

**NUCLEAR REGULATORY COMMISSION**

[Docket No. 50-482]

**Wolf Creek Nuclear Operating Corporation; Wolf Creek Nuclear Generating Station; Environmental Assessment and Finding of No Significant Impact**

The U.S. Nuclear Regulatory Commission (the Commission) is considering issuance of an amendment to Facility Operating License No. NPF-42, issued to Wolf Creek Nuclear Operating Corporation (the licensee), for operation of the Wolf Creek Nuclear Generating Station located in Coffey County, Kansas.

**Environmental Assessment***Identification of the Proposed Action*

The proposed action would revise the Wolf Creek Generating Station (WCGS) technical specifications to allow an increase in the WCGS spent fuel pool (SFP) storage capacity and to allow an increase in the maximum nominal fuel enrichment to 5.0 nominal weight percent U-235.

The proposed action is in accordance with the licensee's application for amendment dated March 20, 1998, as supplemented by letters dated May 28, 1998, June 30, 1998, August 28, 1998, and September 4, 1998.

*The Need for the Proposed Action*

WCGS received its low power operating license on March 11, 1985. At that time, the SFP was authorized to store no more than 1340 fuel assemblies. Current projection, based on expected future spent fuel discharges, indicate that loss of full-core discharge capability will occur at the end of Cycle 14 in 2005. Operation of WCGS beyond loss of full-core discharge capability is possible for Cycles 15 and 16 to provide an additional three to four years of operation until 2008. Wolf Creek has evaluated spent fuel storage alternatives that have been licensed by the NRC and which are currently feasible for use at the WCGS site. The evaluation concludes that re-racking is currently the most cost-effective alternative. Re-racking would provide an increase in storage capacity to 2642 fuel assemblies, which would maintain the plant's capability to accommodate a full-core discharge, through the end of the current plant license in 2025.

The proposed action to increase the maximum nominal fuel enrichment to 5.0 nominal weight percent U-235 is needed so that the licensee can use higher fuel enrichment to provide

additional flexibility in the licensee's reload design efforts and to increase the efficiency of fuel storage cell use in the spent fuel pool.

*Environmental Impacts of the Proposed Action***Radiological Impacts**

The Wolf Creek Nuclear Generating Station uses waste treatment systems designed to collect and process gaseous, liquid, and solid waste that might contain radioactive material. These radioactive waste treatment systems were evaluated in the Final Environmental Statement (FES) dated June 1982. The proposed spent fuel pool (SFP) expansion will not involve any change in the waste treatment systems described in the FES.

**Radiological Material Released to the Atmosphere**

The storage of additional spent fuel assemblies in the SFP is not expected to affect the releases of radioactive gases from the SFP. Gaseous fission products such as Krypton-85 and Iodine-131 are produced by the fuel in the core during reactor operation. A small percentage of these fission gases is released to the reactor coolant from the small number of fuel assemblies which are expected to develop leaks during reactor operation. During refueling operations, some of these fission products enter the SFP and are subsequently released into the air. Since the frequency of refuelings (and therefore the number of freshly offloaded spent fuel assemblies stored in the SFP at any one time) will not increase, there will be no increase in the amounts of these types of fission products released to the atmosphere as a result of the increased SFP fuel storage capacity.

The increased heat load on the SFP from the storage of additional spent fuel assemblies could potentially result in an increase in the SFP evaporation rate, which may result in a slight increase in the amount of gaseous tritium released from the pool. However, the overall release of radioactive gases from Wolf Creek will remain a small fraction of the limits of 10 CFR 20.1301.

**Solid Radioactive Wastes**

Spent resins, which are generated by the processing of SFP water through the SFP purification system, are changed about once a year at Wolf Creek. These spent resins are disposed of as solid radioactive waste. The water turbulence caused by the SFP reracking may result in some resuspension of particulate matter in the SFP. This could result in a temporary increase in the resin

changeout frequency of the SFP purification system during the SFP reracking operation. The licensee will use a Tri-Nuke underwater filtration unit to clean the floor of the SFP following removal of the old SFP rack modules. Vacuuming of the SFP floor will remove any extraneous debris and crud and ensure visual clarity in the SFP (to facilitate diving operations). Debris and crud will be filtered and stored underwater in special handling baskets purchased for this operation. Additional solid radwaste will consist of the old SFP rack modules themselves as well as any interferences or SFP hardware that may have to be removed from the SFP to permit installation of the new SFP rack modules. Other than the radwaste generated during the actual reracking operation, the staff does not expect that the additional fuel storage made possible by the increased SFP storage capacity will result in a significant change in the generation of solid radwaste at Wolf Creek.

**Liquid Radioactive Waste**

The release of radioactive liquids will not be affected directly as a result of the SFP modifications. The SFP ion exchanger resins remove soluble radioactive materials from the SFP water. When the resins are changed out, the small amount of resin sludge water that is released is processed by the radwaste system. As stated above, the frequency of resin changeout may increase slightly during the installation of the new racks. However, the amount of liquid radioactivity released to the environment as a result of the proposed SFP expansion is expected to be negligible.

**Occupational Doses**

Radiation protection personnel will constantly monitor the doses to the workers during the SFP expansion operation. If it becomes necessary to utilize divers for the SFP reracking operation, the licensee will equip each diver with electronic dosimeters with remote, above surface, readouts, which will be continuously monitored by Health Physics personnel. The total occupational dose to plant workers as a result of the SFP expansion operation is estimated to be between 6 and 12 person-rem. This dose estimate is comparable to doses for similar SFP modifications performed at other plants. The upcoming SFP rack installation will follow detailed procedures prepared with full consideration of as low as is reasonably achievable (ALARA) principles.

On the basis of the review of the Wolf Creek proposal, the staff concludes that

the Wolf Creek SFP rack installation can be performed in a manner that will ensure that doses to workers will be maintained ALARA. The estimated dose of 6 to 12 person-rem to perform the proposed SFP rack installation is a small fraction of the annual collective dose accrued at Wolf Creek.

#### Accident Considerations

In its application, the licensee evaluated the possible consequences of a fuel handling accident to determine the thyroid and whole-body doses at the exclusion area boundary (EAB), low population zone (LPZ), and control room. The proposed SFP rack installation at the Wolf Creek Nuclear Generating Station will not affect any of the assumptions or inputs used in evaluating the dose consequences of a fuel handling accident and therefore will not result in an increase in the doses from a postulated fuel handling accident.

#### Uranium Fuel Cycle and Transportation

The environmental impacts of transportation resulting from the use of higher enrichment fuel and extended irradiation were published and discussed in the staff assessment entitled, "NRC Assessment of the Environmental Effects of Transportation Resulting from Extended Fuel Enrichment and Irradiation," dated July 7, 1988, and published in the **Federal Register** (53 FR 30355) on August 11, 1988, as corrected on August 24, 1988 (53 FR 32322), in connection with Shearon Harris Nuclear Power Plant, Unit 1: Environmental Assessment and Finding of No Significant Impact. As indicated therein, the environmental cost contribution of the proposed increase in the fuel enrichment and irradiation limits are either unchanged or may, in fact, be reduced from those summarized in Table S-4 as set forth in 10 CFR 51.52(c). Accordingly, the Commission concludes that there are no significant radiological environmental impacts associated with the proposed amendment.

Details of the radiological consequences of the proposed action will be discussed in the staff's safety evaluation for the proposed changes.

The Commission has completed its evaluation of the proposed action and concludes that the proposed action will not increase the probability or consequences of accidents, no changes are being made in the types of any effluents that may be released off site, and there is no significant increase in occupational or public radiation exposure. Therefore, there are no significant radiological environmental

impacts associated with the proposed action.

With regard to potential non-radiological impacts, the proposed action does not involve any historical sites. It does not affect non-radiological plant effluents and has no other environmental impact. Therefore, there are no significant non-radiological 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*

##### Shipment of Fuel to a Permanent Federal Fuel Storage/Disposal Facility

Shipment of spent fuel to a high-level radioactive storage facility is an alternative to increasing the onsite spent fuel storage capacity. However, the U.S. Department of Energy's (DOE's) high-level radioactive waste repository is not expected to begin receiving spent fuel until approximately 2010, at the earliest. In October 1996, the Administration did commit DOE to begin storing wastes at a centralized location by January 31, 1998. However, no location has been identified and an interim federal storage facility has yet to be identified in advance of a decision on a permanent repository. Therefore, shipping spent fuel to the DOE repository is not considered an alternative to increased onsite spent fuel storage capacity at this time.

##### Shipment of Fuel to a Reprocessing Facility

Reprocessing of spent fuel from the Wolf Creek Nuclear Generating Station is not a viable alternative since there are no operating commercial reprocessing facilities in the United States. Therefore, spent fuel would have to be shipped to an overseas facility for reprocessing. However, this approach has never been used and it would require approval by the Department of State as well as other entities. Additionally, the cost of spent fuel reprocessing is not offset by the salvage value of the residual uranium; reprocessing represents an added cost.

##### Shipment of Fuel to Another Utility or Site for Storage

The shipment of fuel to another utility for storage would provide short-term relief from the storage problem at the Wolf Creek Nuclear Generating Station. The Nuclear Waste Policy Act and 10 CFR Part 53, however, clearly place the responsibility for the interim storage of spent fuel with each owner or operator of a nuclear plant. The shipment of fuel

to another source is not an acceptable alternative because of increased fuel handling risks and additional occupational radiation exposure, as well as the fact that no additional storage capacity would be created.

#### Reduction of Spent Fuel Generation

Improved usage of fuel and/or operation at a reduced power level would decrease the amount of fuel being stored in the pool and thus increase the amount of time before full core off-load capacity is lost. With extended burnup of fuel assemblies, the fuel cycle would be extended and fewer offloads would be necessary. The licensee is planning on operation of an 18-month refueling cycle, and, as part of this proposed amendment, the licensee plans to increase the enrichment to 5 percent. Operating the plant at a reduced power level would not make effective use of available resources, and would cause unnecessary economic hardship on Wolf Creek Nuclear Operating Corporation and its customers. Therefore, reducing the amount of spent fuel generated by increasing burnup further or reducing power is not considered a practical alternative.

The staff also considered denial of the proposed action (no-action alternative). Denial of the application would result in no change in current environmental impacts.

#### Alternative Use of Resources:

This action does not involve the use of any resources not previously considered in the Final Environmental Statement for the Wolf Creek Nuclear Generating Station dated June 1982.

#### Agencies and Persons Consulted:

In accordance with its stated policy, on December 4, 1998, the staff consulted with the Kansas State official, Mr. Vick Cooper of the Kansas Department of Health and Environment, 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 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 March 20, 1998, as supplemented by letters dated May 28, 1998, June 30, 1998, August 28, 1998, and September 4, 1998, which are 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 Emporia State University, William Allen White Library, 1200 Commercial Street, Emporia, Kansas 66801 and Washburn University School of Law Library, Topeka, Kansas 66621.

Dated at Rockville, Maryland, this 7th day of December 1998.

For the Nuclear Regulatory Commission.

**Kristine M. Thomas,**

*Project Manager, Project Directorate IV-2,  
Division of Reactor Projects—III/IV, Office of  
Nuclear Reactor Regulation.*

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## SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-23589; File No. 812-10996]

### Cova Financial Services Life Insurance Company, et al.; Notice of Application

December 4, 1998.

**AGENCY:** Securities and Exchange Commission (the "SEC" or the "Commission").

**ACTION:** Notice of application for an order pursuant to Sections 17(b) and 26(b) of the Investment Company Act of 1940 (the "1940 Act").

**SUMMARY OF APPLICATION:** Applicants request an order pursuant to 26(b) of the 1940 Act, approving the proposed substitution of securities, and pursuant to Section 17(b) of the 1940 Act exempting related transactions from Section 17(a) of the 1940 Act.

**APPLICANTS:** Cova Financial Services Life Insurance Company ("Cova Life"), First Cova Life Insurance Company ("First Cova Life"), Cova Financial Life Insurance Company ("Cova Financial Life") (collectively, the "Life Companies"), Cova Variable Annuity Account One ("Cova Account One"), Cova Variable Life Account One ("Cova Life Account One"), First Cova Variable Annuity Account One ("First Cova Account One"), Cova Variable Annuity Account Five ("Cova Account Five") (collectively, the "Accounts"), Cova Series Trust ("Cova Trust"), Lord Abnett Series Fund, Inc. ("Lord Abnett Fund"), and General American Capital Company ("General American Fund") (collectively, the "Management Companies").

**FILING DATE:** The application was filed on February 5, 1998, and amended and restated on November 4, 1998.

**HEARING OR NOTIFICATION OF HEARING:** An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing on this application by writing to the Secretary of the SEC and serving Applicants with a copy of the request, in person or by mail. Hearing requests must be received by the Commission by 5:30 p.m. on December 29, 1998, and accompanied by proof of service on the Applicants in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the requester's interest, the reason for the request and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Secretary of the SEC.

**ADDRESSES:** Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicants, c/o Blazzard, Grodd & Hasenauer, P.C., 943 Post Road East, Westport, CT 06880, Attn: Raymond A. O'Hara III, Esq.

**FOR FURTHER INFORMATION CONTACT:** Megan L Dunphy, Attorney, or Mark Amorosi, Special Counsel, Office of Insurance Products, Division of Investment Management, at (202) 942-0670.

**SUPPLEMENTARY INFORMATION:** Following is a summary of the application. The complete application is available for a fee from the Public Reference Branch of the SEC, 450 Fifth Street, N.W., Washington, D.C. 20549 (tel. (202) 942-8090).

### Applicants' Representations

1. The Life Companies are affiliated stock life insurance companies, whose parent is General American Life Insurance Company ("General American"). Cova Life is incorporated in Missouri and does business in the District of Columbia and in all states except California, Maine, New Hampshire, New York and Vermont. First Cova is incorporated in and licensed to do business only in the state of New York. Cova Financial Life is incorporated in and licensed to do business only in the state of California.

2. Each of the Accounts is registered with the Commission as a unit investment trust. The assets of each Account support variable annuity contracts and, with respect to Cova Life Account One, variable life insurance policies (the "Contracts"). Interests under the Contracts have been registered under the Securities Act of 1933 (File Nos. 33-39100; 33-14979; and 333-34741).

3. The Accounts are divided into subaccounts, each of which reflects the

investment performance of corresponding portfolios of Cova Trust, Lord Abnett Fund, and the General American Fund.

4. Cova Trust is registered under the 1940 Act as an open-end management investment company and is currently comprised of twenty portfolios, nine of which are involved in the proposed substitution; Stock Index Portfolio, Large Cap Stock Portfolio, Quality Income Portfolio, Quality Bond Portfolio, High Yield Portfolio, Bond Debenture Portfolio, Money Market Portfolio, VKAC Growth and Income Portfolio and the Lord Abnett Growth and Income Portfolio.

5. Cova Investment Advisory Corporation ("Cova Advisory"), an indirect wholly owned subsidiary of General American, is the investment adviser for Cova Trust. Cova Advisory has engaged sub-advisers for each of the portfolios of Cova Trust. The sub-adviser for the Large Cap Stock and Quality Bond Portfolios is J.P. Morgan Investment Management, Inc. ("JPM"). The sub-adviser for the Stock Index, Quality Income, High Yield, Money Market and VKAC Growth and Income Portfolios is Van Kampen American Capital Investment Advisory Corp. ("VKAC"). Lord Abnett is the sub-adviser for the Lord Abnett Growth and Income Portfolio and the Bond Debenture Portfolio of Cova Trust.

6. Lord Abnett Fund is registered under the 1940 Act as an open end management investment company and is currently comprised of two portfolios, one of which—the Growth and Income Portfolio—is relevant to the proposed substitution. Lord Abnett & Co. ("Lord Abnett") is the investment manager of the Lord Abnett Fund.

7. General American Fund is registered under the 1940 Act as an open-end management investment company and is comprised of eight series, one of which—the Money Market Fund—is relevant to the proposed substitution. Conning Asset Management Company, an affiliate of General American, is the investment adviser to the Money Market Fund.

8. Applicants propose to substitute shares of certain portfolios of Cova Trust and the General American Fund ("Substitute Funds") for shares of certain other portfolios of Cova Trust, the General American Fund, and the Lord Abnett Fund (the "Replaced Funds") as follows: