



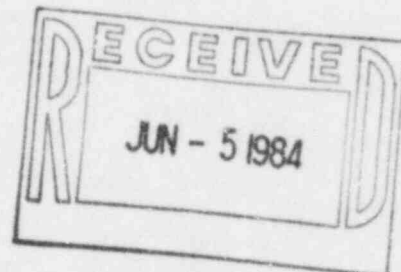
Public Service Company of Colorado

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

May 29, 1984
Fort St. Vrain
Unit No. 1
P-84156

50-267

Mr. Eric H. Johnson
Reactor Project Branch Chief
Region IV
Nuclear Regulatory Commission
611 Ryan Plaza Drive, Suite 1000
Arlington, Texas 76011



SUBJECT: Fort St. Vrain Excess Property
Insurance Purchase and Exemption
Request

- REFERENCES:
- 1) PSC Letter P-83124 dated March 28, 1983
 - 2) PSC Letter P-83231 dated June 30, 1983
 - 3) NRC Letter G-83415 dated November 23, 1983
 - 4) PSC Letter P-83408 dated December 27, 1983
 - 5) NRC/PSC/GA Meeting Bethesda, Maryland, April 5, 1984
 - 6) PSC Letter P-84118 dated April 25, 1984
 - 7) NRC/PSC/GA Meeting Arlington, Texas, May 2, 1984

Dear Mr. Johnson:

Public Service Company of Colorado (PSC) has been pursuing a request for exemption from the excess property insurance provisions of 10CFR50.54(W)(1)(ii) per References (1)-(7). At the May 2, 1984 meeting (Reference 7) and subsequently, Mr. Phil Wagner of your staff advised PSC to obtain the excess property insurance unless PSC's insurance exemption request could be finalized in 60 days.

8406110241 840529
PDR ADDCK 05000267
J PDR

1/005
1/0

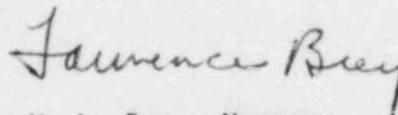
Those plants previously requesting exemptions from the requirements of 10CFR50.54(w)(1)(ii), (i.e., Big Rock, La Crosse, Yankee Rowe, and Humboldt Bay) were not required to purchase the subject insurance while their exemption requests were being pursued. However, PSC has been repeatedly advised to purchase the excess insurance during pursuit of our exemption.

Effective May 15, 1984, PSC has purchased the \$85,000,000 excess property damage insurance coverage issued jointly by the American Nuclear Insurers (ANI) and the Mutual Atomic Energy Reinsurance Pool (MAERP) at an annual premium of \$255,000. PSC has purchased this insurance because the NRC's verbally imposed 60 day time limit for finalizing our exemption request (May 2, 1984 to July 1, 1984) does not allow PSC sufficient time to prepare an additional submittal responsive to the NRC staff's verbal comments (Reference 7). As explained at the May 2, 1984 meeting (Reference 7), PSC considers this excess insurance premium to be burdensome and the insurance to be without potential benefit to PSC.

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 primary 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. PSC intends to pursue its request for exemption from the excess property insurance requirements of 10CFR50.54(w)(1)(ii). Additional information supporting this request will be submitted in the near future.

If you have any questions or comments, please contact Mr. M. H. Holmes at (303) 571-8409

Very truly yours,



H. L. Brey, Manager
Nuclear Engineering Division

HLB/KS:pa