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RELATED CORRESPONDENCE

DOCKETED
USNRC

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

'94 SEP 23 P3:19

In the Matter of)	
)	
GULF STATES UTILITIES COMPANY)	Docket No. 50-458-OLA
)	ASLBP. No. 93-680
(River Bend Station, Unit 1))	

GULF STATES UTILITIES COMPANY'S RESPONSES TO
CAJUN ELECTRIC POWER COOPERATIVE, INC.'S SECOND
SET OF INTERROGATORIES DATED SEPTEMBER 8, 1994

The Respondents, Gulf States Utilities Company ("Gulf States") and Entergy Operations, Inc. ("Entergy Operations") respond to the Second Set of Interrogatories propounded by Cajun Electric Power Cooperative, Inc. ("Cajun") as follows. Pursuant to General Instruction "E", the names of the individuals responsible for providing the responses follow each response.

These Responses are subject to the Objections filed by Gulf States dated September 6, 1994 insofar as they seek additional information as to Interrogatories to which objections have been made. See, for example, Interrogatories numbered 2-24 through 2-32. These responses are also subject to Gulf States Utilities Company's Objections to Cajun Electric Power Cooperative, Inc.'s Second Set of Interrogatories dated September 8, 1994.

- 2-1. Identify the name, profession, employer, and area of professional expertise of each person whom you expect to call as a witness, including any expert witness, at the NRC hearing on this matter.
 - a. Identify the specific subject matter on which each witness is expected to testify at the hearing and the substance of the facts and opinions to which each witness is expected to testify and a summary of the grounds for each opinion.

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- b. Identify all documents, and all pertinent pages or parts thereof, that each witness has read or been shown to date.
- c. Identify all documents and all pertinent pages or parts thereof, the witnesses will rely upon or will otherwise use for his/her testimony at the hearing.
- d. Identify the educational and professional qualifications and relevant experience of each witness identified above.

RESPONSE:

No decision has been made as to who will be called as witnesses at the hearing on this matter.

not applicable

- 2-2. Identify each and every safety issue, concern, or allegation (individually or collectively "matter") related to the operation of River Bend station that has ever been identified, or raised by GSU to Cajun, EOI or NRC (state which). For each such matter raised, identify the following:
- a. A detailed description of the nature of the issue, concern or allegation.
 - b. The manner in which the safety of the facility was asserted to be or could be affected.
 - c. Any rule, regulation, license or NRC guidance or licensee commitment which was violated or threatened to be violated.
 - d. The structure, system and/or component to which the issue related, giving all specifics such as system or component identifying mark or number shown on the component or relevant engineering drawings, figures, or diagrams.
 - e. The date on which the matter was discovered or identified.
 - f. The date the matter was reported to Cajun, EOI and/or the NRC, and the person to whom it was reported.
 - g. The persons discovering the matter.
 - h. The manner in which the matter was discovered or identified, e.g., plant tour, review or drawings or documents.

- i. The person reporting the matter to GSU, EOI and/or the NRC.
- j. The name of each and every person who gave further information, opinion, or conclusions concerning that matter to Cajun, GSU, EOI and/or the NRC, and a description of such communication and an identification of any written communication.
- k. Describe the resolution of the matter proposed by GSU or EOI and if such resolution was not deemed satisfactory by the NRC so state, describing why the resolution was unsatisfactory in relation to applicable rules and regulations of the NRC and the River Bend Operating License.
- l. If the issue is still pending, state the status of the matter.
- m. Identify all documents associated with each matter identified.

RESPONSE:

The NRC requires River Bend to submit reports or maintain records pursuant to Title 10, Chapter 1, of the Code of Federal Regulations. These include Part 21 notifications, Licensee Event Reports, condition reports, and Appendix B quality assurance records and reports. Reports to the NRC are available in the Public Document room of the NRC. Other reports or records are available to Cajun as a co-owner at the plant. GSU is not aware of any specific safety concern raised to Cajun or EOI that was not also shared with the NRC. In addition, employees and contractors of GSU have raised concerns through River Bend's Employee Concerns Program. Details of these concerns are maintained in confidence and cannot be made available for inspection.

H. W. Keiser

2-3. For each such GSU or EOI individual identified in Interrogatory 2-1, provide:

- a. Full name, address, telephone number, employer, employer's address, date of birth, education, employment experience, a description of all training in scientific and technical disciplines.
- b. A description of his expertise in the operation of nuclear power plants, including the areas of expertise claimed.
- c. An identification of the nuclear power plants at which such individual has been employed, been a consultant or provided consulting services, the dates on which those services were performed, the facility, the entity to which such services were provided and whether such individual had unescorted access at such facility.
- d. An identification of all NRC licenses held and the dates on which such licenses were active.

RESPONSE:

See response to Interrogatory No. 2-1.

not applicable

2-4. Identify every Cajun representative having unescorted access to the River Bend site since operation has begun. Provide the following information for each such person identified:

- a. Name, title, employer, education, training, professional or technical experience in nuclear power operation, dates on which individual had unescorted access, badge number, if known.
- b. Duties and responsibilities of such individual having unescorted access at the River Bend [sic], the dates on which such individual visited or worked at River Bend, any efforts exerted by such individual to seek out safety issues, the periods that the individual access [sic] the protected area, the restricted area, vital areas, and/or radiologically controlled areas.
- c. Any safety issues, concerns or allegations observed or identified by such individual and identify any documents associated with each.

RESPONSE:

The following Cajun representatives either currently have unescorted access or have had unescorted access. The dates for which they had unescorted access appear next to their names.

<u>Name</u>	<u>Dates</u>
Curran, Jr., W. L.	5-16-88 thru 9-9-94
Gore, J. D.	1-15-86 thru 6-28-89
Hall, G. E.	4-23-87
Johnson, L. G.	12-30-86 thru 11-24-93
Miller, J. M.	8-29-88 thru 8-16-91
Stuckey, W.	1-7-86 thru 11-22-88
Day, W. S.	12-16-88 thru present

The Respondents are unable to respond to the additional information requested in this interrogatory.

W. E. Edge

- 2-5. Identify the individuals association [sic] with Cajun who have had escorted access to the River Bend Station. For each such individual, state the dates on which they had escorted access, whether the escort was provided by Cajun or GSU or EOI, the nature of any safety-related matters or matters important to the safety (collectively "safety matters") which were discussed in the presence of such individuals, a description of the substantive way which such individuals contributed to identification of or discussion of safety matters. Identify all documents prepared by such individuals relating to their identification of safety issues, concerns or allegations.

RESPONSE:

A search for this information has revealed that it is retained for only three years and the records have not been computerized. Further, there have been approximately 20,000 separate instances of escorted access to River Bend in the last three years. The Respondents cannot reasonably be expected to identify each and

every instance of this access by individuals associated with Cajun. However, this information is available to Cajun at River Bend for inspection and copying.

W. E. Edge

- 2-6. Identify employees of GSU, its agents or consultants who met with Entergy, its employees, EOI, EOI employees, their contractors, or any tier of subcontractor, with regard to any safety matter, stating the place and date of the meeting, the names of all individuals present, a detailed description of the specific safety matters discussed, the resolution of such safety matters, the contribution of Cajun to the discussion or resolution of such safety matters, and any follow-up by GSU with regard to such safety matters. Identify all documents prepared by GSU associated with such issues.

RESPONSE:

Since EOI has operated River Bend, the Respondents are not aware of any such meetings.

H. W. Keiser

- 2-7. Identify all documents prepared by Cajun representatives reviewing the operation of River Bend relating to operation, safety, funding of safe operation or decommissioning of the unit.

RESPONSE:

Other than documents which may have been submitted by Cajun at the quarterly joint owner meetings, the Respondents are not aware of any specific documents responsive to this interrogatory.

H. W. Keiser

- 2-8. Identify each meeting with the NRC, its employees or agents relating to safety matters at which you were represented. For each such meeting, state the names of the NRC employees present, the date of the meetings, the subject matter of the meeting, the substantive contribution you made to the discussion of safety matters, if any, and the resolution of any such safety matters. Identify all documents prepared by you or the NRC associated with such meetings.

RESPONSE:

Meeting notices and minutes of meetings between the NRC and GSU and EOI are in the NRC's Public Document Room and are available for inspection and copying. Pursuant to 10 C.F.R. § 2.740(b)(1), Cajun is directed to the Public Document Room of the NRC for the response to this interrogatory.

H. W. Keiser

- 2-9. Describe each communication between you and the NRC employees or agents relating to substantive safety matters. For each such instance, state the names of the NRC employees with whom such communications occurred, state the date of the communication, state the subject matter of the communication, the substantive contribution you made to the communication of any safety matters, and the resolution of any such safety matters.

RESPONSE:

Approximately 7,000 documents have been identified in the NRC's Public Document Room as responsive to this interrogatory in NRC Docket No. 50-458 since the Operating License for River Bend was issued. Pursuant to 10 C.F.R. § 2.740(b)(1), Cajun is directed to the Public Document Room of the NRC for the response to this interrogatory.

H. W. Keiser

- 2-10. Describe any systematic plan or procedure for review by EOI or its consultants of safety matters arising at River Bend, identifying any document associated with such plan or procedure, the author of such document or plan, anyone reviewing or concurring in such document, when it was prepared, the dates of any amendments thereto, the dates on which it was [sic] implemented, and any safety matters evaluated, discovered or dispositioned in accordance with such procedure or plan.

RESPONSE:

The systematic plan or procedures for review by EOI of safety matters arising at River Bend are found in the following documents:

Nuclear Review Board ("NRB") R-OM-001

Facility Review Committee ("FRC") ADM-0002

Condition Report ("CR") RBNP-0030

Quality Assurance Procedure ("QAP") QAP-1.14

10 C.F.R. Part 21 RBNP-0026

Independent Safety Engineering Group ("ISEG") ISEG-13-001-008

The documents can be made available for inspection. Also, please see response to Interrogatory No. 2-2.

W. E. Edge

2-11. Describe how Cajun's access to River Bend or its access to information regarding the safe operation of River Bend has changed since EOI assumed responsibility for operation on December 31, 1993.

RESPONSE:

There has been no change in Cajun's access to River Bend or access to information regarding the safe operation of River Bend since EOI assumed responsibility for operation on December 31, 1993. Cajun continues to have access to River Bend and access to information regarding the safe operation of the facility.

H. W. Keiser

2-12. Identify the documents, records, and River Bend operational or safety data EOI needed from GSU to assure safe operation of the facility. Identify how each such document or communication would be utilized to assure safe operation of the facility.

RESPONSE:

As part of the transfer of operational responsibility to Entergy Operations, any and all documents necessary for the operation of River Bend have been turned over by Gulf States.

H. W. Keiser

- 2-13. Describe NRC requirements applicable to EOI related to its assuring the safe operation of River Bend, and identify how EOI presently meets such requirements.

RESPONSE:

The Atomic Energy Act; Title 10 C.F.R. Chapter I; the Updated Safety Analysis Report; and the Operating License including the technical specifications appended thereto. The operation of River Bend is currently governed by these requirements.

H. W. Keiser

- 2-14. Identify the River Bend cost management and regulatory reports made available by EOI to GSU to assure safe operation of the facility. Describe how each such report is necessary to assure the safety of the facility.

RESPONSE:

The Respondents are not aware of any such reports which are necessary to assure the safety of the facility.

H. W. Keiser

- 2-15. Identify the Institute for Nuclear Power Operation ("INPO") meetings GSU is presently permitted to attend and identify the INPO documents to which GSU presently has access.

RESPONSE:

GSU has the same entitlement to attend INPO meetings and access to INPO documents as Cajun.

H. W. Keiser

- 2-16. Define the exact differences in the operation of River Bend before and after the issuance of each of the disputed license amendments which has or could result in a

significant reduction in the margin of safety or in the level of reasonable assurance, of safety at River Bend.

RESPONSE:

None.

H. W. Keiser

- 2-17. Identify whether any NRC precedent exists for requiring a holding company to be responsible for the obligation to pay costs for safe operation of a commercial nuclear power plant in case a subsidiary which has been found to be financially qualified fails to make such payments.

RESPONSE:

The Respondents adopt the NRC Staff's response to GSU's Interrogatory No. 12.

not applicable

- 2-18. Describe the circumstances, if any, which would cause Entergy to provide GSU's share of the River Bend operating costs (including costs associated with safe shutdown) should it be requested by EOI pursuant to the Guarantee Agreement.

RESPONSE:

Since Entergy is not required by the Guarantee Agreement to provide GSU's share of the River Bend operating costs, the premise of the question is incorrect and no response can be made.

H. W. Keiser

- 2-19. State whether you are aware of any utility which owns or operates a licensed nuclear power plant which has operated or owned such facility when it was bankrupt or in bankruptcy proceedings and describe such circumstances.

RESPONSE:

The Respondents adopt the NRC Staff's response to GSU's Interrogatory No. 11.

not applicable

- 2-20. Identify whether any other public utility in the United States has been or is bankrupt, and for each such utility

whether the bankruptcy court has provided funds to permit it to operate its facilities, and describe such circumstances.

RESPONSE:

See response to Interrogatory No. 2-19.

not applicable

2-21. Identify any estimates you have made or that are available to you with regard to the safety risks associated with shutdown of River Bend, and any estimates of the change in risk as the result of EOI's operation of the facility.

RESPONSE:

No such estimates have been made by GSU or EOI with regard to River Bend.

G. E. Harder

2-22. State your estimate for the cost of safely shutting down the River Bend Station should it be necessary and the annual cost of keeping the facility in such a safety shutdown condition, considering separately the following alternative assumptions:

- a. The facility may at some point in the future resume operation.
- b. The facility is permanently shut down and awaiting decommissioning at some point in the future.

RESPONSE:

No such estimate has been made by GSU or EOI with regard to River Bend.

G. E. Harder

2-23. Identify the information that you and/or your law firms representing GSU with regard to the River Bend litigation have provided to GSU's auditors regarding the litigation and the evaluation of each as to the probability of Cajun's success in such litigation.

RESPONSE:

The information requested is privileged as attorney-client communication and attorney work product.

not applicable

2-24. With reference to your "response" to Cajun Interrogatory No. 1-8, please state specifically how River Bend operations would be funded, assuming GSU did not have the funds due to a determination adverse to GSU in the River Bend litigation or by the bankruptcy of GSU. Please explain your position.

RESPONSE:

While this interrogatory calls for speculation, it is expected that such funds could be available through rate relief in the appropriate jurisdictions, existing rates which would not be affected by the adverse determination or bankruptcy, and/or funds released by the bankruptcy court.

G. E. Harder

2-25. With reference to your "response" to Cajun Interrogatory No. 1-9, please describe in what manner Entergy Corporation would change its acquisition adjustment in the event of a determination adverse to GSU in the River Bend litigation or by the bankruptcy of GSU. Please explain your position.

RESPONSE:

The possibility of an adverse result in the litigation relating to Cajun represents a "preacquisition contingency". During the allocation period (which cannot exceed one year after GSU/Entergy merger) Entergy may determine that write-offs and/or losses would cause the reduction of the affected noncurrent assets and an increase of an equal amount in the acquisition adjustment of Entergy Corporation's consolidated financial statements, in

accordance with the purchase method of accounting for business combinations.

G. E. Harder

2-26. With reference to your "response" to Cajun Interrogatory No. 1-9, please explain your estimate of the "substantial write-offs" by GSU and the decline in shareholder equity, in the event of a determination adverse to GSU in the River Bend litigation or by the bankruptcy of GSU. Please explain your position.

RESPONSE:

If GSU was unable to earn a reasonable return on a major portion of its assets at River Bend, it might have to write off those assets. The write-off amount would be dependent on the amount of assets that were unable to earn a return. A net of tax write-off as of December 31, 1993, of up to \$314 million could be required.

G. E. Harder

2-27. With reference to your "response" to Cajun Interrogatory No. 1-9, please explain why EOI's financial condition would not be impacted in the event of a determination adverse to GSU in the River Bend litigation or by the bankruptcy of GSU. Please explain your position.

RESPONSE:

EOI operates River Bend at cost with funds provided directly by GSU and Cajun, so its financial condition would not be impacted.

G. E. Harder

2-28. With reference to your "response" to Cajun Interrogatory No. 1-10, please explain how EOI would safely operate the unit in the event of a determination adverse to GSU in the River Bend litigation or by the bankruptcy of GSU. Fully describe all actions to be taken by GSU, EOI, Entergy or another other [sic] affiliate or subsidiary which would permit EOI to carry out this responsibility. Please explain your position.

RESPONSE:

This responsibility would be carried out by Entergy Operations just as it presently carries out this responsibility with funds available from GSU and Cajun. There is no reason to expect that a determination adverse to GSU in the River Bend litigation or the bankruptcy of GSU would prevent GSU and Cajun from carrying out their responsibilities to provide the funds necessary to safely operate River Bend. Also, see response to Interrogatory No. 2-24.

G. E. Harder

2-29. With reference to your "response" to Cajun Interrogatory No. 1-11, please explain why "Gulf States anticipates" the funds necessary to run River Bend would be available in the event of a determination adverse to GSU in the River Bend litigation or by the bankruptcy of GSU. Please explain your position.

RESPONSE:

See response to Interrogatory No. 2-24.

G. E. Harder

2-30. With reference to your "response" to Cajun Interrogatory No. 1-11, please describe all of the sources of the funds which be [sic] available to run River Bend in the event of a determination adverse to GSU in the River Bend litigation or by the bankruptcy of GSU. Please explain your position.

RESPONSE:

See response to Interrogatory No. 2-24.

G. E. Harder

2-31. Please describe how your answer to the previous request changes, assuming the Texas Court of Appeals' decision on August 31, 1994, in the Texas litigation, remains final.

RESPONSE:

The answer would not change.

G. E. Harder

2-32. With reference to your "response" to Cajun Interrogatory No. 1-13, please describe all of the sources of the funds which will be available to EOI to shut down River Bend. Please explain your position.

RESPONSE:

As the co-owners of the plant, GSU and Cajun would be responsible for funding the shut down of River Bend. Also, see response to Interrogatory No. 2-24.

G. E. Harder

2-33. Please describe any authority EOI has to borrow money or obtain funding from Entergy Corporation or its subsidiaries for the operations of River Bend.

RESPONSE:

GSU and Cajun, not Entergy Operations, have financial responsibility for the operation of River Bend. Accordingly, Entergy Operations has no such authority.

G. E. Harder

2-34. Please state and describe all possible operational arrangements between GSU, EOI, Entergy, or other affiliates, and Cajun, considered by you for River Bend following the merger.

RESPONSE:

None, other than the existing arrangement.

H. W. Keiser

2-35. Please state your estimate of the total decommissioning costs for River Bend.

RESPONSE:

\$382.5 million - based on 1990 dollars. This estimate comes from the latest study performed in 1991.

G. E. Harder

2-36. Please state the amounts GSU has paid into the River Bend decommissioning trust fund to date.

RESPONSE:

\$16.6 million through June 30, 1994.

G. E. Harder

2-37. Please state the total amounts paid into the River Bend decommissioning trust fund to date.

RESPONSE:

Respondents only maintain records for GSU's River Bend Decommissioning Trust Fund.

G. E. Harder

2-38. Please state EOI's current liabilities and net worth.

RESPONSE:

This information is being provided in response to Cajun's Request for Production of Documents. See documents produced in response to Request No. 27.

G. E. Harder

2-39. Please state the sum of EOI's current net income, plus depreciation, depletion and amortization, as well as EOI's current total liabilities.

RESPONSE:

See response to Interrogatory No. 2-38.

G. E. Harder

2-40. Please state EOI's current net working capital and tangible net worth.

RESPONSE:

See response to Interrogatory No. 2-38.

G. E. Harder

2-41. Please state what percentage of EOI's assets are located in the United States.

RESPONSE:

One hundred percent (100%).

G. E. Harder

2-42. Please state Entergy Corporation's current liabilities and net worth.

RESPONSE:

See response to Interrogatory No. 2-38.

G. E. Harder

2-43. Please state the sum of Entergy Corporation's current net income, plus depreciation, depletion and amortization, as well as Entergy's current total liabilities.

RESPONSE:

See response to Interrogatory No. 2-38.

G. E. Harder

2-44. Please state Entergy Corporation's current net working capital and tangible net worth.

RESPONSE:

See response to Interrogatory No. 2-38.

G. E. Harder

2-45. Please state what percentage of Entergy Corporation's assets are located in the United States.

RESPONSE:

96.2% as of December 31, 1993.

G. E. Harder

2-46. Please state and explain whether EOI has adequate resources, without additional payments from GSU into the external trust fund to complete decommissioning of River Bend, and describe and explain such resources.

RESPONSE:

EOI has no responsibility for financing the decommissioning of River Bend. Cajun and GSU have this responsibility.

G. E. Harder

2-47. Please state whether Entergy Corporation would be willing to make additional payments into the River Bend external trust fund to complete decommissioning of River Bend, assuming GSU cannot. Please explain the basis for your answer.

RESPONSE:

Cajun and GSU have the financial and legal responsibility for the decommissioning of River Bend. We do not know of any realistic circumstances under which they would be unable to carry out this responsibility.

G. E. Harder

2-48. Assuming GSU declares bankruptcy, and Entergy states it is unwilling to fund the decommissioning costs of River Bend, please explain what assurance(s) the NRC has that decommissioning costs will be funded. Please state the basis for your answer.

RESPONSE:

Please see responses to Interrogatories Nos. 2-47 and 2-24.

G. E. Harder

STATE OF MISSISSIPPI

COUNTY OF Hinds

The preceding interrogatory responses were prepared under my direction and the matters and facts contained herein are true and correct to the best of my knowledge.

DATED this the 20th day of September, 1994.

H. W. Keiser

H. W. KEISER, Executive Vice
President and Chief Operating
Officer of Entergy Operations, Inc.

Sworn to and subscribed before me, the undersigned authority in and for the said county and state. Witness my signature and official seal of office on this the 20th day of September, 1994.

Janie B. Lee

NOTARY PUBLIC

My Commission Expires:

NOTARY PUBLIC STATE OF MISSISSIPPI AT LARGE

MY COMMISSION EXPIRES AUGUST 10, 1997

~~BONDED THRU FIDELITYBANCORP, INC.~~