made under the provisions of 10CFR50.12 on the following basis:

1. As indicated in P-83124 and the detailed study attached thereto, the total property damage insurance including decommissioning costs, clean-up costs and loss of the plant is conservatively estimated at \$323,558,480 compared with \$500,000,000 of property insurance presently in effect for Fort St. Vrain. In this respect the requested exemption does not give rise to a significant adverse impact on the environment in that the existing coverage more than adequately provides for necessary clean-up costs.

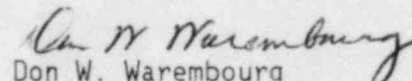
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2. Concerning redress of any adverse environmental impact, the study submitted with P-83124 shows that the probability of a core heat up accident is below the LWR design objective safety goal of 10 E-4/reactor year. The upper range of clean-up costs under low-probability, more-severe type accidents is \$100,000,000. With \$500,000,000 property insurance, redress of environmental impact is not an issue.
3. This request for exemption does not involve foreclosure of alternatives.
4. With reference to the cost to consumers it is obvious that the exemption will avoid additional unnecessary costs to the rate payers. The rate payer as well as our investors are adequately protected against the loss of the plant and subsequent clean-up costs with the \$500,000,000 property insurance. Additional insurance coverage would only result in needless additional cost in terms of insurance premiums. This exemption, therefore, is clearly in the best interest of the public.

We will continue to keep the \$500,000,000 coverage in effect for Fort St. Vrain in accordance with 10CFR50.54(w) subparagraph (1) (i). We trust that the forty (40) copies of the detailed study submitted with P-83124 are available for your review as a part of this supplemental letter.

Very truly yours,


Don W. Warembourg
Manager, Nuclear Production
Fort St. Vrain Nuclear
Generating Station

DWW/djc

cc: John Collins Region IV
P. Wagner Region IV