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BRANCH

J.M. CAIN
President and
Chief Executive Officer

W3V84-0016

The Honorable Nunzio J. Palladino
Chairman
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

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Dear Chairman Palladino:

I would like to express my concern with regard to the Commission's policies and procedures for consideration of recent allegations that have been circulating about the quality of construction of Louisiana Power & Light Company's Waterford III ("LP&L") nuclear plant. The purpose of this letter is to request your assistance in disclosing to LP&L the nature of the allegations that have been made to the Nuclear Regulatory Commission, so that LP&L can determine their merits and take any necessary corrective action in a timely manner.

LP&L remains dedicated to its objective of ensuring that the Waterford plant is constructed safely. We have made every effort to follow up genuine concerns raised about the quality of plant construction. LP&L's sole source of information about the recent allegations has been second-hand information contained in a series of articles printed in The Gambit newspaper. LP&L has written to the only named source in the articles in an attempt to get first-hand identification of the concerns. In reply, this named source has informed us that he has provided NRC investigators with a 237-page sworn statement containing all his allegations and he has declined to provide that information to LP&L. NRC Region IV officials have acknowledged that they have received such allegations. They, too, have declined to provide the details of the allegations to us. In addition to the Gambit allegation, there may be others of significance.

The Waterford III Station is nearing completion. LP&L anticipates loading fuel in the spring. We are extremely concerned that our inability to obtain the details of the allegations could prevent LP&L from making any necessary modifications in a timely manner. We would not want the unavailability of such information to present a threat either to the safety of the plant or to the present plant completion schedule.

As chief executive, I am fully aware of my personal responsibility to assure that the Waterford III Station is constructed properly and in accordance with all applicable NRC regulations. I also have an obligation to LP&L ratepayers and shareholders to make every effort to bring Waterford III on line as soon as possible, once all genuine safety concerns have been addressed. In order to

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meet both of these obligations, I need to have all concerns and allegations specifically identified as promptly as possible so that we can focus Company resources accordingly.

NRC regulations and practice support the development and implementation of procedures which encourage workers to report any allegations of nonconformances to the NRC and/or to licensees. We have taken great effort to encourage such reports by our employees and by our contractors' employees. Where they report such concerns directly to LP&L, we promptly look into such matters, take corrective action, where appropriate, and report significant matters, as required, to the NRC. Ironically, where the concern is reported directly to the NRC, however, the information seems to be withheld by the NRC from the construction permit holder until the conclusion of sometimes extended investigations. This could result in unnecessary delays in plant completions. This, I believe, is imprudent and unnecessary policy justified only, I understand, by claims that it is intended to protect the anonymity of informers and/or to avoid impairing the conduct of investigations. In our instance, the anonymity of the informer claim is irrelevant. We know from The Gambit articles and, indeed, from the alleged himself that he has provided a 237-page sworn statement to NRC. As to any anonymous informers, if there be any, let me be clear. LP&L is not interested in their identities. The laws protecting against retaliatory dismissals are clear and I assure you that LP&L would not countenance any wrongful dismissals. Here, too, however, the concern appears to be irrelevant because The Gambit informer is no longer employed at Waterford.

I frankly do not understand the claim that disclosure of the allegations now might impede an NRC investigation. In any event, we are prepared to provide the NRC with a detailed report of our inquiry into the allegations and the corrective actions taken, if there be any. There will be no impediment to any NRC investigation at Waterford.

With these circumstances in mind, I would like to encourage you, as Chairman of the NRC, to direct the prompt release to LP&L of our specific concerns and allegations relating to Waterford III now being reviewed by NRC staff.

Thank you.

Sincerely,

James M. Cain

James M. Cain

JMC:eag

cc: Victor Gilinsky
James K. Asselstine ✓
Thomas M. Roberts
Frederick M. Bernthal
William J. Dircks
John Collins, Region IV