



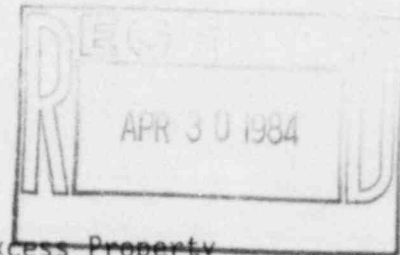
Public Service Company of Colorado

2420 W. 26th Avenue, Suite 100D, Denver, CO 80211

April 25, 1984
Fort St. Vrain
Unit No. 1
P-84118

50-267

Mr. John T. Collins, Regional Administrator
U.S. Nuclear Regulatory Commission
Region IV
611 Ryan Plaza Drive, Suite 1000
Arlington, Texas 76011



SUBJECT: Fort St. Vrain Excess Property
Insurance Exemption Request

- REFERENCE: 1) PSC Letter Warembourg to
Secretary of the Commission
dated March 28, 1983 (P-83124)
2) PSC Letter Warembourg to
Secretary of the Commission
dated June 30, 1983 (P-83231)
3) NRC Letter Gagliardo to Lee
dated November 23, 1983
(G-83415)
4) PSC Letter Lee to Secretary
of the Commission dated
December 27, 1983 (P-83408)
5) Meeting between NRC, PSC and
GA in Bethesda, MD on
April 5, 1984

Dear Mr. Collins:

At the recent meeting held in Bethesda (Reference 5), members of the NRC staff made Public Service Company of Colorado (PSC) aware of their concerns with the documentation supporting PSC's request for exemption from the excess property insurance provisions of 10CFR50.54(w) as applied to the Fort St. Vrain Nuclear Generating Station.

PSC together with GA Technologies has reviewed the NRC concerns regarding PSC's current exemption request, References (1), (2) and

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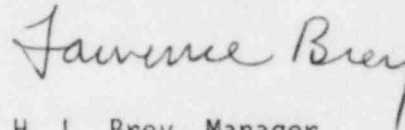
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(4), as expressed by the NRC staff at the April 5, 1984 meeting. We have also reviewed the excess property insurance exemption requests previously approved by the NRC for the Big Rock, LaCrosse, Yankee Rowe, and Humboldt Bay plants. Based on this further information, PSC intends to prepare additional documentation in support of our insurance exemption request for submittal to the NRC at an early date. In order to ensure that this additional submittal is fully responsive to the NRC's stated concerns regarding the current exemption request, PSC has requested that a further meeting be held with NRC staff to discuss the proposed scope of this additional submittal. Based on discussions between Phil Wagner (NRC) and Mike Holmes (PSC), this meeting has been scheduled for May 2, 1984.

PSC continues to believe that the unique design and operating features of the Fort St. Vrain HTGR with its inherent safety features and radiological cleanliness, together with the existing property damage insurance of \$500,000,000, provide adequate assurance of not only the protection of the health and safety of the public, but also of the financial security of PSC.

We look forward to the May 2, 1984 meeting to discuss the submittal of additional justification for our exemption request. If you have any questions, please contact Mr. M.H. Holmes at (303) 571-8409.

Very truly yours,



H. L. Brey, Manager
Nuclear Engineering Division

HLB/KRS:pa