June 4, 1997, submittal, Great Bay reported that underwriting specifications had been prepared and issued to the insurance market by AON Risk Services. Subsequently, on July 7, 1997, Great Bay reported upon the status of the efforts to locate a suitable assurance arrangement. Great Bay reported that a surety bond does not appear to be available, and the only insurance mechanism available to Great Bay at the present time is for Great Bay to prefund its entire outstanding decommissioning obligation. Great Bay asserts that because there is no pool of similarly situated entities requiring decommissioning funding assurance, arrangements such as surety bonds for such entities are unavailable. Great Bay asserts further that prefunding the entire obligation would put Great Bay at an undue competitive disadvantage.

Great Bay appears to have made a good faith effort to secure a surety bond at reasonable cost but has been unsuccessful in this effort so far, and it does not appear that Great Bay feasibly can meet the NRC's requirement that non-electric utility power reactor licensees obtain a surety bond or some other third-party guarantee mechanism to provide decommissioning funding assurance.

IV.

In consideration of the foregoing, the Commission is granting an extension to the temporary exemption issued to Great Bay and North Atlantic on January 22, 1997. This extension to the temporary exemption from the requirements of 10 CFR 50.75(e)(2) is granted to allow Great Bay more time in which to obtain the additional assurance for decommissioning funding required by the regulation.

However, in view of revisions to 10 CFR 50.2 and 10 CFR 50.75 now being considered by the Commission, this exemption shall expire 90 days following the date any revisions to 10 CFR 50.2 and 10 CFR 50.75 become final agency action, or 1 year from the date of issuance of this exemption, whichever date is sooner.

The Commission has determined that pursuant to 10 CFR 50.12(a)(1), this exemption is authorized by law, will not present an undue risk to the public health and safety, and is consistent with the common defense and security. The Commission further has determined that special circumstances as provided in 10 CFR 50.12(a)(2)(ii) and 10 CFR 50.12(a)(2)(v) are present.

Under criterion (ii), special circumstances exist in that application of the regulation in this particular circumstance is not necessary, for the period of the exemption, to achieve the underlying purpose of the rule, which is to provide additional assurance that funds will be available for decommissioning at the end of the license term or in the event of a premature shutdown. In this instance, Great Bay's projected income and cash flow indicate that Great Bay very likely will be able to meet its operating costs and monthly decommissioning fund payments for Seabrook through 2001. Furthermore, Great Bay's past contributions to the existing sinking fund along with its present working capital and its former corporate parent's guarantee, would currently cover nearly three quarters of Great Bay's proportionate share of Seabrook decommissioning costs.

Furthermore, application of the requirements of 10 CFR 50.75(e)(2) at this time would not serve the underlying purpose of the rule. The regulation would require Great Bay to prefund the remaining $47.2 million decommissioning obligation or to obtain a surety bond or other third-party guarantee mechanism for the unfunded amount. No surety arrangement appears to be available to Great Bay at this time other than to fully fund or collateralize the insurer for the entire obligation which would make it difficult, if not impossible, for Great Bay to meet its day-to-day obligations. Thus, the underlying purpose of the rule would not be served by attempting to apply the rule under these circumstances.

Under criterion (v), special circumstances exist because the exemption provides only temporary relief from the applicable regulation(s), and Great Bay has made a good faith effort to comply with 10 CFR 50.75 by continuing to make payments into an external sinking fund while making good faith efforts to locate a suitable assurance mechanism.

Because this exemption is based on financial circumstances and projections that are subject to change and current market conditions for obtaining surety methods that are subject to change, this exemption is subject to the following conditions:

A. Great Bay is to continue efforts with due diligence to obtain a suitable decommissioning funding assurance arrangement that will meet the requirements of 10 CFR 50.75(e)(2) and is to provide a written report 6 months from the date of issuance of this exemption to the Director, Office of Nuclear Reactor Regulation, of the efforts underway and the progress made to obtain a suitable decommissioning funding assurance arrangement.

B. Great Bay shall provide the Director, Office of Nuclear Reactor Regulation, its next four unconsolidated quarterly financial reports, including statements of income and cash flow, and balance sheets within 45 days of the close of each calendar quarter.

C. In the event any circumstance or condition develops that threatens Great Bay's present or future ability to meet its decommissioning funding obligation, or if Great Bay is in default of any monthly payment to the Fund, Great Bay and North Atlantic are to inform the Director, Office of Nuclear Reactor Regulation, immediately in writing.

Pursuant to 10 CFR 51.32, the Commission has determined that granting this Exemption will not have a significant effect on the quality of the human environment (62 FR 39285).

This exemption is effective upon issuance.

Dated at Rockville, Maryland, this 23rd day of July 1997.

For the Nuclear Regulatory Commission.

Samuel J. Collins,

Director, Office of Nuclear Reactor Regulation.

[FR Doc. 97–19930 Filed 7–28–97; 8:45 am]

BILLING CODE 7590–01–P

NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50–272 and 50–311, etc.]

Public Service Electric & Gas Co., et al; Environmental Assessment and Finding of No Significant Impact

In the matter of: Public Service Electric & Gas Company, Philadelphia Electric Company, Delmarva Power and Light Company, Atlantic City Electric Company, Salem Nuclear Generating Station, Unit Nos. 1 and 2, Docket Nos. 50–272 and 50–311; and Public Service Electric & Gas Company, Atlantic City Electric Company, Hope Creek Generating Station; Docket No. 50–354; Environmental assessment and finding of no significant impact.

The U.S. Nuclear Regulatory Commission (the Commission) is considering issuance of an exemption from certain requirements of its regulations for Facility Operating License Nos. DPR–70, DPR–75, and NPF–57, issued to Public Service Electric & Gas Company (PSE&G, the licensee), for operation of the Salem Nuclear Generating Station, Units 1 and 2, and Hope Creek Generating Station (Salem/Hope Creek), respectively.

The facilities consist of two pressurized water reactors, Salem Units 1 and 2, and a boiling water reactor, Hope Creek, at the licensee's site located in Salem County, New Jersey.

Environmental Assessment

Identification of Proposed Action

The proposed action would allow implementation of a hand geometry biometric system of site access control such that photograph identification badges can be taken offsite.

The proposed action is in accordance with the licensee's application dated January 17, 1997, for exemption from certain requirements of 10 CFR 73.55, ''Requirements for physical protection of licensed activities in nuclear power reactors against radiological sabotage.''

The Need for the Proposed Action

Pursuant to 10 CFR 73.55, paragraph (a), ''General performance objective and requirements,'' the licensee shall establish and maintain an onsite physical protection system and security organization.* * *''

Paragraph (1) of 10 CFR 73.55(d), ''Access Requirements,'' specifies that ''licensee shall control all points of personnel and vehicle access into a protected area.* * *'' It is specified in 10 CFR 73.55(d)(5) that ''A numbered picture badge identification system shall be used for all individuals who are authorized access to protected areas without escort.'' It also states that an individual not employed by the licensee (i.e., contractors) may be authorized access to protected areas without escort provided the individual ''receives a picture badge upon entrance into the protected area which must be returned upon exit from the protected area.* * *''

Currently, unescorted access into protected areas of the Salem/Hope Creek site is controlled through the use of a photograph on a combination badge and keycard. (Hereafter, these are referred to as a ''badge''). The security officers at the entrance station use the photograph on the badge to visually identify the individual requesting access. The badges for both licensee employees and contractor personnel who have been granted unescorted access are issued upon entrance at the entrance/exit location and are returned upon exit. The badges are stored and are retrievable at the entrance/exit location. In accordance with 10 CFR 73.55(d)(5), contractor individuals are not allowed to take badges offsite. In accordance with the plants' physical security plans, neither licensee employees nor contractors are allowed to take badges offsite.

The licensee proposes to implement an alternative unescorted access control system which would eliminate the need to issue and retrieve badges at the entrance/exit location and would allow all individuals with unescorted access to keep their badges with them when departing the site.

An exemption from 10 CFR 73.55(d)(5) is required to permit contractors to take their badges offsite instead of returning them when exiting the site.

Environmental Impacts of the Proposed Action

Under the proposed alternative unescorted access control system, each individual who is authorized for unescorted entry into protected areas would have the physical characteristics of their hand (hand geometry) registered with their badge number in the access control system. When an individual enters the badge into the card reader and places the hand on the measuring surface, the system would record the individual's hand image. The unique characteristics of the extracted hand image would be compared with the previously stored template to verify authorization for entry. Individuals, including licensee employees and contractors, would be allowed to keep their badge with them when they depart the site.

Based on a Sandia report entitled ''A Performance Evaluation of Biometric Identification Devices'' (SAND91—0276 UC—906 Unlimited Release, Printed June 1991), and on its experience with the current photo-identification system, the licensee stated that the false acceptance rate of the proposed hand geometry system is comparable to that of the current system. The licensee stated that the use of the badges with the hand geometry system would increase the overall level of access control. Since both the badge and hand geometry would be necessary for access into the protected area, the proposed system would provide for a positive verification process. Potential loss of a badge by an individual, as a result of taking the badge offsite, would not enable an unauthorized entry into protected areas. The licensee will implement a process for testing the proposed system to ensure continued overall level of performance equivalent to that specified in the regulation. The Physical Security Plan for the Salem/Hope Creek site will be revised to include implementation and testing of the hand geometry access control system and to allow licensee employees and contractors to take their badges offsite.

The access process will continue to be under the observation of security personnel. A numbered picture badge identification system will continue to be used for all individuals who are authorized access to protected areas without escorts. Badges will continue to be displayed by all individuals while inside the protected area.

The change will not increase the probability or consequences of accidents, no changes are being made in the types of any effluent that may be released offsite, and there is no significant increase in the allowable individual or cumulative occupational 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 involves features located entirely within the restricted area as defined in 10 CFR Part 20. It does not affect nonradiological plant effluent and has no other environmental impact. Accordingly, the Commission concludes that there are no significant nonradiological environmental impacts associated with the proposed action.

Alternatives to the Proposed Action

Since the Commission has concluded there is no measurable environmental impact associated with the proposed action, any alternatives with equal or greater environmental impact need not be evaluated. The principal alternative to the action would be to deny the request. Such action would not change any 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 ''Final Environmental Statement related to the operation of Hope Creek Generating Station,'' NUREG–1074, dated December 1984 or ''Final Environmental Statement related to the operation of Salem Nuclear Generating Station Units 1 and 2,'' dated April 1973.

Agencies and Persons Consulted

In accordance with its stated policy, on February 19, 1997, the staff consulted with the New Jersey State Official, Mr. Dennis Zannoni, of the New Jersey Department of Environmental Protection and Energy, regarding the environmental impact of the proposed action. The State official had no comments.

Finding of No Significant Impact

Based upon the 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 action.

For further details with respect to the proposed action, see the licensee's letter dated January 17, 1997, 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 rooms located at the Salem Free Public Library, 112 West Broadway, Salem, New Jersey, for Salem and at the Pennsville Public Library, 190 S. Broadway, Pennsville, New Jersey, for Hope Creek.

Dated at Rockville, Maryland, this 23rd day of July 1997.

For the Nuclear Regulatory Commission.

John F. Stolz,

Director Project Directorate, I–2, Division of Reactor Projects—I/II, Office of Nuclear Reactor Regulation.

[FR Doc. 97–19932 Filed 7–28–97; 8:45 am]

BILLING CODE 7590–01–P

NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50–413 and 50–414]

Duke Power Company, et al.; Catawba Nuclear Station, Units 1 and 2; Environmental Assessment and Finding of No Significant Impact

The U.S. Nuclear Regulatory Commission (the Commission) is considering issuance of an exemption from certain requirements of its regulations to Facility Operating License Nos. NPF–35 and NPF–52, issued to Duke Power Company, et al. (the licensee), for operation of the Catawba Nuclear Station, Units 1 and 2, located in York County, South Carolina.

Environmental Assessment

Identification of Proposed Action

The proposed action would exempt the licensee from the requirements of 10 CFR 70.24, which requires a monitoring system that will energize clear audible alarms if accidental criticality occurs in each area in which special nuclear material is handled, used, or stored. The proposed action would also exempt the licensee from the requirements to maintain emergency procedures for each area in which this licensed special nuclear material is handled, used, or stored to ensure that all personnel withdraw to an area of safety upon the sounding of the alarm, to familiarize personnel with the evacuation plan, and to designate responsible individuals for determining the cause of the alarm, and to place radiation survey instruments in accessible locations for use in such an emergency.

The proposed action is in response to the licensee's application dated February 4, 1997, as supplemented by letter on March 19, 1997.

The Need for the Proposed Action

The purpose of 10 CFR 70.24 is to ensure that if a criticality were to occur during the handling of special nuclear material, personnel would be alerted to that fact and would take appropriate action. At a commercial nuclear power plant the inadvertent criticality with which 10 CFR 70.24 is concerned could occur during fuel handling operations. The special nuclear material that could be assembled into a critical mass at a commercial nuclear power plant is in the form of nuclear fuel; the quantity of other forms of special nuclear material that is stored on site is small enough to preclude achieving a critical mass. Because the fuel is not enriched beyond 5.0 weight percent Uranium-235 and because commercial nuclear plant licensees have procedures and features designed to prevent inadvertent criticality, the staff has determined that it is unlikely that an inadvertent criticality could occur due to the handling of special nuclear material at a commercial power reactor. The requirements of 10 CFR 70.24, therefore, are not necessary to ensure the safety of personnel during the handling of special nuclear materials at commercial power reactors.

Environmental Impacts of the Proposed Action

The Commission has completed its evaluation of the proposed action and concludes that there is no significant environmental impact if the exemption is granted. Inadvertent or accidental criticality will be precluded through compliance with the Catawba Nuclear Station Technical Specifications, the design of the fuel storage racks providing geometric spacing of fuel assemblies in their storage locations, and administrative controls imposed on fuel handling procedures. Technical Specifications requirements specify reactivity limits for the fuel storage racks and minimum spacing between the fuel assemblies in the storage racks.

Appendix A of 10 CFR part 50, ''General Design Criteria for Nuclear Power Plants,'' Criterion 62, requires the criticality in the fuel storage and handling system to be prevented by physical systems or processes, preferably by use of geometrically safe configurations. This is met at Catawba, as identified in the Technical Specification Section 3.9 and in the Updated Final Safety Analysis Report (UFSAR) Section 9.1, by detailed procedures that must be available for use by refueling personnel. Therefore, as stated in the Technical Specifications, these procedures, the Technical Specifications requirements, and the design of the fuel handling equipment with built-in interlocks and safety features, provide assurance that no incident could occur during refueling operations that would result in a hazard to public health and safety. In addition, the design of the facility does not include provisions for storage of fuel in a dry location.

UFSAR Section 9.1.1, New Fuel Storage, states that new fuel will normally be stored in the spent fuel pool serving the respective unit and that it may also be stored in the fuel transfer canal. The fuel assemblies are stored in five racks in a row having a nominal center-to-center distance of 2 feet 1¾ inches. New fuel may also be stored in shipping containers. (Note that in none of these locations would criticality be possible.)

The proposed exemption would not result in any significant radiological impacts. The proposed exemption would not affect radiological plant effluents nor cause any significant occupational exposures since the Technical Specifications, design controls (including geometric spacing and design of fuel assembly storage spaces) and administrative controls preclude inadvertent criticality. The amount of radioactive waste would not be changed by the proposed exemption.

The proposed exemption does not result in any significant nonradiological environmental impacts. The proposed exemption involves features located entirely within the restricted area as defined in 10 CFR part 20. It does not affect nonradiological plant effluents and has no other environmental impact. Accordingly, the Commission concludes that there are no significant nonradiological environmental impacts associated with the proposed action.

Alternatives to the Proposed Action

Since the Commission has concluded there is no measurable environmental impact associated with the proposed action, any alternatives with equal or greater environmental impact need not be evaluated. As an alternative to the proposed exemption, the staff considered denial of the requested exemption. Denial of the exemption would result in no change in current environmental impacts. The environmental impacts of the proposed