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MORON M. CHERRY

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OFFICE OF THE SECRETARY

CPR-81,82

March 12, 1975

Mr. William A. Anders
Chairman
U.S. Nuclear Regulatory Commission
Washington, D. C. 20555

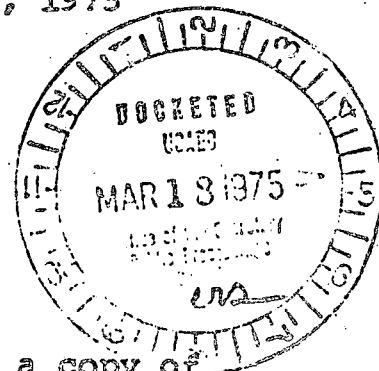
Dear Mr. Chairman:

On March 11, 1975 I received (by accident) a copy of a letter dated March 4, 1975 which you sent to the members of the Michigan Public Service Commission, apparently in response to the Michigan PSC's November 8, 1974 letter to the Chairman of the now-defunct Atomic Energy Commission.

Your March 4, 1975 letter deals with two cases in which I am involved, Palisades and Midland. I have not been apprised of your letter, nor did you or any of your staff send me a copy. Additionally, your letter enclosed certain information prepared by the Regulatory Staff (one of the parties to the former proceedings) and certain other documents (OOE-OS-002, May, 1974 and OOE-ES-001, January, 1974). I did not receive any of these documents.

I also find it interesting to note that while your staff sent to the Michigan PSC certain "general studies regarding nuclear power plant availability and capacity factors," the staff's enclosures indicated that those were dated May, 1974 and January, 1974. Your staff did not enclose the December 2, 1974 study by Dr. Edwin G. Triner of the Office of Policy Planning for the Nuclear Regulatory Commission which study supports the criticism that has been made about nuclear power plant capacity -- that it is appallingly low and results in increased costs to consumers. Dr. Triner's study (which I have not received and herewith request) was, as usual, recorded in the news media (Sunday New York Times, March 9, 1975, Midwest Edition, p. 42) and disclosed as a result of efforts of criticism of the Nuclear Regulatory Commission and not by the Nuclear Regulatory Commission itself. The question certainly arises as to whether your staff conveniently failed to submit to the Michigan PSC an NRC-in-house report critical to the nuclear combine. I trust you will correct the record as quickly as possible with the Michigan PSC and suggest that you consider sending the Triner report to all PSC's

17 To Gen. Counsel for preparation of reply for Chairman's signature. Cy to Chairman, each Commissioner, Exec. Dir. for Operations, & D&SS.



May 12, 1975

throughout the United States so that state bodies realize the economic problem which can arise from jumping into nuclear power without adequate foundation or economic base.

Finally, I am making a request for a copy of your March 4, 1975 letter together with all of the enclosures and I am asking that in the future, when you communicate with anyone in connection with matters in which I and my clients have filed an appearance, that I promptly be served with copies. While I am prepared to regard the failure to send me the March 4, 1975 letter and enclosures as bureaucratic oversight, I do believe that in the future, the Nuclear Regulatory Commission should take care to see that all interested persons receive copies of correspondence in a contested case.

Sincerely,



Myron M. Cherry

MMC:KK

c.c. Commissioner William R. Ralls
 Commissioner Lenton G. Sculthorp
 Chairman William G. Rosenberg
 Michigan Public Service Commission

Enclosure (New York Times article referred to on page 1)

By Utilities in Reliability of Reactors

By DAVID BURNHAM

Special to The New York Times

WASHINGTON, March 8—A

Federal study has concluded that the utilities that own most American nuclear reactors—which have recently been generating only about 55 per cent of their power capacity—are not sufficiently concerned about the safety and performance of their reactors.

The study further charges that the state commissions that are supposed to regulate the utilities have "little or no influence" on the design process that could make reactors more reliable and efficient.

The analysis of reactor reliability and what steps the Federal Government should take to improve it was written by Edwin G. Triner, director of the Office of Policy Planning in the Nuclear Regulatory Commission.

Dr. Triner said the utilities, in theory, should have prime responsibility for making sure that the reactors they buy are both safe and efficient.

"The reality, however, is that without external suasion the likelihood of the utility customer taking aggressive action to improve plant reliability is not very great," he said.

There are 55 nuclear plants operating in the United States that generate about 7.5 per cent of the country's electricity. Because of various problems in the continuing supply of oil and natural gas, the Ford Administration is committed to building hundreds of additional reactors in the next 10 years.

Comment on Reliability

Norman C. Rasmussen, a professor of nuclear engineering at Massachusetts Institute of Technology who is the director of a major Atomic Energy Commission study on reactor safety, commented on the reli-

"Probably one of the most serious issues that the intervenors can raise today, with good statistics to back their case, is that nuclear plants have not performed with the degree of reliability we would expect from machines built with the care and attention to safety and reliability that often has been claimed for nuclear plants." Dr. Rasmussen was quoted as saying in an April report by the Atomic Industrial Forum, an industry lobbying group supported by major reactor builders, the utilities and engineers.

Dr. Triner's five-page analysis of reactor reliability, dated Dec. 2, 1974 was made available by the Nuclear Regulatory Commission in response to a request by Daniel Ford, staff director of the Union of Concerned Scientists, an organization that has been critical of atomic power.

Dr. Triner's study described a number of factors that he felt contributed to the reliability problem.

"By and large, the utilities are not that sophisticated," the official said. "There is no evidence, for example, that they have contractually imposed reliability standards upon their architect-engineers. Very few of the utilities exercise very much influence at all over the design process as it impacts reliability."

Costs a Factor

He said that a second factor was the reluctance of the utilities to incur extra design costs during the early stages of a nuclear reactor building project which would require them to generate additional capital.

"There is no incentive for them to make a total life cycle cost analysis that includes both design and construction cost and the 30 or 40 years of operating and maintenance cost," Dr. Triner wrote.

The official said another part of the problem was that the "architecture engineers, who are largely responsible for power plant design have little incentive to consider increased reliability during the design process. Their interest is short term. Once a plant is constructed, the architecture engineers fade out of the picture."

investigation indicated that because of the all-inclusiveness of its responsibility for design, construction and operation, Duke "is more concerned with questions of reliability than most other utilities."

Concerning the role of the state utility commissions, the official said that besides having virtually no influence on the design of reactors, "to my knowledge the appointment of individuals to these commissions is not normally based upon their technical knowledge of the design and operations of a power plant."

He added that another problem was that "in all too many instances the quantity and quality of staff assigned to this function [nuclear reactors] within the states is inadequate."

The person who has publicly raised the most persistent questions about the reliability of reactors is David Dinsmore Comey, a member of the Chicago-based Business and Professional People for the Public Interest. In a statement last September, Mr. Comey said that the average capacity of the large nuclear reactors was 50.4 per cent during the first six months of 1974.

Put another way, this means that because of breakdowns, inspections, fuel loading and other reasons, these reactors produced only about half the amount of power they were designed to generate during the period in question.

A Second Analysis

Using a slightly different group of reactors, Dr. Triner in a second analysis of 44 reactors found the average capacity during the same period examined by Mr. Comey was 53.7 per cent.

Because Mr. Comey's study prompted strenuous debate

within the industry, he recently issued a second one aimed at answering some of the criticism.

One industry response is that Mr. Comey's criticism of the reactors for not producing at least 80 per cent of their designed capacity is a straw man and that no one ever expected them to achieve such levels.

Mr. Comey, in a Feb. 14 paper, replied to this point by noting the final environmental statements prepared for more than 20 reactors by the Atomic Energy Commission included cost benefit calculations assuming 80 per cent capacity.



UNITED STATES
ATOMIC ENERGY COMMISSION
WASHINGTON, D.C. 20545

REQUEST FOR REPORTING SERVICE
Work Order No. AF-341

Case: NORTHERN STATES POWER COMPANY (Monticello).

Docket No.: 50-263

Address of: Prehearing _____

Hearing Courtroom No. 2, U.S. Federal Courthouse, 316 Roberts

St., St. Paul, Minnesota 55101 CONTACT: Mrs. LaVonne Gavelek
(612/725-7166)

Duration: Prehearing _____ Hearing Nine days

Date of: Prehearing _____ Hearing 6-9 & 12-16 May 1975

Time of: Prehearing _____ Hearing 10:00 a.m.

Service Required: Prehearing _____

Hearing Schedule E

Type of Hearing: Evidentiary

Board: Chairman Lazo; Members Jordan, Cole

Copies of the transcript may be sold.

Date of oral request: 3/20/75

Date of confirmation: 3/20/75

By: _____

K. M. Mason
Docketing and Service Section
Office of the Secretary

SPECIAL INSTRUCTIONS:

bcc: Mr. Lazo
Mr. Scinto
ASLBP
Reg. Files
R. Diggs
S. Reed
ASLAB
HQS

NOTICE OF OPPORTUNITY FOR PUBLIC PARTICIPATION IN AEC LICENSING PROCEEDING FOR PALISADES PLANT

The Atomic Energy Commission is giving public notice that it is considering conversion of the provisional operating license (No. DPR-20) held by Consumers Power Company for operation of the Palisades Plant, located in Van Buren County, Michigan, to a full-term operating license at an increased power level of up to 2638 megawatts thermal. The currently authorized full-power level is up to 2200 megawatts thermal.

The notice provides that within 30 days after publication of notice in the **Federal Register** on December 18, 1974, any member of the public whose interest may be affected by the proceeding, may file a request for a public hearing in the form of a petition for leave to intervene with respect to the above matters.

Petitions for leave to intervene must be filed under oath or affirmation and must set forth the interest of the petitioner in the proceeding, how that interest may be affected by the results of the proceeding, and the petitioner's contentions with respect to the proposed licensing action. Such petitions must be filed in accordance with the above-referenced **Federal Register** Notice and must be filed with the Secretary of the Commission, U.S. Atomic Energy Commission, Washington, D.C. 20545, Attention: Docketing and Service Section, by January 17, 1975. A copy of the petition and/or request for hearing should be sent to the Chief Hearing Counsel, Office of the General Counsel, U.S. Atomic Energy Commission, Washington, D.C. 20545 and to J.L. Bacon, Esquire, Consumers Power Company, 212 West Michigan Avenue, Jackson, Michigan 49201, attorney for the licensee.

A petition for leave to intervene must be accompanied by a supporting affidavit, which identifies the specific aspect or the aspects of the proceedings as to which intervention is desired and specifies with particularity the facts on which the petitioner relies as to both his interest and his contentions with regard to each aspect on which intervention is requested. Petitions stating contentions relating only to matters outside the Commission's jurisdiction will be denied.

All petitions will be acted upon by the Commission or licensing board designated by the Chairman of the Atomic Safety and Licensing Board Panel. Timely petitions will be considered to determine whether a hearing should be noticed or another appropriate order issued regarding the disposition of the petitions.

In the event that a hearing is held and a person is permitted to intervene, he becomes a party to the proceeding and has a right to participate fully in the conduct of the hearing. For example, he may present evidence and examine and cross-examine witnesses.

A copy of the **Federal Register** Notice is on file for public inspection at the Kalamazoo Public Library, 315 South Rose Street, Kalamazoo, Michigan 49006, and the Commission has arranged for other documents and correspondence relating to the licensing of this facility to be kept at the same location.

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Former SH Man Is Named Television News Director

A former South Haven man, Barry Shanley, is now news director and anchorman for a television station in northwest Florida.

Shanley, 28, the son of Mr. and Mrs. Richard Shanley, 751 Monroe Blvd., assumes his duties for WDTB, a National Broadcasting Company affiliate in Panama City. The station serves a large tri-state area of northwest Florida, southwest Georgia, and southeast Alabama.

Shanley will speak Monday at the Kiwanis Club luncheon meeting at the Red Carpet Res-

taurant. He will talk about his experiences in television news and television's effect on politics.

Shanley came to the late in 1972 as a news editor. Previously, he had worked for a small, south Florida radio station.

As news director, he will be responsible for the news image and content, will be anchorman for the six and 10 o'clock news programs, and will write and host a series of news specials. He has written and broadcast commentaries and will now do station editorials.

TV LISTING

WZZM-TV

Channel 13

SATURDAY

2:00 Great Ones
4:30 NFL Series
5:00 W.W. Sports
6:30 Movie Greats
8:00 Special
10:00 Nakia
11:00 News
11:30 Hee Haw
12:30 Touch of Evil
1:00 News Sign Off

SUNDAY

7:00 The Story
7:30 Chaplain
8:00 Rev. Humbard
9:00 Oral Roberts
9:30 Dwayne Friend
10:00 Hour of Power
11:00 Gospel Hour
12:00 Directions
12:30 Focus
1:00 Xmas in Wales
2:00 Great Ones
4:00 Wildlife
4:30 Police Surgeon
5:00 Mstrpc. Thea.
7:00 Commanders

WKZO-TV

Channel 3

SATURDAY

4:00 Animal World
4:30 Death Valley
5:00 Green Valley
6:00 Mich. Report
6:30 All American
7:00 Lawrence Welk
8:00 All in Family
8:30 Frnds. & Lvs.
9:00 M. Tyl. Moore
9:30 Bob Newhart
10:00 Carol Burnett
11:00 Newswatch 3
11:30 Late Movie
1:00 Late Late Show

SUNDAY

7:45 Sacred Heart
8:00 Morn. Service
8:15 With This Ring
8:30 Petticoat Junc.
9:00 Fvrite Martian
9:26 In the News
9:30 Bailey's Comets
9:56 In the News
10:00 Lamp
10:30 Look Up
11:00 Camera Three
11:30 Face Nation
12:00 Magic Carpet
12:30 NFL Football
4:30 TV Showtime

8:00 Aesop's Fables
8:30 GE Theatre
10:00 CBS Reports
11:00 Newswatch 3
11:30 Late Movie

WOTV-TV

Channel 8

SATURDAY

1:00 AFC Football
4:00 Porter Wagon
4:30 Survival
5:00 Mission Imp.
6:00 Movie
8:00 Emergency
9:00 Movie
11:00 News
11:30 Coll. Basketball

SUNDAY

7:00 Faith for Today
7:30 Consultation
8:00 Cartoon Carn.
8:30 Day of Disc.
9:00 Sun. Morning
9:30 15 with Father
9:45 Ounce Preven.
10:00 Nm. Vin. Peale
10:30 This Is The Life
11:00 Catholic Mass
12:00 Bowling
12:30 Meet Press
1:00 World Oil
2:00 Judy Garland
3:00 Mission Imp.
4:00 AEC Football

Notice Of Opportunity For Public Participation In AEC Licensing Proceeding For Palisades Plant

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All petitions will be acted upon by the Commission or licensing board designated by the Chairman of the Atomic Safety and Licensing Board Panel. Timely petitions will be considered to determine whether a hearing should be noticed or another appropriate order issued regarding the disposition of the petition.

In the event that a hearing is held and a person is permitted to intervene, he becomes a party to the proceeding and has a right to participate fully in the conduct of the hearing. For example, he may present evidence and examine and cross-examine witnesses.

A copy of the Federal Register Notice is on file for public inspection at the Kalamazoo Public Library, 315 South State Street, Kalamazoo, Michigan, 49006, and the Commission is arranged for other documents and correspondence relating to the licensing of this facility to be kept at the same location.

February 27, 1975

Docket No. 50-255

Myron M. Cherry, Esq.
Law Offices
One IBM Plaza
Chicago, Illinois 60611

Dear Mr. Cherry:

We are in receipt of your letter of February 17, 1975, concerning the financial qualifications of Consumers Power Company. Although you requested a response by March 4, 1975, you stated in your letter that, if necessary, you would be amenable to accommodating a reasonable request for a delay.

Since the matters raised in your letter require review by a number of Nuclear Regulatory Commission Staff personnel who are currently totally occupied for the short term by other equally pressing matters, I am requesting your forbearance until March 17, 1975.

Thank you in advance for your graciousness in this matter.

Sincerely,

ORIGINAL SIGNED BY
JOSEPH GALLO

Joseph Gallo
Chief Hearing Counsel
Office of the Executive Legal Director

cc: Michael Miller, Esq.
Mr. William R. Ralls
Mrs. Mary Sinclair
Mr. David Comey

Distribution:
NRC Central Files
OELD Reading Files
OELD Formal Files (2)
H. Shapar
T. Engelhardt
D. Kartalia

17-4

OFFICE	OELD					
SURNAME	JGALLO:ps					
DATE	2/27/75					

February 4, 1975

Distribution
OGC Files
Gmtwn Files
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PDR/LPDR
Shapar
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Kartalia
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S. Teets, RL
Formal Files
Chron
Gitner

Laurence M. Scoville, Jr., Esq.
Clark, Klein, Winter, Parsons
& Prewitt
1600 First Federal Building
1001 Woodward Avenue
Detroit, Michigan 48226

In the Matter of
Consumers Power Company
(Palisades Plant) Docket No. 50-255)

Dear Mr. Scoville:

I have your letter of January 30, 1975, which correctly records the substance of our telephone conversation on January 29, 1975.

Sincerely,

David E. Kartalia
Assistant Chief Hearing Counsel

cc: Michael I. Miller, Esq.
Isham, Lincoln & Beale
One First National Plaza
42nd Floor
Chicago, Illinois 60670

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OFFICE ➤	OGC <i>OGC</i>				
SURNAME ➤	D. Kartalia/bat				
DATE ➤	2/4/75				