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April 30, 1984

Nunzio J. Palladino, Chairman
U.S. Nuclear Regulatory Commission
1717 H Street, N.W.
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Commissioner Victor Gilinsky
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Commissioner Thomas M. Roberts
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Commissioner Frederick M. Bernthal
U.S. Nuclear Regulatory Commission
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Washington, D.C. 20555

Re: Duke Power Co., et al. (Catawba Nuclear
Station), Docket Nos. 50-413, 50-414. CL

Gentlemen:

At its public meeting on April 26, 1984 regarding a policy statement on financial qualifications pending completion of the ongoing rulemaking, the Commission discussed a draft policy statement which would reinstate the pre-1982 financial qualifications rules in the interim. The policy statement was not made available to the public. However, it was evident from the discussion that the Commission may issue guidance to licensing boards to the effect that they should admit contentions

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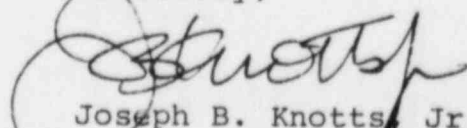
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regarding financial qualifications in pending operating license proceedings if such contentions had been rejected on the basis of the rule which was the subject of the remand in New England Coalition on Nuclear Pollution v. Nuclear Regulatory Commission and U.S.A., No. 82-1581, (D.C. Cir. Feb. 7, 1984).

On behalf of Duke Power Company, we would appreciate the opportunity to submit for the Commission's consideration in deciding upon guidance for licensing boards a legal analysis of the court of appeals' decision and its effect on the 1982 rule with regard to operating license proceedings for nuclear power reactors. In brief, it is our position that the proposed guidance is neither required by the court's decision nor calculated to serve either the interests of any of the parties in ongoing licensing proceedings nor the public interest. If the proposed rule is in fact adopted, contentions rejected or dismissed on the strength of the 1982 rule will be admitted or readmitted on the strength of the proposed policy statement, only to then again be dismissed on the strength of the new regulation. This bizarre sequence of events is simply unnecessary and unwarranted. All that the Commission need do is explain the rationale for distinguishing between electric utility power reactor licensees and other licensees. Upon completing that evaluation, the Commission will have satisfied the mandate of the Court of Appeals. As we will explain in the analysis to be submitted on Wednesday, May 2, the basis for the distinction is readily apparent and logical, given the revenue stream from sales of electricity by electric utilities and given the relative intensity of inspection and enforcement of power reactors as compared to other types of licensees.

We respectfully request that you defer action on the proposed policy statement until you have had an opportunity to consider our analysis.

Sincerely,



Joseph B. Knotts, Jr.
Attorney for Duke Power
Company

cc: All parties
Samuel J. Chilk
Herzel H.E. Plaine, Esq.