

NO 75-2408

NRC LOGGING DATE March 17, 1975

AEC SECRETARIATTO: ☐ COMMISSIONER☐ GEN. MANAGER☐ DIR. REGULATION☒ GEN. COUNSEL☐ PLAN. & ANAL.

DATE: 3/17/75

☐ INFO. SERVICES☐ SECRETARY

INCOMING FROM: Myron M. Cherry

One IBM Plaza

Chicago, Ill. 60611

DATE: 3/12/75 To: Chairman Anders

SUBJECT: Concerned that he did not receive cys
of documents related to Palisades & Midland☒ PREPARE REPLY FOR SIGNATURE OF:☒ CHAIRMAN☐ COMMISSIONER☐ GM, DR, GC, PA, IS, SECY☐ SIGNATURE BLOCK OMITTED☒ PLEASE RETURN ORIGINAL WITH RESPONSE☐ FOR DIRECT REPLY☐ SEND COPY OF REPLY TO:☐ SECY MAIL FACILITY (3) Suspense Date: 3/26/75☐ CHAIRMAN☐ COMMISSIONERS☐ SECRETARY☐ FOR APPROPRIATE ACTION☐ FOR INFORMATION☐ FOR RECOMMENDATION

Rec'd On: Dis

Date 3/19/75

Time 11:30

REMARKS: Cy of incoming to Chairman Anders, each
Commissioner, Exec. Dir. for Operations &
D&SS

FOR THE COMMISSION:

WHEN SEPARATED FROM ENCLOSURES
HANDLE THIS DOCUMENT AS

GPO 870-868

ACTION SLIP

LAW OFFICES

MYRON M. CHERRY

ONE IBM PLAZA

CHICAGO, ILLINOIS 60611

(312) 565-1177

RECEIVED

75 MAR 17 AM 10:08

OFFICE OF THE SECRETARY

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

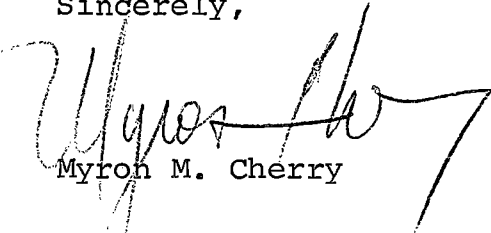
Page Two
Mr. William A. Anders

March 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)

Federal Study Charges Little Concern 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 reliability issue at an industry conference last year.

"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."

Dr. Triner said one exception to the general pattern was Duke Power, a major utility in the Carolinas, which assigns its own production engineers as part of the reactor design group. He said that a limited 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.