

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

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BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

Glenn O. Bright
Dr. James H. Carpenter
James L. Kelley, Chairman

TELETYPE
UNIT SERVICE
BRANCH

In the Matter of

CAROLINA POWER AND LIGHT CO. et al.
(Shearon Harris Nuclear Power Plant,
Units 1 and 2)

Dockets 50-400 OL
50-401 OL

March 10, 1983

RESPONSE OF CHANGE TO APPLICANTS' FIRST SET OF
INTERROGATORIES

On January 31, 1983, Applicants served on Intervenor Cappel Hill Anti-Nuclear Group Effort (CHANGE)/Environmental Law Project (ELP) (hereinafter "CHANGE") a "First Set" of interrogatories. This filing is in response to the questions propounded therein.

General Interrogatories: Contention 44

1(a). Facts relied on: confusion about water level at H.I.-2. Names of persons with first-hand knowledge unknown, see in General Report of the President's Commission on the Accident at Three Mile Island (hereinafter "Kenney Report"), 116-19, 122-23, 127.

1(b) and 1(c). See answer to 1(a).

2(a) and 2(b). Not applicable.

3(a), 3(b) and 3(c). Not applicable.

4(a). Kenney Report, 116-117, 122-23, 127, 72-73; Three Mile Island: A Minute's Journey to Disaster, by Daniel F. Ford (then in

Books, 1981), 74-75, 131, 129, 125-26, 138-41,

4(b). Contention 44.

4(c). Allegation of need, both documents; allegation of confusion, both documents.

5(a). See answers to 1(a) and 4(a) above.

5(b). Responses to general interrogatories.

6(a). NUREG-CR2628, available at RA/SS Documents Room, Wilson Library, University of North Carolina, Chapel Hill, NC.

6(b). Answer to interrogatory 44-1.

7(a). Documents identified in answers to 4(a) and 6(a) above will be used during cross-examination. No other documents presently planned for use, although research on this contention is still ongoing.

7(b). Contention 44.

Specific Interrogatories: Contention 44

44-1. No. The most sensitive scale of the RVLIS water level system includes a margin of error of $\pm 6\%$ (± 2.5 ft), NUREG/CR-2628, p. 116. The core assembly for the SHARP are only 12.7" high, FSAR Figure 4.2.2-3, so assuming worst-case conditions the RVLIS system may be inaccurate or unable to actually report actual covering of the core or uncovering of the core in an equilibrium state. Additionally, NUREG/CR-2628 does not analyze the effects of blockage or corrosion on readings from the RVLIS system.

44-2. No. Not until Applicants answer the concerns expressed in answer 44-1 above satisfactorily.

General Interrogatories: Contention 79(c)

1(a). Names of persons with first-hand knowledge of government regulatory costs and indirect subsidies are not known to CHANGE, principally because these are not really subjects susceptible to first-hand knowledge. CHANGE will attempt to provide such names if Applicants can better define what they mean by "first hand knowledge" in this context.

1(b). See answer to 1(a).

1(c). See answer to 1(a).

2(a). Not applicable.

2(b). Not applicable.

3(a). Not applicable. No expert planned to testify at this time.

3(b) and 3(c). See answer to 3(a).

4(a).¹"Bill backed to split TMI cleanup costs," Wash Post News and Observer, (hereinafter "WNO"), April 1, 1982;²"Massive funding expected for reactor cleanup," WNO July 8, 1980 (subsidized cleanup);³"Free enterprise plan for energy proposed," WNO Aug. 18, 1981, p. 3 (financing waste management, impact of rate hikes cushioned by proposed federal assistance programs for poor);⁴"Negligence cited in suit against NRC," WNO Dec. 9, 1980 (potential government liability for negligent regulation);⁵"N-plant owners ask surcharge," WNO Aug 9, 1980 (cleanup costs for TMI to be passed on to other areas);⁶"Utility defends phantom tax," WNO July 15, 1980 (tax equivalent to "interest-free loan" from government);⁷"Lackluster utility stocks start shining with new law," WNO March 7, 1982, p. 8D (effect of 1981 tax amendments on utility stock);⁸"No handout for nukes," WNO Feb. 13, 1982, p. 4A (proposed \$50 billion federal loan program);⁹"New tax break on electric utility dividends may give the stocks more allure for investors," Wall Street Journal (hereinafter "WSJ"), Jan 10, 1982, p. 44 (effect of tax provisions on stock

- purchases);¹⁰ "White House plan to aid electric utilities won't seek major changes in state powers," WSJ Oct 8, 1982, p. 14 (proposed federal negotiation program to encourage cost-sharing);
¹¹ "Utilities seek refinancing plan of \$2.25 billion," WSJ Sep. 24 1982, p. 44 (WPPSS seeking federal aid to guarantee bonds);
¹² "Price relief given buyers of uranium," N&O Aug, 22, 1982, p. 24A (government providing unwarranted price relief to purchasers of uranium);¹³ "Utility shares hold up well despite proposals in tax bill that could spell trouble for them," WSJ Aug 27, 1982 p. 53 (effect of 1982 tax proposals on tax-free reinvestment of dividends);¹⁴ "Utilities pushing to keep tax break," N&O July 21, 1982, p. 5E (similar);¹⁵ "Nuclear fuels program faces opposition as Congress queries \$7 billion Ohio plant," WSJ May 26, 1982, p. 4 (government subsidized centrifuge plant);¹⁶ "40 Billion free ride for nuclear power," Critical Mass Energy Journal (hereinafter "CMEJ") Jan. 1981, n. 5;¹⁷ "TMI Bailout Package Detailed," CMEJ, April, 1981, p. 4; "What the budget means for energy," Id at 6;¹⁸ "Promoting Nuclear Power DOE-Style," CMEJ Nov/Dec 1981, n. 5 (federal information and promotional efforts);
¹⁹ "Three Mile Island Owner's damage suit against reactor builder set to start today," WSJ, Nov 1, 1982, p. 6 (potential federal liability for negligent regulation);²⁰ "Feds' TMI suit remains intact," York (Pa.) Daily Record, Nov. 30, 1982 (refusal of district court to dismiss negligence suit against government);
²¹ "Federal Subsidies to Nuclear Power," Statement Supplemental to Testimony by Dr. Amory H. Lovins, given before the District Court of Rogers County, Oklahoma, Nov. 20-21, 1979.

4(b). Contention 79(c).

4(c). 1. Contention that additional regulatory and monitoring personnel needed: Generally items 21 and 16 above, no specific reference.

2. Contention concerning waste disposal and waste storage: items 21 at n. 5, also Nuclear Waste Policy Act of 1982, although I have not yet been able to get a copy (but see 47 F.R. 58196, President Reagan calling for federally-owned and operated depository).

3. Contention on tax benefits: items 6, 7, 13, 14, 21 p 4.

4. Contention on other costs: federal subsidy of cleanup costs for accidents at SHNPP, see items 1, 2, (proposed federal help for EMI); general financial subsidies, items 3, 10, 16, 21; possible government liability for negligent regulation, items 4, 19, 20, ^{21, 23} possible government involvement in maintaining municipal bonds issued to buy share of nuclear plants, item 11 (proposed backing of WPSS bonds); fuels subsidies, items 12, 15, 16; insurance subsidies, item 21 p. 2; promotional subsidies, items 5, 21 p. 2; insurance subsidies, item 21 p. 2.

5(a). See answer to 4(a).

5(b). Questions 4(a), 4(c), 79(c)-1.

6(a). None at the moment; additional research is planned.

6(b). See answer to 6(a).

7(a). CHANGE has not identified the documents it intends to offer as exhibits. CHANGE intends to use the documents identified in 4(a) above in cross-examination, plus others as they are read and researched.

7(b). Contention 7(c). See answers to 4(a) and 4(c) for page numbers.

Specific Interrogatories: Contention 7(c)

79(c)-1. No. The figures contained in LR 8.2.2.1.a only approximate the actual direct regulatory cost to taxpayers of the operation of SHNPP. The contention addresses not only the regulatory costs directly derivable from the WHO budget but other governmental costs associated with the plant. The Board's order of September 22 mentioned these specifically, but only by way of example, see (order of September 22, 1982 at 20 ("b.p.," not "i.e.")). Therefore financial costs of waste disposal, lost tax revenues by issuance of tax-free municipal bonds, tax-free dividend reinvestment, potential federal subsidy of cleanup costs, possible government liability for negligent regulation, possible government costs for backing or

otherwise maintaining the viability of NCEMFA bonds in case of default, fuel subsidies, and insurance subsidies are properly included within the scope of the contention. The sentence added to the ER only goes to the most direct costs, and does not deal at all with these additional costs and potential liabilities to which the taxpayers are exposed as a result of the proposed license activities.

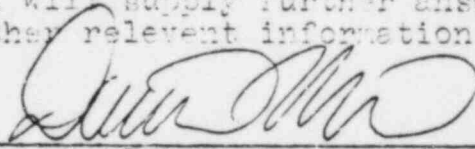
79(c)-2. See answer to 79(c)-1.

As I understand the procedure on production of documents, and the Applicants' request for production at a place "mutually convenient," I believe that allowing subsequent arrangements to be made regarding production will be sufficient; they can be arranged by telephone. Since Dr. Lovins' testimony is the only one not readily available, I am enclosing a copy with the filing sent to Applicants.

AFFIDAVIT

I, Daniel F. Read, have read the foregoing and it is to the best of my knowledge true and correct. I will supply further answers to these questions as I obtain further relevant information.

March 10, 1983


DANIEL F. READ

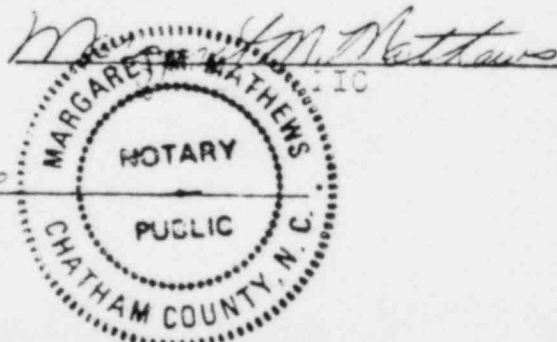
STATE OF NORTH CAROLINA
COUNTY OF ORANGE

I, Margaret M. Mathews ^{Chatham} Notary Public for the State and County aforesaid, hereby certify that today DANIEL F. READ appeared before me and affirmed the foregoing.

THIS 10th DAY OF MARCH, 1983

MY COMMISSION EXPIRES

9-8-86



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NUCLEAR REGULATORY COMMISSION

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50-400,
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CERTIFICATE OF SERVICE

I hereby certify that copies of Request of CHANGE to Applicants
First Set of Interrogatories were served this 10th day
of March, 1983, by deposit in the U.S. Mail, first-
class postage prepaid, upon all parties whose names appear
below, except those whose names are marked with an asterisk,
for whom service was accomplished by hand delivery (Bunkle), UNC
Campus Mail (Lotchin)

James L. Kelley, Esq./Mr. Glenn O. Bright/Dr. James Carpenter
Atomic Safety & Licensing Board (one each)
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Office of the Executive Legal Director
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Docketing and Service Section
Office of the Secretary
U.S. Nuclear Regulatory Commission
Washington, DC 20555

* Mr. John D. Bunkle
Conservation Council of North Carolina
307 Granville Road
Chapel Hill, NC 27514

M. Travis Payne, Esq.
Edelstein and Payne
P.O. Box 12463
Raleigh, NC 27605


Dr. Richard D. Wilson
729 Hunter Street
Apex, NC 27502

Thomas Baxter, Esq.
SPPAT
1800 M ST NW
Washington, DC 20036

* Dr. Phyllis Lotchin
108 Bridle Run
Chapel Hill, NC 27514

Mr. Wells Eddleman
718-A Iredell Street
Durham, NC 27705

Patricia Newman
CANP
2309 Weymouth Ct.
Raleigh, NC 27612



Daniel F. Read
President
Chapel Hill Anti-Nuclear
Group Effort
P.O. Box 524
Chapel Hill, NC 27514