

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of)
WASHINGTON PUBLIC POWER SUPPLY SYSTEM,) *83 APR 18 11:39
et. al.) Docket No. 50-460 OL
(WPPSS Nuclear Project No. 1))

PETITIONER'S RESPONSE TO APPLICANT'S MOTION
FOR RECONSIDERATION AND/OR CERTIFICATION

Petitioner Coalition for Safe Power hereby submits its response to "Applicant's Motion for Reconsideration and/or Certification to the Atomic Safety and Licensing Appeal Board of March 15, 1983 Memorandum and Order" dated March 31, 1983. Petitioner opposes the motion.

Applicant asserts that: 1) its representative did nothing to instill fear of a compulsory legal process in the mind of CFSP member M. Terry Dana; 2) any harrassment of Mr. Dana that has occured has been the doing of another applicant utility (Puget Sound Power & Light); and 3) a phone conversation is no basis for fears which would necessitate a protective order. Applicant further states that: 1) Mr. Dana was never deposed in the Skagit/Hanford proceeding; 2) Mr. Dana is familiar with his legal rights; and 3) the claim of potential loss of employment is unsubstantiated.

Applicant's recitation of these "facts" is sophistical. It is clear from the Skagit/Hanford transcript that Applicant Puget Sound Power & Light did suggest to Mr. Dana that he might be subjected to a compulsory legal process and went to far as to threaten him with a deposition. Mr. Dana is not an attorney, nor (as far as we know) well versed in NRC regulations. Furthermore Mr. Dana narrowly escaped the deposition by Puget Sound Power & Light. Thus there was no reason for him to believe that such could not be the case in the instant proceeding had he agreed

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to have had an affidavit attached to the petition filed by Petitioner.

Secondly, threats to Mr. Dana's right of association were made by Applicant regarding the WPPSS Nos. 1 & 2, Construction Permit Extensions. Applicant has never stated why it needed to know of Mr. Dana's "concerns"; the elicitation of such concerns constitutes discovery on the part of the Applicant -- discovery which is both irrelevant and unauthorized. This phone call was a thinly veiled attempt to coerce Mr. Dana out of the proceeding -- in short, a threat. Moreover, Applicant's affidavit regarding the conversation with Mr. Dana clearly states that Applicant told him that it "would have an opportunity to hear his concerns if a hearing were granted." What was Mr. Dana supposed to gather from this statement except that he would have to come forward.

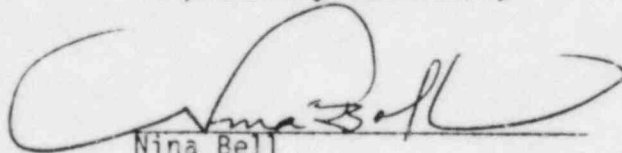
Finally, Mr. Dana has suffered more than phone calls: his employment has been threatened. Applicant refers to this as "unsubstantiated". How does Applicant propose that Petitioner substantiate this "claim", have him sign an affidavit and see if he is fired? Is it not enough that he was put on notice by his employer?

The Board would do well to note that within the last month an employee in Richland (John S. Burlison, 1621 G. Washington Way, #C-18) was fired for having worn his security badge to a peace rally. This is not an isolated instance. See e.g. "WPPSS, With 4 of 5 Nuclear Plants Stalled Or Scrapped, Faces New Delay at 5th Unit", Wall Street Journal, April 5, 1983, attached.

Petitioner believes that certification to the Appeals Board is unwarranted in this case. Applicant, in recommending certification, relies entirely on the erroneous assumption that the protective order was issued based on a "claim" of harassment in a proceeding

involving other parties and another nuclear plant" which is clearly not true. See Memorandum and Order of March 15, 1983 at 12. Secondly, the Appeals Board made itself clear in Houston Lighting and Power (Allens Creek Nuclear Generating Station, Unit 1) ALAB-535, 9 NRC 377 (1979). The issuance of a protective order in this case is in accordance with the teachings of Allens Creek and requires no further review.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Nina Bell", written over a horizontal line.

Dated this day, the 11th
of April, 1983.

Nina Bell
Coalition for Safe Power

WPPSS, With 4 of 5 Nuclear Plants Stalled Or Scrapped, Faces New Delay at 5th Unit

By NORMAN THORPE

Staff Reporter of THE WALL STREET JOURNAL

Washington Public Power Supply System, which has canceled two of five planned nuclear-power plants and slowed construction of two others, faces uncertainty over the startup of its one remaining plant.

Located at Richland, Wash., the plant, which the utility system designates as plant No. 2, is about 95% complete and is scheduled for fuel loading in September and commercial operation next February.

But WPPSS and the federal Bonneville Power Administration, which has contracted to buy all the power it produces, face two problems that could result in further delays.

First, construction funds for the plant will run out in May or June, with about \$150 million needed to complete it. Bonneville has said it will provide the money if necessary, but the agency might face congressional resistance to such aid, and fears of a WPPSS default on some earlier borrowings are making conventional lenders leery of helping out.

Second, amid the biggest power glut the Northwest has ever experienced, Bonneville must find someone to use the power.

Bonneville and WPPSS both say they are confident the obstacles can be overcome. But unless they are, plant No. 2, which has fallen six years behind schedule and seen costs swell to \$3.3 billion from \$504 million, might fail to meet still another target date for opening.

WPPSS has been plagued by problems since beginning the five plants in the early 1970s. Regulatory delays, construction snags, management problems and inflation pushed the projects years behind schedule and ballooned cost estimates to \$23 billion from \$4.1 billion.

In January 1982, WPPSS canceled two partly built plants, leaving \$2.25 billion in outstanding bonds. Three months later it suspended work on a third plant, and in February it slowed construction of a fourth.

As a result, WPPSS and its supporters have pinned their hopes on plant No. 2, the only plant nearly constructed. "We have to complete at least one of them," says John L. Kostick, a WPPSS director.

This plant also has been beset by problems. In 1980, WPPSS discovered faults in construction and record-keeping at the plant that caused the Nuclear Regulatory Commission to levy a \$59,500 civil penalty. The NRC also ordered new work on the plant suspended for about a year while the deficiencies were corrected.

The NRC is still reviewing work performed before the stop order, conducting what it calls "quality reverification." Daniel M. Sternberg, chief of the NRC's regional reactor projects branch, says questions remain, but "there are always going to be questions, and there's nothing at this point that indicates any of the hardware has a problem."

In recent years, many nuclear-power plants have faced startup delays for inspections and other regulatory reasons. They can't be precluded for this plant, but currently there aren't any looming. The biggest potential obstacle, says Mr. Sternberg, is what the commission calls "interveners," groups or persons who may challenge licensing of the plant. But this plant doesn't have any, and currently "there's no real basis for anybody to claim intervenor status in the plant," says Mr. Sternberg.

Nonetheless, a lawsuit soon may raise questions about the plant's safety. Richard H. Bennett, a Richland attorney, says he plans to file suit against a plant contractor on behalf of a worker who alleges that record-keeping problems continued after the NRC allowed work to resume. The worker, Janis Cagle, says the lapse occurred in handling documents about piping and valve problems and could prevent faults from being corrected, leading to safety deficiencies. She says she was laid off for trying to ensure that required procedures were followed.

Mr. Sternberg said the NRC always reviews such claims, but he also noted that allegations about construction faults often increase as construction on nuclear plants winds down and workers are terminated.

A WPPSS spokesman hadn't any comment on the allegations, but said the plant has received most of the many required NRC approvals. Mr. Sternberg said that currently he doesn't see any "identifiable item" that would delay startup for technical reasons.

But there are the questions about how WPPSS will raise \$150 million to complete the plant. Previous financing came from the bond market, but concern that WPPSS may default on \$2.25 billion in bonds from canceled plants Nos. 4 and 5 has made bond buyers nervous. WPPSS officials have been courting bond underwriters and say they still hope to have access to the bond market in time to borrow the funds, but they are also pursuing alternatives.

One possibility, they say, is to sell the plant's fuel to a lender and lease it back, raising perhaps \$75 million. For part of the other \$75 million, they are asking Northwest

bankers whether they would provide a "bridge" loan until other financing is found. The bankers are as nervous as the bond buyers and the subject is "very, very tender," says a Seattle bank executive.

Bonneville has promised it will provide the funds if WPPSS can't raise them elsewhere, but Bonneville officials say that would have to be a last resort, partly because it could cause a storm in Congress. Rep. James Weaver (D., Ore.), chairman of a House Interior subcommittee overseeing Bonneville, has questioned Bonneville's authority to extend such financing and said he would oppose it.

The other big question is whether plant No. 2 should be operated even if finished. "It certainly isn't needed; we're up to our eyebrows in power," says Matt Dillon, a dissident WPPSS director.

To justify the plant, Bonneville needs a market for the power, but the region has a power surplus expected to last four or five years. Unusually heavy winter rains have raised hydroelectric power generation. The recession and industrial retrenchment have added to the surplus, as has conservation spurred by WPPSS-induced rate increases.

Bonneville is trying to sell the power to California utilities, but the Californians are seeking a price that doesn't come close to servicing the plant's debts. "We would end up subsidizing California," complains Mr. Dillon.

But Bonneville officials say the incremental cost of operating the plant isn't much compared with the cost of building it and that it would be economic to run. "We will find a market for at least a portion of the total surplus," one official maintains.

Separately, a county judge in Seattle last week freed the supply system to take action against 88 municipal utilities that have refused to pay their share of the \$2.25 billion in debt associated with the canceled plants.

The 88, who in 1976 signed contracts to pay, are refusing on the grounds that the supply system allegedly misrepresented its ability to complete the projects. The misrepresentation charge will be heard in court, but in the meantime, Judge H. Joseph Coleman freed the cash-strapped system to seek \$30 million in overdue payments from the 88 utilities. The judge earlier signed a restraining order prohibiting the supply system from taking action against the 88.

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CERTIFICATE OF SERVICE

I hereby certify that copies of "PETITIONER'S RESPONSE TO APPLICANT'S MOTION FOR RECONSIDERATION AND/OR CERTIFICATION" in the above-captioned proceeding have been served on the following by deposit in the U.S. Mail, first class, postage prepaid on this 13th day of April, 1983:

Herbert Grossman, Chairman
ASLB
USNRC
Washington, D.C. 20555

Glen O. Bright
Administrative Judge
ASLB
USNRC
Washington, d.c. 20555

Dr. Jerry Harbour
Administrative Judge
ASLB
USNRC
Washington, D.C. 20555

Docketing and Service Section
USNRC
Washington, D.C. 20555

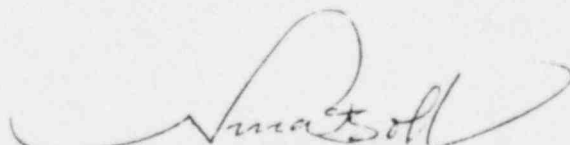
Gerald C. Sorensen
Manager, Licensing Program
WPPSS
300 George Washington Way
Richland, Wa, 99352

*Nicholas S. Reynolds
Debevoise & Lieberman
1200 Seventeenth St. N.W.
Suite 700
Washington, D.C. 20036

ASLAB Panel
USNRC
Washington, D.C. 20555

State of Washington
Energy Facility Site Evaluation
Council
Mail Stop PY-11
Olympia, Wa, 98504

*Mitzi Young
Counsel for NRC Staff
Office of Executive Legal
Director
USNRC
Washington D.C. 20555



Nina Bell
Intervenor for CFSP