

ORIGINAL

UNITED STATES
NUCLEAR REGULATORY COMMISSION

IN THE MATTER OF:

DOCKET NO:

OPERATING LICENSE PROCEEDING
ARIZONA PUBLIC SERVICE COMPANY, ET AL
PALO VERDE NUCLEAR GENERATING STATION,
UNITS 2 & 3

STN-50-529-OL

STN-50-530-OL

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UNITED STATES OF AMERICA
BEFORE THE
NUCLEAR REGULATORY COMMISSION

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In the Matter of: :
OPERATING LICENSING PROCEDURE : Docket Numbers
ARIZONA PUBLIC SERVICE COMPANY, : STN-50-529-OL
et al. : STN-50-530-OL
(Palo Verde Nuclear Generating :
Station, Units 2 and 3) :
-----x

Courtroom Number 2
Seventh Floor
Federal Building
230 North First Avenue
Phoenix, Arizona 85025

Wednesday, June 12, 1985

The hearing in the above-entitled matter convened at
10:01 a.m.

BEFORE:

JUDGE ROBERT M. LAZO, Chairman
Atomic Safety and Licensing Board

JUDGE DIXON CALLIHAN, Member
Atomic Safety and Licensing Board

JUDGE JAMES H. CARPENTER, Member
Atomic Safety and Licensing Board

1 PROCEEDINGS BEFORE THE UNITED STATES NUCLEAR
2 REGULATORY COMMISSION, JUNE 12, 1985, FEDERAL COURTHOUSE,
3 PHOENIX, ARIZONA, COMMENCING AT 10:01 A.M.

4 THE BOARD WAS COMPOSED OF ROBERT M. LAZO,
5 CHAIRMAN; DIXON CALLIHAN, MEMBER; RICHARD F. COLE, MEMBER;
6 AND JAMES H. CARPENTER, MEMBER.

7 THE JOINT APPLICANTS, ARIZONA PUBLIC SERVICE
8 COMPANY, ET AL., WERE REPRESENTED BY ARTHUR C. GEHR AND
9 MARTHA E. GIBBS, ATTORNEYS AT LAW.

10 THE NUCLEAR REGULATORY COMMISSION STAFF WAS
11 REPRESENTED BY LEE SCOTT DEWEY, ATTORNEY.

12 ALSO APPEARING WERE E. E. VAN BRUNT AND
13 EMANUEL LICITRA.

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IN EVIDENCE

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1 JUDGE LAZO: LET'S GO ON THE RECORD AND CALL
2 THE HEARING TO ORDER, PLEASE.

3 WE HAD INDICATED YESTERDAY THAT WHEN WE
4 PRESENTED A BRIEF SYNOPSIS OF THE TELEPHONE CONFERENCE
5 THAT WE HAD BACK ON JUNE THE 3RD THAT THERE WERE SOME
6 ITEMS THAT WE HAD RAISED THAT WE THOUGHT WE SHOULD DISCUSS
7 AT LEAST WITH COUNSEL PRESENT. THERE MAY BE SOME ORAL
8 ARGUMENT.

9 IN REVIEWING MY NOTES I SEE THAT WE --
10 MATTERS THAT ARE STILL PENDING.

11 WE HAD ASKED IF MR. DEWEY OF THE STAFF WOULD
12 INQUIRE AS TO WHETHER OR NOT THE ARIZONA STATE LAND
13 COMMISSIONER MIGHT HAVE ANY COMMENTS REGARDING THE
14 SETTLEMENT AGREEMENT. YOU MAY RECALL THAT WE HAD RAISED
15 AS A QUESTION THE ADVISORY COMMITTEE ON REACTOR
16 SAFEGUARDS' LETTER OF MAY 13TH, 1985, REGARDING UNRESOLVED
17 SAFETY ISSUE A-45, THE SHUTDOWN DECAY HEAT REMOVAL
18 REQUIREMENTS, AND WHETHER OR NOT THERE WAS ANY NEED FOR A
19 PORV IN A COMBUSTION ENGINEERING UNIT.

20 WE ALSO NOTED THAT THE 2.206 PETITION FROM
21 THE COALITION FOR RESPONSIBLE ENERGY EDUCATION THAT WAS
22 REFERRED TO BY THREE OF THEIR MEMBERS YESTERDAY WAS
23 OUTSTANDING. THAT'S THE SPRAY POND WELL CORROSION MATTER.

24 AND LASTLY ON MY LIST WAS THE QUESTION WHICH
25 HAD BEEN RAISED VERY EARLY IN THIS PROCEEDING AS TO

1 WHETHER OR NOT THE NRC STAFF SHOULD PREPARE A SUPPLEMENTAL
2 IMPACT STATEMENT. WE HAVE RECEIVED A COPY OF THE
3 TRANSCRIPT OF THE MEETING WHICH WAS HELD BEFORE THE
4 COMMISSION IN WASHINGTON ON MAY 30TH, WHICH MR. GEHR
5 KINDLY FORWARDED. AND MR. GEHR HAD INDICATED EARLIER IN
6 OUR TELEPHONE CONFERENCE THAT HE FELT THAT MANY OF OUR
7 QUESTIONS WOULD BE RESOLVED BY NOTING THAT THE COMMISSION
8 HAD CONSIDERED THOSE MATTERS.

9 PERHAPS THE WAY TO BEGIN WOULD BE TO ASK
10 COUNSEL FOR THE --

11 MR. DEWEY: JUDGE LAZO, I THINK ONE ITEM YOU
12 LEFT OFF IN YOUR LAUNDRY LIST IS THE -- I THINK YOU ALSO
13 ASKED THE STAFF TO REPORT ON THE STATUS OF INVESTIGATIONS.

14 JUDGE LAZO: YOU ARE QUITE CORRECT,
15 MR. DEWEY, YES, THE STATUS --

16 MR. DEWEY: WE ARE PREPARED TO DO THAT THIS
17 MORNING ALSO.

18 JUDGE LAZO: FINE.

19 WELL, THEN, HOW SHALL WE BEGIN? DO EITHER
20 OF YOU GENTLEMEN WISH TO MAKE ANY OPENING REMARKS OR
21 COMMENT ON THIS PHASE OF THE PROCEEDING?

22 MR. GEHR: I THINK I WOULD JUST GO THROUGH
23 THE ITEMS, SIR, AND THE FIRST ONE, I THINK MR. DEWEY CAN
24 REPORT ON WHAT HIS CONVERSATIONS WERE WITH THE LAND
25 COMMISSIONER, AND I BELIEVE HE TALKED TO SOMEBODY ELSE.

1 JUDGE LAZO: FINE. MR. DEWEY, WOULD YOU
2 PROCEED?

3 MR. DEWEY: THEN I WILL BE GLAD TO DO THAT
4 AT THIS TIME.

5 THERE ARE TWO AGENCIES FOR THE STATE OF
6 ARIZONA THAT ARE ABLY -- THAT ARE MOST CONCERNED WITH
7 THE TYPE OF HEAR ARE HAVING HERE ON THE SALT
8 DEPOSITION. TH/ CIES ARE THE STATE LAND
9 COMMISSIONER'S AND THE STATE AGRICULTURAL AND
10 HORTICULTURAL AND THE STATE LAND
11 COMMISSIONER THEY MANAGE THE STATE TRUST AND
12 SOVEREIGN L BY THE WAY, SOME OF THOSE LANDS ARE
13 LOCATED IN TH AILE RADIUS OF THE --

14 J LAZO: WHAT WAS THE SECOND AGENCY,
15 MR. DEWEY?

16 MR. DEWEY: THE STATE AGRICULTURE AND
17 HORTICULTURAL COMMISSION.

18 JUDGE LAZO: THANK YOU.

19 MR. DEWEY: AND AS I WAS SAYING, THE STATE
20 LAND COMMISSIONER'S OFFICE DOES MANAGE SOME OF THE LANDS
21 WHICH ARE CLOSE TO THE PALO VERDE FACILITY. AS A MATTER
22 OF FACT, THEY RENT THOSE LANDS OUT TO SOME OF THE FARMERS
23 WHO FARM THOSE LANDS.

24 MR. GEHR: THEY OWN ROUGHLY 320 ACRES
25 ABUTTING THE EASTERN BOUNDARY.

1 JUDGE LAZO: THE STATE DOES?

2 MR. GEHR: YES.

3 MR. DEWEY: SO I CONTACTED -- WELL, THAT'S --
4 I CONTACTED THE STATE LAND COMMISSIONER'S OFFICE AND ALSO
5 THE STATE AGRICULTURE AND HORTICULTURAL OFFICE ON JUNE 3,
6 1985. INCIDENTALLY, THE AGRICULTURE AND HORTICULTURAL
7 COMMISSION, THEY ARE IN CHARGE OF AND REGULATE ON ALL
8 AGRICULTURE IN THE STATE, SO THEY ARE OBVIOUSLY A RELEVANT
9 AGENCY HERE, TOO.

10 I CONTACTED THESE AGENCIES AND TALKED TO
11 MR. ROBERT LANE AT THE STATE LAND COMMISSIONER'S OFFICE,
12 AND HE REPORTED THAT HIS AGENCY WAS SATISFIED WITH THE
13 SETTLEMENT IN THIS PROCEEDING AND DID NOT HAVE ANY
14 PROBLEMS. AS LONG AS THE FARMERS WERE SATISFIED, THEY
15 WERE SATISFIED -- THE COMMISSIONER'S OFFICE WAS SATISFIED.
16 AND THEY DID NOT HAVE ANY COMMENTS, ADVERSE COMMENTS TO
17 MAKE WITH RESPECT TO ANYTHING TO DO WITH THE HEARINGS WE
18 ARE HAVING AT THIS TIME.

19 I ALSO CONTACTED THE STATE AGRICULTURE AND
20 HORTICULTURE COMMISSIONER'S OFFICE, MR. BOB GRONOWSKI, AND
21 HE ALSO SAID THAT THEY DIDN'T HAVE ANY PROBLEMS WITH THE
22 SETTLEMENT AND HAD NO ADVERSE COMMENTS.

23 JUDGE LAZO: SO THEY WERE AWARE OF THE
24 SITUATION?

25 MR. DEWEY: YES, THEY WERE.

1 I TRUST THAT ANSWERS YOUR INQUIRY WHETHER
2 THE STATE WAS CONCERNED. AND THEY DON'T SEEM TO BE
3 CONCERNED, AND THEY DON'T HAVE ANY COMMENTS THEY WOULD
4 LIKE TO PASS ON TO THE BOARD.

5 JUDGE LAZO: THANK YOU, MR. DEWEY. THAT'S
6 VERY HELPFUL.

7 ON THE MATTER OF THE ACRS LETTER, MR. GEHR,
8 DO YOU WANT TO ADDRESS THAT.

9 MR. GEHR: SURELY.

10 I THINK THE TRANSCRIPT OF THE COMMISSION'S
11 MEETING ON MAY 30TH, 1985, RESPECTING THE FULL POWER
12 AUTHORIZATION FOR PALO VERDE UNIT 1 DEMONSTRATES THAT --
13 SEVERAL THINGS. ONE, THAT THE -- SEVERAL YEARS AGO THE
14 COMMISSION AND THE STAFF AND THE ACRS AGREED THAT THE
15 ISSUE OF INSTALLATION OF PORV'S FOR COMBUSTION ENGINEERING
16 PLANTS WOULD BE DEALT WITH THROUGH THE RESOLUTION OF
17 UNRESOLVED SAFETY ISSUE, USI A-45. I THINK THE STATEMENT
18 OF MR. FRALEY DURING THE COURSE OF THAT MEETING CLEARLY
19 SHOWS THAT THAT INTENT WAS STILL BEING FOLLOWED BY ACRS.
20 THEY ARE STILL CONTENT TO LEAVE THE QUESTION OF PORV'S TO
21 THE RESOLUTION OF THE GENERIC ISSUE ON DECAY HEAT REMOVAL.

22 THE STAFF ESPOUSED AND THE COMMISSION
23 CONTINUED ITS POSITION ON THAT, URGING THAT THE ACRS, IF
24 THEY HAVE QUESTIONS, IT'S TIME TO GET THINGS RESOLVED.

25 IT'S MY UNDERSTANDING THAT ACRS AND THE

1 STAFF WERE MEETING LAST WEEK ON THE MATTER. I HAVE NOT
2 SEEN ANY RESULTS OF THAT CONFERENCE, BUT BASICALLY IT WAS
3 TO DISCUSS THE RESOLUTION OF A-45.

4 AS YOU WILL NOTICE FROM THAT TRANSCRIPT, THE
5 STAFF IS STILL PLANNING TO HAVE THE A-45 GENERIC ISSUE
6 RESOLVED OR READY FOR SUBMITTAL TO THEIR SECTION CALLED
7 CRGR BY THE END OF THE YEAR, WHICH HOPEFULLY MEANS THAT IT
8 WILL BE RESOLVED SOME TIME NEXT YEAR.

9 JUDGE LAZO: MR. DEWEY, DO YOU HAVE ANYTHING
10 TO ADD REGARDING THE PLANS OF THE CRGR?

11 MR. DEWEY: YES. I WOULD LIKE TO NOTE THAT
12 AT THE MAY 30TH COMMISSION MEETING, THE CHAIRMAN OF THE
13 ACRS, MR. FRALEY --

14 JUDGE LAZO: I'M SORRY --

15 JUDGE COLE: EXECUTIVE DIRECTOR.

16 MR. DEWEY: -- THE EXECUTIVE DIRECTOR OF THE
17 ACRS, HE SPECIFICALLY STATED THAT HE DIDN'T FEEL THAT THE
18 GENERIC ISSUE IN THIS CASE SHOULD IMPACT THE OPERATION OF
19 THE PALO VERDE FACILITY. HE SPECIFICALLY MADE THAT NOTE.

20 JUDGE LAZO: I SEE. AND THE COMMITTEE TO
21 REVIEW GENERIC REQUIREMENTS DOES HAVE THIS ON THEIR
22 AGENDA?

23 MR. DEWEY: YES, THEY DO, AND THEY ARE
24 MEETING WITH THE STAFF FURTHER ON THIS. BUT IT WAS THE
25 CONSENSUS OF THE ACRS THAT IT SHOULDN'T HAVE ANY ADVERSE

1 IMPACT UPON ISSUING A LICENSE AT THIS TIME FOR PALO VERDE.

2 JUDGE LAZO: AND OF COURSE THEY WERE
3 SPEAKING TO THE FULL POWER LICENSE FOR UNIT 1?

4 MR. DEWEY: YES, SIR. I BELIEVE EVEN FOR
5 ALL THREE UNITS.

6 JUDGE LAZO: I SUPPOSE THAT'S CORRECT.
7 THEIR IMMEDIATE CONCERN WAS UNIT 1, BUT THE OTHER TWO
8 UNITS ARE THE SAME DESIGN.

9 MR. GEHR: THAT'S CORRECT

10 MR. DEWEY: IF YOU HAVE ANY MORE SPECIFIC
11 QUESTIONS ABOUT THE TECHNICAL ASPECTS, MR. LICITRA WILL BE
12 GLAD TO GO INTO SOME OF THOSE.

13 JUDGE LAZO: NO, MR. DEWEY, WE THINK THAT
14 THAT SHOULD DISPOSE OF THE ISSUE.

15 NOW AS TO THE CREE PETITION, NOT THE
16 FINANCIAL QUALIFICATIONS BUT THE MICROBIOLOGICALLY INDUCED
17 CORROSION ISSUE THAT WAS RAISED, AGAIN, MR. GEHR, WOULD
18 YOU REFER US, PLEASE, TO THE ACTION THAT THE COMMISSION
19 TOOK REGARDING THAT ISSUE, OR AT LEAST THE SUBSTANCE OF
20 THE DISCUSSION?

21 MR. GEHR: YES.

22 FIRST OF ALL, I WOULD LIKE TO POINT OUT ON
23 THE CREE PETITION, DESPITE THE STATEMENTS OF THE LIMITED
24 APPEARANCES ABOUT UNWILLINGNESS TO ENTER INTO A DISCOURSE
25 WITH THE CREE PEOPLE, THEY HAVE FILED TWO PETITIONS UNDER

1 SECTION 2.206, AND IN NEITHER CASE HAVE THEY TAKEN THE
2 TROUBLE TO GIVE US A COPY.

3 JUDGE LAZO: WE DIDN'T GET ONE EITHER.

4 MR. GEHR: BUT DURING THE COURSE OF THE
5 STAFF'S INVESTIGATION OF THAT PETITION, THEY HAVE GIVEN US
6 A COPY. WE HAVE OBTAINED A COPY, AND THEY HAVE ASKED US
7 TO RESPOND TO EACH OF THE ISSUES RAISED IN THAT PETITION.
8 WE HAVE GIVEN THEM A RESPONSE. WE GAVE THEM THE STAFF
9 RESPONSE PRIOR TO THE COMMISSION MEETING ON MAY 30TH. AND
10 DURING THE COURSE OF THAT MEETING, THE STAFF REPORTED THAT
11 THEY HAD REVIEWED THE MATTER, THEY HAD SEEN OUR MONITORING
12 PROGRAM, OTHER CORRECTIVE ACTIONS THAT THE APPLICANT WAS
13 TAKING; THAT THEY WERE SATISFIED AND THERE WAS NO -- THAT
14 THE MONITORING PROGRAM WOULD DETECT ANY FURTHER
15 DEGRADATION OF FOREIGN EVENTS, THAT -- SO THAT ADDITIONAL
16 CORRECTIVE ACTION COULD BE TAKEN. I THINK PERHAPS
17 MR. LICITRA CAN STATE FURTHER AS TO WHAT THE STAFF'S
18 POSITION IS, BUT THEY WERE REPORTED THAT THEY WERE
19 SATISFIED WITH THE STATUS OF THE CORRECTIVE ACTION OF THE
20 PROGRAM THAT THE APPLICANT HAS ADOPTED AND WILL BE
21 RESPONDING TO THE CREE PETITION IN DUE COURSE.

22 JUDGE LAZO: WELL, MAY WE ASK MR. LICITRA
23 SOME QUESTIONS REGARDING THIS?

24 MR. DEWEY: YES, SIR.

25 JUDGE LAZO: THE PETITIONERS HAVE ASSERTED

1 THAT THIS IS AN UNREVIEWED SAFETY ISSUE, THAT THE SPRAY
2 POND WELLS AND THE PIPING ARE CORRODED AND LEAKING AND
3 THAT THIS IN SOME WAY IMPAIRS THE SAFE SHUTDOWN HEAT
4 REMOVAL SYSTEM. WOULD YOU COMMENT ON THAT?

5 MR. LICITRA: YES. THE --

6 DOES THE BOARD KNOW HOW THE SPRAY POND
7 OPERATES? PERHAPS I SHOULD --

8 JUDGE LAZO: WELL, WE MAY, BUT MAYBE WE
9 DON'T KNOW ENOUGH. PERHAPS YOU COULD BRIEFLY DESCRIBE
10 THEM FOR US.

11 MR. LICITRA: WHAT THE SPRAY IS IS A BIG
12 CONCRETE BLOCK LIKE A SWIMMING POOL WHICH CONTAINS THE
13 WATER THAT'S USED TO PICK UP THE RESIDUAL HEAT. AND THE
14 WATER IS PUMPED FROM THAT POND THROUGH PIPING, PICKS UP
15 HEAT FROM A HEAT EXCHANGER, AND THEN IT'S PUMPED BACK
16 THROUGH PIPING THAT IS IN THE POND ITSELF.

17 JUDGE LAZO: COULD YOU TELL US SOMETHING
18 ABOUT THE QUALITY OF THE WATER? IT HAS HAD TERTIARY
19 TREATMENT SINCE IT CAME FROM THE 91ST AVENUE PLANT?

20 MR. GEHR: IF I CAN INTERRUPT. YOU MAY OR
21 MAY NOT REMEMBER, BUT THIS WAS AN ISSUE --

22 JUDGE LAZO: I REMEMBER.

23 MR. GEHR: -- IN THE PREVIOUS HEARING. AND
24 THERE IS NO EFFLUENT THAT GOES INTO THOSE PONDS. THAT
25 WATER IS ALL WELL WATER --

1 JUDGE LAZO: DEEP WELLS.

2 MR. GEHR: -- THAT HAS GONE THROUGH A
3 REVERSE OSMOSIS PROCESS.

4 JUDGE LAZO: WELL, THAT'S WHAT I WONDERED,
5 HOW IT HAD BEEN TREATED.

6 MR. GEHR: MR. VAN BRUNT, CAN YOU TELL US
7 HOW THIS WATER --

8 MR. VAN BRUNT: IT'S BEEN TREATED WITH --
9 IT'S JUST TAKING RAW WATER -- IT'S NOT MINERALIZED. IT
10 GOES THROUGH FILTRATION AND THEN IT FILLS THE POND. AND
11 THERE ARE -- THE SPRAY POND IS IN TWO HALVES. AND THE
12 TOTAL WATER VOLUME IS LARGELY A 30-DAY SUPPLY, WHICH IS
13 REQUIRED TO SATISFY THE REGULATION. THERE ARE TWO HALVES
14 TO THE PONDS, AND THERE'S AN INTERCONNECTION BETWEEN THE
15 TWO PONDS.

16 JUDGE LAZO: ALL RIGHT. SO THE TWO HALVES
17 IN TOTAL MAKE UP THE 30-DAY SUPPLY?

18 MR. VAN BRUNT: OF WATER. HALF OF THE PONDS
19 MAKE UP THE NECESSARY SPRAY CAPABILITY.

20 JUDGE LAZO: HOW MANY SPRAY UNITS ARE THERE?

21 MR. VAN BRUNT: 320 AS I REMEMBER.

22 JUDGE LAZO: OH, IN -- THAT'S BOTH HALVES?

23 MR. VAN BRUNT: THAT'S BOTH, TOTAL, THAT'S
24 CORRECT. I THINK.

25 JUDGE LAZO: NO --

1 MR. VAN BRUNT: I CAN'T SWEAR TO THAT. I AM
2 GOING BY MEMORY.

3 MR. LICITRA: IT IS BOTH HALVES. 320
4 NOZZLES FOR EACH UNIT OF THE SPRAY POND. EIGHTY NOZZLE
5 RISERS WITH FOUR NOZZLES IN EACH RISER. AND THE OTHER
6 HALF ALSO HAS 80. SO THAT'S 80 TIMES FOUR IS 320 AND 320
7 IS 640.

8 JUDGE LAZO: IF THERE WERE SOME PIPES
9 LEAKING, WOULD THIS WATER BE LOST?

10 MR. LICITRA: THE WATER LEAKS BACK INTO THE
11 POND ITSELF.

12 JUDGE LAZO: IT GOES BACK INTO THE POND?

13 MR. LICITRA: BUT THE PROBLEM WOULD BE IF IT
14 WERE SEVERELY -- THE PROBLEM WOULD BE THAT WHEN THE WATER
15 COMES BACK, IT GOES UP THROUGH THE RISERS, SQUIRTING OUT
16 TO EJECT THE HEAT SO THAT MOST OF THE WATER WOULD GO
17 THROUGH LEAKS, NOT THROUGH THE RISER. YOU ARE NOT
18 EJECTING G HEAT. THAT IS NOT THE CASE AT PALO VERDE. I
19 THINK IN THE UNIT 1 POND THEY HAD ABOUT THREE MINUTE
20 LEAKS. IN THE UNIT 2 POND THEY MAY HAVE HAD ABOUT A DOZEN
21 MINUTE LEAKS.

22 JUDGE COLL: WHAT DO YOU MEAN BY A MINUTE
23 LEAK?

24 MR. LICITRA: SIXTEENTH OF AN INCH OR LESS.

25 JUDGE COLE: A GALLON A MINUTE OR SOMETHING?

1 MR. LICITRA: I DON'T KNOW WHAT THE RATE IS,
2 WHAT IT AMOUNTS TO, BUT THERE WAS AN EVALUATION PERFORMED
3 THAT SHOWED THAT YOU WOULD NEED TO LOSE THOUSANDS OF
4 GALLONS PER MINUTE BEFORE YOU START LOSING YOUR EXTRA
5 MARGIN THAT THEY ENDED UP WITH IN THE PLANT. THEY HAVE
6 DESIGNED A BASIS FOR FLOW. THE AS-BUILT CONDITIONS ENDED
7 UP WITH APPROXIMATELY 1900 TO 2,000 GPM EXTRA, AND IT
8 WOULD TAKE THOUSANDS OF THOSE LEAKS JUST TO LOSE THAT
9 MARGIN, WHICH WOULD GIVE YOU WHAT YOU HAD DESIGNED FOR IN
10 THE FIRST PLACE.

11 JUDGE CALLIHAN: AS I REMEMBER, EACH UNIT
12 HAS ITS OWN SPRAY POND SYSTEM, CORRECT?

13 MR. LICITRA: CORRECT.

14 JUDGE CALLIHAN: COMING BACK TO YOUR
15 PREVIOUS REMARK, MR. LICITRA, DID YOU SAY THAT THROUGH THE
16 LEAKS THE WATER WOULD BE PREMATURELY RETURNED TO THE SPRAY
17 POND? IT WOULD LEAK OUT INTO THE SPRAY POND RATHER THAN
18 GOING UP INTO THE SPRAY AND IN THAT WAY IT WOULD IMPAIR
19 THE COOLING?

20 MR. LICITRA: THAT'S CORRECT.

21 JUDGE CALLIHAN: SO IN THE LIMIT THERE WOULD
22 BE AN INCREASE IN THE TEMPERATURE OF THE RETURN WATER?

23 MR. LICITRA: THE WATER WOULD BE A LITTLE
24 HIGHER, OR A LOT HIGHER DEPENDING ON HOW MUCH LEAKAGE YOU
25 HAD.

1 JUDGE CALLIHAN: I JUST WANTED TO BE SURE I
2 UNDERSTOOD IT. THANK YOU.

3 JUDGE COLE: WERE ALL OF THE LEAKS IN THE
4 RETURN SYSTEM FROM THE HEAT EXCHANGER OR WERE THERE ANY IN
5 THE SUPPLY SYSTEM?

6 MR. LICITRA: I BELIEVE ALL WAS FROM THE
7 PIPING INSIDE THE POND ITSELF, NOT FROM THE HEAT
8 EXCHANGER.

9 JUDGE COLE: SO -- BUT ALL THE PIPING IN THE
10 POND ITSELF IS ASSOCIATED WITH THE SPRAY AERATION PIPING
11 SYSTEM, IS THAT CORRECT?

12 MR. LICITRA: IT'S THE PIPING THROUGH WHICH
13 THE RETURN WATER GOES BEFORE IT GOES UP THROUGH THE RISERS
14 AND SPRAYS OUT.

15 JUDGE COLE: ALL RIGHT.

16 JUDGE LAZO: MR. LICITRA, THE PETITIONERS
17 HAVE ALLEGED THAT THE JOINT APPLICANTS THEMSELVES HAVE
18 ESTIMATED THAT WATER LEAKAGE THROUGH WALL PENETRATIONS
19 UNDER A LOCAL CONDITION COULD INCREASE THE TEMPERATURE OF
20 THE ESSENTIAL COOLING WATER, AND I THINK THEY SAID
21 SOMETHING LIKE 124.6 DEGREES F.

22 MR. GEHR: UP TO --

23 JUDGE LAZO: UP TO THAT. AND THE DESIGN
24 CRITERIA -- I GUESS THE DESIGN IS 125. IS THAT LIKELY TO
25 BE A PROBLEM?

1 MR. LICITRA: WELL, I BELIEVE WHAT THE
2 APPLICANT WAS SAYING AND WHAT THE PETITIONER WAS
3 REPEATING, IF ALL THE INDICATIONS THAT THEY HAVE
4 DISCOVERED VIA RADIOGRAPHS WERE TO DEVELOP INTO LEAKS SO
5 THAT WATER WOULD BYPASS THE RISERS, EVEN IF ALL OF THOSE
6 BECAME LEAKERS, WE WOULD STILL NEED THE DESIGN
7 REQUIREMENTS OF 125. IT WOULD STILL BE BELOW 125.

8 JUDGE LAZO: HOW DO THEY TEST FOR THIS
9 LEAKAGE OR --

10 MR. LICITRA: TEST SPECS DID YOU SAY?

11 JUDGE LAZO: HOW DO THEY TEST TO SEE WHAT
12 THE EXTENTT OF THE LEAKAGE IS?

13 MR. LICITRA: OH. THEY HAVE DEVELOPED A
14 MONITORING PROGRAM FOR THE PONDS WHICH CORRELATES FLOW AND
15 PRESSURE DROP THROUGH THE RISERS.

16 JUDGE LAZO: PRESSURE DROPS?

17 MR. LICITRA: PRESSURE DROPS THROUGH THE
18 SPRAY HEADERS AND THE RISERS AND THE SPRAY NOZZLES SO THAT
19 I BELIEVE IT IS ON A WEEKLY BASIS THEY PLAN TO MEASURE
20 THAT PRESSURE AND THE CORRELATION BETWEEN THAT FLOW
21 THROUGH THE RISERS AND THE ACTUAL PRESSURE, WHICH IN TURN
22 THEY CAN CORRELATE INTO WHAT IS AN ACCEPTABLE FLOW AND
23 STILL MEET THE DESIGN REQUIREMENTS. AND WHAT THEY HAVE IS
24 A PROCEDURE THAT CALLS FOR CERTAIN ACTIONS WHEN PRESSURE --
25 IF AND WHEN THE PRESSURE WILL DROP TO CERTAIN LEVELS.

1 JUDGE LAZO: NOW CAN THIS MICROBIOLOGICALLY
2 INCLUDED CORROSION BE CONTROLLED OR ELIMATED? CAN YOU KILL
3 THESE LITTLE GALLIONELLA INFESTATION CREATURES?

4 MR. LICITRA: YES. IT CAN BE CONTROLLED BY
5 THE USE OF SOMETHING CALLED BIOCIDES. BUT WHAT THE
6 BIOCIDES WOULD DO IS TO PREVENT ANY FURTHER STARTING OF
7 THE PROCESS. NOW CURRENTLY THERE ARE A NUMBER OF
8 LOCATIONS WHERE IT HAS STARTED. AND THE BIOCIDES WON'T
9 STOP THE PROCESS ONCE IT'S STARTED, BUT IT WILL STOP ANY
10 FURTHER INITIATION OF THE POINTS.

11 JUDGE CALLIHAN: CAN YOU GIVE US,
12 MR. LICITRA, PLEASE, A LITTLE INSIGHT INTO THE MECHANISM
13 THAT WE ARE ADDRESSING? WHAT IS ATTACKED? -

14 MR. LICITRA: WELL, I AM NOT VERY
15 KNOWLEDGEABLE IN THE PROCESS AND MECHANISMS. BUT WHERE IT
16 IS ATTACKING AT THE MOMENT IS THE WELLS, THE PIPING IN THE
17 WELLS.

18 JUDGE COLE: I GUESS I DIDN'T UNDERSTAND
19 WHAT YOU MEANT WHEN YOU SAID THAT A BIOCIDES WOULD BE
20 EFFECTIVE IN PREVENTING ADDITIONAL SITES FROM BEING
21 CREATED BUT IT WOULD DO NOTHING AT THE EXISTING SITES OF
22 ATTACK.

23 MR. LICITRA: THAT'S CORRECT.

24 JUDGE COLE: NOW, THIS MEANS THAT THE
25 MECHANISM IS STARTED BY -- WHICH IS ALLEGEDLY STARTED BY

1 BIOLOGICAL ORGANISMS BUT CONTINUED BY SOME OTHER PROCESS.
2 IS THAT WHAT YOU MEANT BY THAT? IF THE BIOCIDES AREN'T
3 GOING TO KILL THE ORGANISMS THAT ARE GOING TO CONTINUE THE
4 PROCESS, YOU MUST --

5 MR. LICITRA: I DON'T KNOW THE RELATIONSHIP.
6 I PERSONALLY CAN'T TALK TO THE RELATIONSHIP. BUT IT'S MY
7 UNDERSTANDING THAT ONCE IT'S STARTED, THE PROCESS WILL
8 CONTINUE UNTIL IT GOES THROUGH. ONCE IT GOES THROUGH,
9 THEN THE CHEMICALS OR WHATEVER IT IS THAT CAUSES THE
10 CORROSION TO OCCUR WILL BE SWEEPED AWAY.

11 JUDGE CALLIHAN: YOU SAID THAT ONCE A LEAK
12 IS DEVELOPED, THE BIOCIDES WON'T --

13 MR. LICITRA: WELL, NOT ONCE A LEAK IS
14 DEVELOPED.

15 JUDGE CALLIHAN: A BIOCIDES APPARENTLY WON'T
16 CURE A LEAK, BUT WOULD IT RETARD THE ENLARGEMENT OF THE
17 LEAK?

18 MR. LICITRA: NO. ONCE THE CORROSION STARTS --
19 IT IS STILL NOT A LEAK YET.

20 JUDGE CALLIHAN: IT'S NOT A LEAK YET.

21 MR. LICITRA: IT'S NOT A LEAK. ONCE THE
22 CORROSION STARTS, DUE TO MIC, THEN IT WILL CONTINUE. AT A
23 SLOW PACE, BUT IT WILL CONTINUE. THE BIOCIDES WILL
24 PREVENT ANY FURTHER SITES TO BE FORMED.

25 JUDGE LAZO: MR. VAN BRUNT, YOU LOOK LIKE

1 YOU MIGHT HAVE SOMETHING THAT WOULD BE HELPFUL.

2 MR. VAN BRUNT: BASICALLY WHAT MR. LICITRA
3 SAID IS CORRECT. ONCE THE ATTACK STARTS, THERE IS NO
4 EVIDENCE TO INDICATE THAT BY TREATING WITH BIOCIDES THAT
5 YOU CAN STOP THE ATTACK. THAT DOES NOT MEAN IT CAN'T BE,
6 BUT THERE IS NO EVIDENCE TO INDICATE THAT. THERE IS
7 EVIDENCE THAT ONCE IT GOES -- THE ORGANISM GOES THROUGH
8 THE PIPE AND A TRUE LEAK DEVELOPS THAT THE ORGANISM IS
9 THEN WASHED OUT AND THERE WILL BE NO CONTINUED ENLARGEMENT
10 OF THE HOLE, IF YOU LIKE.

11 THE SIZE OF THE LEAKS THAT WE HAVE PRESENTLY
12 ARE IN THE THIRTY-SECOND OF AN INCH TO A SIXTY-FOURTH INCH
13 DIAMETER RANK.

14 JUDGE CALLIHAN: SO THE FLUSHING ACTION
15 WOULD STOP AN ENLARGEMENT OF THE LEAK?

16 MR. VAN BRUNT: THAT IS CORRECT, SIR.

17 AND WHAT WE DID IN OUR COMPUTATIONS, WHERE
18 WE HAD INDICATIONS OF PITTING WE ASSUMED ULTIMATELY THAT
19 THOSE WILL ALL END UP AS LEAKS, AND WE CONSERVATIVELY
20 ASSUMED A SIXTEENTH OF AN INCH IN DIAMETER HOLE, OF WHICH
21 WE HAVE ONLY HAD ONE I THINK OF ANY HOLES THAT WAS EVEN
22 CLOSE TO THAT. AND WE MADE THAT KIND OF COMPUTATION AND
23 FOUND THAT WE DIDN'T EVEN USE UP THE MARGIN ABOVE THE
24 DESIGN MARGIN THAT WAS ALREADY IN THE SYSTEM. IN OTHER
25 WORDS, WE HAD A DESIGN BASIS FOR A CERTAIN AMOUNT OF

1 MARGIN, AND WHEN WE BUILT THE SYSTEM WE HAD EVEN MORE
2 MARGIN. SO WE ARE DEALING LARGELY BEYOND THE MARGIN.

3 SO WE FELT WITH THAT INFORMATION, THAT
4 TREATING WITH BIOCIDES WOULD KEEP IT FROM CONTINUING TO
5 DEVELOP, WE INSTITUTED A DAILY RECIRCULATION WHICH GETS
6 AWAY FROM THE STAGNATION SITUATION WHICH IS PART OF THE
7 DEVELOPMENT OF THE PROBLEM. AND BY MEASURING THE PRESSURE
8 DROP ON A PERIODIC BASIS WE WOULD BE ABLE TO TREND WHETHER
9 WE HAVE ANY INCREASES IN LEAKAGES. AND TRENDING IS WHAT
10 IS IMPORTANT TO US. IF WE SEE A TREND IN PRESSURE DROP
11 CHANGE, WE KNOW WE WILL HAVE A CHANGE IN FLOW AND THEN WE
12 CAN GO TAKE CORRECTIVE ACTION. BUT WE ARE WAY BEYOND THE
13 MARGINS. WE HAVE LOTS OF TIME TO DO SOMETHING. IT'S NOT
14 SOMETHING THAT'S GOING TO HAPPEN JUST LIKE THAT.

15 JUDGE CALLIHAN: WHAT KIND OF PIPE IS THIS?

16 MR. VAN BRUNT: STAINLESS STEEL. THE WELDS --
17 THE MAJORITY OF THE CORROSION HAS OCCURRED IN THE WELDS.

18 JUDGE LAZO: MR. VAN BRUNT, IS THERE ANY
19 LIKELIHOOD THAT THE ORGANISM THAT CAUSES THIS MIC MIGHT
20 INVADE OTHER SAFETY SYSTEMS IN THE PLANT?

21 MR. VAN BRUNT: IT IS OUR OPINION THAT THEY
22 WILL NOT AND HAVE NOT BASED ON THE INVESTIGATIONS THAT WE
23 HAVE DONE. INDICATIONS THAT WE HAVE ARE CONTAINED WITHIN
24 THIS PARTICULAR SYSTEM. WE DID HAVE ONE OTHER INSTANCE
25 WITH A TOWER IN THE AUXILIARY FEED WATER SYSTEM THAT HAD

1 SOME INDICATIONS OF MICROBIOLOGICAL CORROSION ON IT. THIS
2 WAS ATTRIBUTED TO SOME STAGNANT WATER FROM OUR HYDROSTATS
3 EARLY ON IN THAT SYSTEM, THAT IT LAY IN THE CAVITY OF THE
4 PUMP. WE CORRECTED THAT, AND WE HAVE NO FURTHER
5 INDICATION OF ANY CORROSION OR ANYTHING ELSE. AND WE HAVE
6 ALSO AGREED TO GO BACK AND REINSPECT THE HEAT EXCHANGER
7 AND A NUMBER OF OTHER THINGS IN THE SPRAY POND SYSTEM AT
8 OUR FIRST OUTAGE TO BE SURE THAT WE ARE NOT CONTINUING
9 WITH THE PROBLEMS. WE HAD INSPECTED A NUMBER OF OTHER
10 SYSTEMS PRIOR TO THE 30TH AND INDICATED TO THE STAFF THAT
11 WE HAD NOT FOUND ANY PROBLEMS IN THE SYSTEMS.

12 JUDGE LAZO: AND WITH KNOWLEDGE OF THESE
13 POTENTIAL PROBLEMS, YOUR ANSWER THEN IS TO AVOID
14 STAGNATION --

15 MR. VAN BRUNT: THAT IS CORRECT, SIR.

16 JUDGE LAZO: -- TO CIRCULATE THE WATER.

17 MR. VAN BRUNT: UNIT 3 HAS NOT BEEN
18 HYDROJETTED. WE ARE GOING TO PUT WATER IN UNIT 3 TO MAKE
19 SURE THAT WE DON'T HAVE THE SAME PROBLEM, THIS COMBINATION
20 OF STAGNATION IN WATER TREATMENT THAT CAUSES THIS
21 PHENOMENON TO OCCUR.

22 JUDGE COLE: MR. VAN BRUNT, HOW SENSITIVE IS
23 THIS PRESSURE DROP MEASUREMENT TO DETECT LEAKS IN THE
24 SYSTEM?

25 MR. VAN BRUNT: I CAN'T ANSWER THAT, SIR. I

1 DON'T REMEMBER THE --

2 JUDGE LAZO: DO YOU KNOW WHERE THEY ARE
3 MEASURING THE PRESSURE?

4 MR. VAN BRUNT: THEY ARE MEASURING IN THE
5 HEADER. AND IT'S RELATED TO -- BASICALLY WHAT WE HAVE
6 DONE IS WE HAVE REMOVED -- WE KNOW WHAT THE PRESSURE DROP
7 IS ACROSS THE NOZZLE AND WE HAVE REMOVED THE NOZZLE AND WE
8 HAVE PLOTTED THE CURVE OF FLOW VERSUS PRESSURE DROP. I
9 DON'T KNOW WHAT THE --

10 JUDGE COLE: SO WITH REDUCED FLOW YOU GET
11 REDUCED FRICTION --

12 MR. VAN BRUNT: RIGHT.

13 JUDGE COLE: -- AND LESS OF A PRESSURE LOSS
14 IN FLOW THROUGH THE SYSTEM?

15 I GUESS MY FIRST REACTION TO THAT WAS IF THE --
16 THE MOST LIKELY -- OR THE MOST IMPORTANT DESIGN FEATURE IN
17 A SPRAY AERATION SYSTEM AS YOU HAVE THERE WOULD LIKELY BE
18 THE EXPOSURE TIME THAT THE SPRAY IS EXPOSED TO THE AIR,
19 AND A FUNCTION OF THAT FOR A NOZZLE DESIGN WOULD BE THE
20 HEIGHT TO WHICH THE AERATED STREAM RISES ABOVE THE GROUND
21 LEVEL. AND IT SEEMED TO ME THAT MAYBE EVEN A MORE
22 ACCURATE MEASUREMENT OF THAT MIGHT BE THE HEIGHT TO WHICH
23 THE SPRAY NOZZLE GETS INTO THE AIR, AND THAT WOULD BE A
24 LOT EASIER DETECTING AND INTERPRETING.

25 MR. VAN BRUNT: I AM NOT SURE HOW YOU CAN

1 DETECT IT WITH THE WIND BLOWING AND STUFF LIKE THAT.

2 JUDGE COLE: YES, SOMETIMES YOU DO GET
3 STRONG WINDS AT PALO VERDE.

4 MR. VAN BRUNT: FORTY-FIVE MILES AN HOUR
5 SOMETIMES.

6 JUDGE CALLIHAN: IS THIS A NEW PHENOMENA?

7 MR. VAN BRUNT: NO.

8 JUDGE CALLIHAN: HAS THE STAFF HAD ANY
9 EXPERIENCE IN OBSERVING THIS IN OTHER INSTALLATIONS?
10 CERTAINLY IT CAN'T BE NUCLEAR UNIQUE.

11 MR. LICITRA: IT'S NEW TO ME BUT I
12 UNDERSTAND IT HAS OCCURRED AT OTHER INSTALLATIONS, AND
13 TYPICALLY IT OCCURS IN COLD WATER SYSTEMS.

14 JUDGE COLE: EXCUSE ME. WHAT KIND OF
15 SYSTEMS?

16 MR. LICITRA: COLD WATER SYSTEMS.

17 JUDGE COLE: OH, COLD WATER SYSTEMS.

18 MR. LICITRA: YES. BASED ON MY LIMITED
19 KNOWLEDGE, IT'S NOT KNOWN TO SURVIVE ABOVE 90 DEGREES C.
20 SO ANY SYSTEM THAT'S -- BOILING WATER OR WATER ABOVE 90
21 DEGREES C, IT JUST DOESN'T SURVIVE.

22 JUDGE CALLIHAN: HAS THE APPLICANT FOUND ANY
23 OF ITS COHORTS ELSEWHERE THAT'S HAD THIS PROBLEM?

24 MR. VAN BRUNT: WE DID SOME RESEARCH AFTER
25 WE GOT INTO THIS PROBLEM. WE FOUND THAT THERE HAVE BEEN

1 SOME 28 OTHER INCIDENCES REPORTED TO THE COMMISSION
2 THROUGH THE LICENSING EVENT REPORTING ROLL OR THE 5055-E
3 REPORTING SITUATION OF THIS KIND OF THING AT OTHER PLANTS
4 AROUND THE COUNTRY. I ALSO -- LIKE MANNY, I HAD NEVER RUN
5 INTO IT MYSELF IN MY EXPERIENCE, AND ONCE I GOT INTO IT I
6 FOUND OUT IT WAS A FAIRLY COMMON OCCURRENCE. AND IT'S
7 NORMALLY TAKEN CARE OF BY AVOIDING STAGNATION AND BY BEING
8 VERY CAREFUL WITH WATER CHEMISTRY. APPARENTLY WE HAD A
9 COUPLE OF HOLES IN OUR PROGRAM THAT PERMITTED SOME
10 STAGNATION IN SOME AREAS, AND WE HAVE TAKEN STEPS TO
11 CORRECT THAT.

12 JUDGE CALLIHAN: IS THERE ANY INDICATION
13 THAT THIS IS IN ANY WAY RELATED TO RESIDUAL FLUX OR --

14 MR. VAN BRUNT: NONE THAT I AM AWARE OF.

15 JUDGE CALLIHAN: -- OR CONTAMINATE IN THE
16 WELL?

17 MR. VAN BRUNT: IT MOSTLY COMES FROM WELL
18 WATER. IT'S FAIRLY PREVALENT IN WELL WATER. AND THERE
19 ARE VARIOUS STRAINS OF GALLIONELLA.

20 JUDGE CALLIHAN: IT MAY BE PRIMARILY
21 ASSOCIATED WITH THE MEDIUM RATHER THAN THE HARDWARE?

22 MR. VAN BRUNT: YES, SIR.

23 JUDGE COLE: WHY MIGHT IT THEN HAVE BEEN
24 MORE ASSOCIATED WITH THE WELLS THAN WITH OTHER PARTS OF
25 THE PIPE?

1 MR. VAN BRUNT: MY UNDERSTANDING OF THAT IS
2 THAT THE SELECTION OF -- WHEN THE MATERIAL, THE WELD
3 MATERIAL THAT WAS USED TO WELD THE STEEL WAS SLIGHTLY
4 DIFFERENT THAN THE STEEL. I CAN'T REMEMBER WHETHER IT'S
5 STAINLESS 3 OR 4 OR 3 OR 4-L. AND THEN THE WELD MATERIAL
6 MATCHED UP WITH THE NON-L GRADE OR WITH THE "L" GRADE.
7 I CAN'T REMEMBER WHICH. BUT THERE WAS A DIFFERENCE
8 BETWEEN IT. AND THAT SEEMED TO BE THE ONLY REASON THAT
9 THERE WAS ANY INDICATIONS IN THE WELLS RATHER THAN IN THE
10 OTHER MATERIAL.

11 JUDGE COLE: POSSIBLY A SLIGHTLY MORE
12 IRREGULAR SURFACE THAT LEFT SOME --

13 MR. VAN BRUNT: POSSIBLY.

14 JUDGE COLE: -- CREVACE?

15 MR. VAN BRUNT: IT COULD BE THAT AS WELL.

16 JUDGE COLE: MR. VAN BRUNT, I THINK YOU
17 PROBABLY HAVE COVERED MOST OF IT, BUT JUST TO MAKE SURE
18 THAT THE RECORD IS CLEAR ON IT, COULD YOU SUMMARIZE THE
19 THINGS THAT YOUR COMPANY IS DOING TO RESOLVE THIS PROBLEM?

20 MR. VAN BRUNT: JUDGE COLE, I HAVE IN FRONT
21 OF ME THE LETTER THAT I SENT TO THE COMMISSION ON THE 24TH
22 OF MAY DESCRIBING THE CORRECTIVE ACTIONS THAT WE HAVE
23 TAKEN. BASICALLY THE TWO THINGS THAT WE DID, SPECIFIC
24 CORRECTIVE ACTIONS WERE, ONE, WE ARE NOW ADDING BIOCIDES
25 TO THE SPRAY PONDS TO DEAL WITH ANY FUTURE CORROSION

1 INITIATION. SECONDLY, WE DID INSTITUTE A MONITORING
2 PROGRAM WHICH WILL PERMIT US TO MONITOR ANY DEGRADATION
3 THAT MAY HAVE OCCURRED FROM CORROSION WHICH HAPPENED
4 PREVIOUSLY AND IT WILL GIVE US TRENDING AND WE CAN TAKE
5 CORRECTIVE ACTION. THOSE ARE THE TWO PHYSICAL THINGS THAT
6 WE HAVE DONE.

7 ADDITIONALLY, WE MADE EXTENSIVE ANALYSES OF
8 THIS TO DEMONSTRATE THAT WE HAD NOT REDUCED THE MARGINS OF
9 SAFETY THAT WERE INITIALLY PROMULGATED FOR THE SYSTEM IN
10 THE DESIGN BASIS. AND WE SHOWED, AS MR. LICITRA HAS
11 INDICATED, THAT WE HAVE MORE THAN ADEQUATE MARGINS IN THE
12 SYSTEM EVEN SHOULD ALL OF THE EXISTING SITES GO TO HOLD.

13 JUDGE COLE: ALL RIGHT, SIR.

14 HAVE YOU FOUND IT NECESSARY TO REPAIR ANY OF
15 THE HOLES THAT YOU DID FIND?

16 MR. VAN BRUNT: NO, SIR.

17 ONE OTHER THING, WE HAVE AGREED TO GO INTO
18 AN INSPECTION PROGRAM, AND AS A PART OF THIS WE ARE GOING
19 TO INSPECT AT OUR FIRST OUTAGE COMPARED TO THE DATA WE
20 HAVE ALREADY DEVELOPED TO SEE IF THERE WAS ANY ADDITIONAL
21 DEGRADATION OR WHATEVER.

22 JUDGE COLE: ALL RIGHT, SIR. HOW OFTEN DO
23 YOU CONDUCT TESTS TO DETERMINE WHETHER THERE'S ANY FURTHER
24 DEGRADATION? I ASSUME THAT'S THE PRESSURE TESTS?

25 MR. VAN BRUNT: WEEKLY PRESSURE TESTS.

1 JUDGE COLE: ALL RIGHT, SIR.

2 MR. VAN BRUNT: AND ONE OTHER THING, WE HAVE
3 ADDED SOME PIPE SAMPLES INTO THE PONDS TO MEASURE THE
4 CORROSION, MEASURE ANY CORROSION THAT MIGHT OCCUR.

5 JUDGE COLE: TO EACH OF THE PONDS?

6 MR. VAN BRUNT: YES, SIR.

7 JUDGE COLE: ALL RIGHT. THANK YOU.

8 JUDGE CALLIHAN: WHAT INSPECTION OF THE PITS
9 BEFORE THE LEAK IS DEVELOPED -- WHAT DID YOU FIND? DID
10 YOU GET ANY ORGANIC MATTER OUT OF THE INDENTATION?

11 MR. VAN BRUNT: JUDGE CALLIHAN, I HAVE NOT
12 PERSONALLY LOOKED AT THE CORROSION MYSELF, BUT FROM
13 TALKING WITH OUR ENGINEERS THAT HAVE, IT'S KIND OF LIKE A
14 RUST SITUATION AND YOU CAN CLEAN IT OUT, KIND OF CLEAN IT
15 OUT. BUT THAT WILL NOT STOP THE CORROSION.

16 I WILL HAVE AVAILABLE TOMORROW, BY THE WAY,
17 WHEN WE GO AROUND, OUR METALLURGIST WHO IS FOLLOWING UP ON
18 THIS AND CAN ANSWER THESE QUESTIONS FAR BETTER THAN I CAN.

19 JUDGE CALLIHAN: THANK YOU VERY MUCH.

20 JUDGE COLE: THESE PITS THAT HAVE BEEN
21 OBSERVED, HAVE THEY BEEN ON THE INSIDE OF THE PIPE OR THE
22 OUTSIDE OF THE PIPE?

23 MR. VAN BRUNT: INSIDE OF THE PIPE ONLY.

24 JUDGE CALLIHAN: THAT'S A HOTTER WATER THEN.

25 JUDGE CARPENTER: MR. VAN BRUNT, I JUST

1 WANTED TO ASK, APPARENTLY THE FREQUENCY OF THESE PITS IN
2 ANY PARTICULAR WELD IS LOW ENOUGH THAT YOU DON'T HAVE ANY
3 CONCERN ABOUT THE STRUCTURAL INTEGRITY OF THE PIPE?

4 MR. VAN BRUNT: WE CAREFULLY ANALYZED THAT
5 ASPECT OF IT AND DETERMINED THERE WAS NO JEOPARDY TO THE
6 STRUCTURAL INTEGRITY TO THE PIPING SYSTEM AT THE WELDS OR
7 ANY OTHER PLACE BASED ON THE KIND OF -- I'LL USE YOUR WORD --
8 FREQUENCY OF THE PITTING THAT HAS OCCURRED.

9 JUDGE CARPENTER: THANK YOU.

10 JUDGE CALLIHAN: ARE THE TWO COMPONENTS OF
11 THE SPRAY POND AS A PARTICULAR UNIT IN PARALLEL?

12 MR. VAN BRUNT: YES, SIR. ONE IS THE SAFETY
13 TRAIN "A" AND THE OTHER IS SAFETY TRAIN "B". AND THERE
14 ARE 320 NOZZLES IN EACH ONE OF THEM. AND TWO OF THEM
15 TOGETHER PROVIDE THE FULL SOURCE OF WATER, BUT THE TWO
16 TRAINS ARE SPLIT AND THERE'S A CONNECTION BETWEEN THE TWO
17 PONDS SO THAT YOU GET THE FULL 30-DAY SUPPLY.

18 JUDGE CALLIHAN: BUT THE FEED WATER IS
19 DIVIDED BETWEEN THE TWO?

20 MR. VAN BRUNT: YES, SIR, THAT IS CORRECT.

21 JUDGE CALLIHAN: THANK YOU.

22 JUDGE LAZO: THANK YOU.

23 MR. DEWEY, ONE OF THE EARLY ALLEGATIONS BY
24 THE WEST VALLEY PEOPLE WAS THAT THE ENVIRONMENTAL IMPACT
25 STATEMENT WHICH WAS PREPARED AND CIRCULATED BY THE NUCLEAR

1 REGULATORY COMMISSION WAS DEFICIENT IN THAT IT HAD NOT
2 ADEQUATELY ADDRESSED THE SALT DRIFT IMPACT ISSUE. AND I
3 WONDER IF BASED ON THESE PROCEDURES UP TO THIS POINT,
4 WOULD YOU COMMENT ON THE ASSERTION? DO WE NEED A
5 SUPPLEMENTAL ENVIRONMENTAL IMPACT STATEMENT?

6 MR. DEWEY: NO, SIR, WE DON'T. THE TEST OF
7 WHETHER A NEW IMPACT STATEMENT IS NECESSARY IS WHETHER
8 THERE HAS BEEN ANY SIGNIFICANT NEW INFORMATION THAT WOULD
9 ALTER THE CONCLUSIONS ARRIVED AT IN THE EARLIER
10 ENVIRONMENTAL STATEMENTS. THERE ARE CASES IN POINT ON
11 THIS, SUCH AS THE PIEDMONT HEIGHTS CIVIL CLUB V. MORELAND,
12 WHICH IS AT 637 FEDERAL 2ND 430 AT 442 THROUGH 443, AND
13 WARM SPRING TASK FORCE VERSUS GRUBBLE, 621 FEDERAL SECOND
14 1017 AT 1023 THROUGH 1026. THOSE CASES ESTABLISHED THAT
15 IF THERE IS NO NEW INFORMATION, NO DIFFERENT INFORMATION,
16 YOU DON'T NEED TO PUBLISH A NEW STATEMENT. IN THE PRESENT
17 MATTER, OUR ORIGINAL E.R. CONCLUDED THAT THERE WOULD BE NO
18 ADVERSE ENVIRONMENTAL IMPACT FROM THE SALTS FROM THE
19 FACILITY. AND THERE WAS --

20 JUDGE LAZO: I'M SORRY, MR. DEWEY. YOU SAID
21 THE ORIGINAL E.R.?

22 MR. DEWEY: YES.

23 JUDGE LAZO: YOU MEAN THE --

24 MR. DEWEY: EXCUSE ME, THE F.E.S.

25 JUDGE LAZO: OH, VERY WELL. THANK YOU

1 MR. DEWEY: ALTHOUGH I THINK THE E.R.
2 CONCLUDED THE SAME THING AS THE F.E.S. IT CONCLUDED THAT
3 THERE WOULD BE NO ADVERSE ENVIRONMENTAL IMPACT AND IT
4 DISCUSSED IN FACT THE POSSIBILITY OF DAMAGE TO VEGETATION
5 CAUSED BY SALT DEPOSITION AND THERE WERE SOME MODELS
6 SHOWING PREDICTIONS THAT PREDICTED SALT DEPOSITION CAUSED
7 BY SALT DRIFT FROM THE FACILITY. THE CONCLUSION WAS THAT
8 THERE WOULD BE NO HARM TO THE ENVIRONMENT, BUT AS AN ADDED
9 SAFEGUARD, HOWEVER, IT WOULD BE MONITORED.

10 NOW THE INFORMATION THAT HAS BEEN DEVELOPED
11 FOR THIS PROCEEDING REGARDING THE SALT DEPOSITION QUESTION
12 MAINLY INVOLVED THE UNIVERSITY OF ARIZONA STUDY. AND THE
13 UNIVERSITY OF ARIZONA STUDY HAS FORTIFIED THE RESULTS OF
14 OUR EARLIER CONCLUSIONS BUT THEY HAVE NOT PROVIDED ANY NEW
15 OR DIFFERENT RESULTS. AND BASED UPON THAT, THERE'S NO
16 NEED TO HAVE AN ENVIRONMENTAL IMPACT STATEMENT.

17 JUDGE COLE: BUT, MR. DEWEY, THEY CERTAINLY
18 HAVE RESULTS DIFFERENT FROM WHAT THE STAFF HAD. DID YOU
19 MEAN TO SAY THAT THEY HAD NO RESULTS OF ANY IMPACT,
20 DETRIMENTAL IMPACT?

21 MR. DEWEY: WELL, NO DETRIMENTAL IMPACT, BUT
22 THEY DIDN'T HAVE ANY DIFFERENT RESULTS EITHER BECAUSE THEY
23 ONLY FORTIFIED WHAT WE EARLIER FOUND IN THE EARLIER
24 STATEMENTS.

25 JUDGE COLE: THAT THERE WOULD BE NO

1 SIGNIFICANT IMPACT?

2 MR. DEWEY: THAT THERE WOULD BE NO
3 SIGNIFICANT IMPACT.

4 AND WE DID MAKE -- AND THE EARLIER
5 STATEMENTS DID COMMENT ON THE FACT THAT THERE WAS VERY
6 LITTLE INFORMATION AVAILABLE IN THE LITERATURE ON THE
7 EFFECTS OF AIR SALT DEPOSITION BUT THAT THE -- WE
8 ACKNOWLEDGED THAT FOLIAR ACCUMULATION OF AIRBORNE SALT ON
9 LEAF SURFACES CAN CAUSE LEAF DAMAGE, AND WE PROVIDED THAT
10 THERE WOULD BE MONITORING TO TAKE CARE OF THIS.

11 SO THE ARIZONA STUDY ONLY SUPPLEMENTED THE
12 FACT THAT THERE WOULD NOT BE ANY DAMAGE.

13 UNDER THESE CIRCUMSTANCES THERE'S NO LEGAL
14 BASIS FOR THE STAFF TO BE REQUIRED TO FILE ANY ADDITIONAL
15 ENVIRONMENTAL STATEMENT.

16 JUDGE LAZO: MR. DEWEY, I AM JUST WONDERING
17 ABOUT THE RECORD IN THIS PROCEEDING. WE HAVE ALL RECEIVED
18 A LARGE NUMBER OF PREFILED TESTIMONY DOCUMENTS. WE HAVE
19 HAD TESTIMONY ON THEM. FROM A LEGAL POINT OF VIEW, IS
20 THIS EVIDENCE NOW IN THE RECORD IN A MANNER SUFFICIENT
21 THAT WE MAY RELY ON IT AND IN THE EVENT THAT ANOTHER
22 TRIBUNAL MIGHT WANT TO REVIEW WHAT WE HAVE DONE HERE,
23 WOULD THAT INFORMATION BE AVAILABLE TO THEM AS PART OF
24 THIS RECORD?

25 MR. DEWEY: I BELIEVE WE HAVE AGREED THAT

1 THE TESTIMONY IN THIS PROCEEDING IS GOING TO BE INCLUDED
2 AS PART OF THE RECORD IN THE TRANSCRIPT.

3 THE UNIVERSITY OF ARIZONA STUDY --

4 JUDGE LAZO: THAT'S BEEN MARKED AS AN
5 EXHIBIT BUT OF COURSE WE HAVE NOT RECEIVED ANY EXHIBITS IN
6 EVIDENCE AT THIS POINT.

7 MR. DEWEY: I WOULD LIKE TO ASK MR. GEHR, IF
8 YOU WILL, TO MAKE THREE COPIES AVAILABLE OF THE ARIZONA
9 STUDY FOR THE REPORTER.

10 MR. GEHR: I HAVE ALREADY DONE SO.

11 JUDGE LAZO: WELL, THEN, MAYBE WE ARE
12 GETTING ON.

13 MR. GEHR, JUST TO NEATLY TIE THIS MATTER UP
14 AND COMPLETE THE RECORD, YOU ARE THEN INTENDING TO OFFER --

15 MR. GEHR: THE TESTIMONY --

16 JUDGE LAZO: -- THE TESTIMONY OF YOUR
17 WITNESSES INTO EVIDENCE?

18 MR. GEHR: AND THEIR EXHIBITS.

19 JUDGE LAZO: AND THEIR EXHIBITS?

20 MR. GEHR: WHICH INCLUDES THE U OF A STUDY.

21 JUDGE LAZO: CORRECT.

22 MR. GEHR: NOW ON THE U OF A STUDY THAT I
23 HAVE MARKED, IT'S REALLY A VOLUME -- I DID NOT PUT IN THE
24 STATUS SUMMARY VOLUME WHICH IS A LARGE TWO-INCH THICK --
25 TWO OR THREE-INCH THICK DOCUMENT. I HAVE THREE COPIES OF

1 THAT AND I WILL BE GLAD TO PUT THEM IN.

2 JUDGE LAZO: WELL, WE ALL HAVE THAT AND IT,
3 IS IN THE PUBLIC DOCUMENT ROOM. PERHAPS THAT WOULD BE
4 SUFFICIENT.

5 MR. GEHR: ALL RIGHT.

6 AS TO THE MATTER OF THE NEED FOR A
7 SUPPLEMENTAL F.E.S., IF YOU WANT COMMENT FROM THE
8 APPLICANTS, MISS GIBBS IS PREPARED TO RESPOND.

9 JUDGE LAZO: WOULD YOU PLEASE, MISS GIBBS?

10 MISS GIBBS: THE JOINT APPLICANTS CONCER
11 WITH MR. DEWEY. THERE IS NO NEED TO FILE A SUPPLEMENTAL
12 ENVIRONMENTAL IMPACT STUDY. I THINK THE CASES MAKE IT
13 CLEAR A SUPPLEMENT IS ONLY REQUIRED IF THERE IS
14 SIGNIFICANT NEW INFORMATION. JUST THE FACT THAT THERE'S
15 NEW INFORMATION DOES NOT REQUIRE A SUPPLEMENT. I THINK
16 ESPECIALLY DURING THIS CASE NO SUPPLEMENT IS NEEDED
17 BECAUSE THE CONCLUSIONS HAVEN'T CHANGED FROM THE ORIGINAL
18 FINAL STATEMENTS FILED IN THE CONSTRUCTION PERMIT AND
19 OPERATING LICENSE PROCEEDINGS.

20 JUDGE LAZO: THANK YOU.

21 MISS GIBBS, LET ME ADDRESS THIS QUESTION TO
22 YOU. WHEN THIS ISSUE WAS FIRST RAISED BY THE INTERVENORS,
23 THAT IS THE NEED FOR A SUPPLEMENTAL IMPACT STATEMENT, WE --
24 AT LEAST WE HELD THE CONTENTION IN ABEYANCE BECAUSE WE
25 SAID FIRST OF ALL WE REALLY DON'T KNOW WHETHER THE IMPACT

1 STATEMENT IS DEFICIENT AND THAT EVEN IF IT WERE THAT
2 EVIDENCE DEVELOPED IN THE CASE AND AN INITIAL DECISION BY
3 THE LICENSING BOARD WHICH WOULD BE FAVORABLE TO THE
4 APPLICANT WOULD DEVELOP A RECORD WHICH WOULD IN FACT
5 SUPPLEMENT THE FINAL ENVIRONMENTAL STATEMENT AND AUGMENT
6 IT AND BECOME PART OF IT.

7 NOW, IF WE ARE TO ACCEPT THE PETITION TO
8 WITHDRAW THE PETITION TO INTERVENE AND APPROVE THE
9 SETTLEMENT AGREEMENT AND SIMPLY DISMISS THIS PROCEEDING
10 WITHOUT WRITING AN INITIAL DECISION, WOULD THIS EVIDENCE
11 THAT WE ARE TALKING ABOUT, THE TESTIMONY OF THE JOINT
12 APPLICANTS AS WELL AS THE TESTIMONY OF THE STAFF, WOULD
13 THIS BE THEN PART OF THE RECORD WHICH ONE COULD SAY HAS
14 SUPPLEMENTED THE STAFF'S F.E.S.?

15 BOTTOM RIGHT: I AM SURE THAT'S CLEAR
16 BECAUSE -- I'M SURE THE BOARD IS AWARE THAT THE REGULATION
17 THAT PROVIDED THAT INITIAL DECISIONS WOULD MODIFY
18 ENVIRONMENTAL STATEMENTS IS NO LONGER IN THE RULE BOOK. I
19 UNDERSTAND THAT THAT WAS AN INADVERTENT OMISSION WHEN PART
20 51 WAS REDRAFTED LAST YEAR.

21 I THINK THE IMPORTANT QUESTION HERE IS THAT
22 THERE IS NO NEED TO MAKE THE SUPPLEMENTATION IN THE FIRST
23 PLACE. THAT IS, BEFORE YOU DO A SUPPLEMENT, I THINK YOU
24 HAVE TO MAKE A THRESHOLD DETERMINATION THAT LEGALLY
25 REQUIRES A SUPPLEMENT. AND I THINK HERE IT IS FAIRLY

1 CLEAR THAT THERE IS NO SIGNIFICANT NEW INFORMATION SUCH AS
2 A TRIGGERING DEVICE THAT WOULD COME INTO PLAY. SO I DON'T
3 THINK THE BOARD HAS TO REACH THE QUESTION OF WHETHER OR
4 NOT THE FINAL STATEMENT WOULD BE SUPPLEMENTED BY ANY
5 DECISION THAT YOU WOULD RENDER.

6 MR. DEWEY: THE STAFF AGREES WITH THAT. YOU
7 HAVEN'T REACHED A THRESHOLD WHERE YOU NEED A SUPPLEMENT IN
8 THE FIRST PLACE.

9 JUDGE LAZO: WELL, THE ORIGINAL IMPACT
10 STATEMENT SAID THAT THERE WOULD BE VIRTUALLY NO IMPACT; IF
11 ANY AT ALL, IT WOULD BE NEGLIGIBLE, AND THE EVIDENCE TO
12 DATE FORTIFIES, AS YOU SAY, THAT STATEMENT?

13 WELL, ALL RIGHT, THAT'S USEFUL.

14 WELL, MR. DEWEY, I THINK WE CAN -- AND
15 MR. GEHR -- I THINK WE CAN MOVE ON TO THE NEXT SUBJECT,
16 WHICH IS THE STATUS OF INVESTIGATIONS AND ALLEGATIONS.
17 AND WHAT DO YOU HAVE TO TELL US ABOUT THAT, MR. DEWEY?

18 MR. DEWEY: WELL, TO BEGIN WITH, I WILL
19 REVIEW THE INVESTIGATIONS THAT THIS BOARD WAS ORIGINALLY
20 INTERESTED IN AT THE TIME OF THE OPERATING LICENSE
21 PROCEEDINGS IN 1982. AT THAT TIME THERE WAS SEVERAL
22 INVESTIGATIONS THAT CAME TO THE BOARD'S ATTENTION. THE
23 STAFF AGREED TO KEEP THE BOARD APPRISED OF THE RESULTS OF
24 THOSE INVESTIGATIONS. THOSE HAD TO DO WITH THE
25 ALLEGATIONS BY ROBERT GUNDERSON AND CHARLES WRIGHT AND THE

1 INDIVIDUALS WHOSE ALLEGATION APPEARED IN THE AUGUST 1ST,
2 1982 LETTER.

3 AND WE SENT YOU PERIODICALLY THE
4 INVESTIGATIONAL REPORTS HAVING TO DO WITH THOSE
5 INVESTIGATIONS. WE ALSO SENT YOU INVESTIGATIONAL REPORTS
6 OF THE ALLEGATION BY MR. WALLACE ROYCE, WHICH I THOUGHT AT
7 THE TIME WAS KIND OF A -- THE SAME TYPE OF INFORMATION
8 THAT YOU WERE INTERESTED IN WITH THESE OTHER
9 INVESTIGATIONS.

10 WE CONCLUDED WITH ALL OF THOSE
11 INVESTIGATIONS, AND I SENT YOU A SUMMARY LETTER TO THAT
12 EFFECT. THAT WAS ON MAY 14TH OF 1984 I BELIEVE. SO I
13 TRUST THE BOARD -- OR THEN ON JANUARY 3, 1985, I SENT YOU
14 A -- ONE FURTHER INVESTIGATIONAL REPORT HAVING TO DO WITH
15 MR. ROBERT GUNDERSON'S ALLEGATIONS WHICH WERE SENT TO THE
16 DEPARTMENT OF JUSTICE. INCIDENTALLY, THE GUNDERSON
17 ALLEGATION DID RESULT IN A \$40,000 FINE TO THE APPLICANT
18 HAVING TO DO WITH THE FALSIFICATION OF RECORDS. BUT THAT
19 MATTER HAS NOW BEEN FINISHED AND THE APPLICANT HAS PAID
20 THE \$40,000 FINE.

21 SO I BELIEVE THOSE CONCLUDE THE
22 INVESTIGATIONS THAT THE BOARD WAS INTERESTED IN.

23 AS OF TODAY, THE STATUS OF INVESTIGATIONS
24 FOR THE PALO VERDE UNITS IS THAT THERE'S BEEN 167
25 INVESTIGATIONS IN TOTAL, AND OF THOSE, ONLY 14 REMAIN

1 OPEN. AT THE MAY 30TH, 1985 COMMISSION MEETING WHICH WAS
2 HELD REGARDING PALO VERDE, THE COMMISSION WAS APPRISED OF
3 THESE INVESTIGATIONS AND WAS TOLD BY STAFF MEMBERS THAT
4 THOSE -- THE 14 REMAINING INVESTIGATIONS WOULD NOT
5 ADVERSELY IMPACT UPON THE FULL POWER OPERATION OF UNIT 1.
6 AND BASED UPON THESE ASSURANCES, THE COMMISSION ALLOWED
7 UNIT 1 TO BE LICENSED.

8 JUDGE LAZO: DO YOU HAVE A TRANSCRIPT
9 REFERENCE TO THAT DISCUSSION?

10 MR. DEWEY: YES, SIR. THAT WAS AT PAGE 37.

11 JUDGE LAZO: THANK YOU.

12 THANK YOU MR. DEWEY.

13 NOW, MR. DEWEY, ARE YOU ALSO GOING TO
14 INTRODUCE THE PREFILED TESTIMONY OF YOUR WITNESSES.

15 MR. DEWEY: YES, SIR. I GAVE THE REPORTER
16 COPIES YESTERDAY.

17 JUDGE LAZO: FINE.

18 AND MR. GEHR, YOU HAVE GIVEN THE REPORTER
19 COPIES? MAYBE CAN WE IDENTIFY THEM ON THE RECORD SO THAT
20 WE WILL BE ABLE TO REFER TO THEM?

21 MR. GEHR: YES.

22 WAS IT YOUR INTENT THAT THE TESTIMONY SHOULD
23 BE RECEIVED AS EXHIBITS RATHER THAN -- AS WELL AS THE
24 EXHIBITS THEMSELVES? I HAVE PROVIDED THREE COPIES, IN ANY
25 CASE.

1 JUDGE LAZO: THAT MIGHT BE SIMPLER.
2 OTHERWISE THEY PROBABLY SHOULD BE INCORPORATED INTO THE
3 TRANSCRIPTS AND THAT WOULD NECESSITATE A NUMBER OF COPIES.
4 WHY DON'T WE PUT THEM ALL IN AS EXHIBITS?

5 MR. GEHR: WELL, I WOULD FIRST OFFER THE
6 TESTIMONY OF KARL R. WILBER AS JOINT APPLICANT'S EXHIBIT
7 NO. 1. JOINT APPLICANT'S EXHIBIT NO. 1 HAS ATTACHED TO IT --

8 JUDGE LAZO: MR. GEHR, THIS TECHNICALLY IS
9 STILL PART OF THE OPERATING LICENSE PROCEEDING WHICH HAS A
10 NUMBER OF OTHER EXHIBITS IN IT.

11 MR. GEHR: I KNOW ABOUT THAT. I SAID 1
12 BECAUSE I NOTICED BEFORE WE USED ALPHABETICAL NUMBERS,
13 ALPHABETICAL DESIGNATIONS.

14 JUDGE LAZO: YOU USED DOUBLE ALPHABETICAL
15 DESIGNATIONS.

16 MR. GEHR: YES, AND I THOUGHT IT MIGHT BE --
17 I WAS COMING UP TO A TOTAL NUMBER.

18 JUDGE LAZO: WELL, LET'S KEEP IT SIMPLE. WE
19 WILL USE 1.

20 MR. GEHR: JOINT APPLICANT'S EXHIBIT 1, THE
21 TESTIMONY OF KARL R. WILBER, HAS ATTACHED TO IT EIGHT
22 EXHIBITS IDENTIFIED AS W-1 THROUGH W-8.

23 NEXT I WOULD LIKE TO OFFER IN EVIDENCE IS
24 THE TESTIMONY OF DR. MORTON I. GOLDMAN AS JOINT
25 APPLICANT'S EXHIBIT NO. 2. JOINT APPLICANT'S EXHIBIT NO.

1 2 HAS ATTACHED TO IT EXHIBITS DESIGNATED AS G-1 THROUGH
2 G-7.

3 FINALLY I WOULD LIKE TO OFFER THE TESTIMONY
4 OF THE REVIEW BOARD COMPRISED OF DR. CHARLES R. CURTIS AND
5 DELBERT C. MCCUNE AS JOINT APPLICANT'S EXHIBIT NO. 3.
6 SUCH JOINT APPLICANT'S EXHIBIT 3 HAS ATTACHED TO IT
7 EXHIBITS IDENTIFIED AS RB-1 THROUGH RB-4 AND RB-5A, 5B AND
8 5C.

9 JUDGE CALLIHAN: COPIES OF DR. GOLDMAN'S
10 TESTIMONY THAT YOU HAVE FILED CONTAIN THE REVISED EXHIBITS
11 G 6 AND 7?

12 MR. GEHR: YES. I THOUGHT WE OFFERED THOSE.
13 THEY WILL SUPPLANT THE -- THANK YOU, DR. CALLIHAN.

14 YESTERDAY DR. GOLDMAN IDENTIFIED TWO REVISED
15 ATTACHMENTS G-6 AND G-7 TO SUPPLANT THE ONES IN THE
16 CORRESPONDING ATTACHMENT TO HIS TESTIMONY.

17 JUDGE CALLIHAN: DOES YOUR REVIEW BOARD
18 TESTIMONY INCLUDE THE UNIVERSITY OF ARIZONA STUDY?

19 MR. GEHR: YES, IT DOES. IT IS IDENTIFIED
20 IN THAT TESTIMONY AS EXHIBIT RB-4.

21 JUDGE CALLIHAN: THANK YOU.

22 MR. GEHR: IT WAS SO MARKED ON THE
23 REPORTER'S COPY.

24 JUDGE LAZO: THANK YOU, MR. GEHR.

25 WELL, IF THERE ARE NO OBJECTIONS, THESE

1 EXHIBITS IDENTIFIED BY COUNSEL FOR JOINT APPLICANTS MAY BE
2 RECEIVED IN EVIDENCE.

3 MR. DEWEY, DO YOU WANT THE IDENTIFY THE
4 STAFF EXHIBITS?

5 MR. DEWEY: YES, SIR.

6 THE STAFF WOULD LIKE TO OFFER INTO EVIDENCE
7 THE STAFF EXHIBIT 10, I BELIEVE WHICH IS THE NUMBER --
8 WHICH IS A CARRYOVER FROM OUR PREVIOUS EXHIBITS IN AN
9 EARLIER PROCEEDING -- WHICH IS THE TESTIMONY OF DR. EDWIN
10 D. PENTECOST REGARDING SALT DEPOSITION FROM PVNGS ON
11 AGRICULTURAL CROPS. ATTACHED TO IT ARE SEVEN ATTACHMENTS.

12 WE ALSO WISH TO OFFER STAFF EXHIBIT 11,
13 WHICH IS THE NRC STAFF TESTIMONY OF ROBERT B. SAMWORTH ON
14 THE RATE OF EMISSION OF DRIFT FROM THE PALO VERDE COOLING
15 TOWERS. WITH THIS TESTIMONY ARE MR. SAMWORTH'S
16 PROFESSIONAL QUALIFICATIONS AND TABLE 1 AND TABLE 2.

17 IN ADDITION, YOUR HONOR, STAFF WISHES TO
18 OFFER INTO EVIDENCE STAFF EXHIBIT 12 WHICH IS THE MAY 16,
19 1985 LETTER FROM MR. E. E. VAN BRUNT TO MR. GEORGE
20 KNIGHTON REGARDING THE SALT DRIFT AND MONITORING PROGRAM.

21 JUDGE LAZO: WELL, THEN, IF THERE ARE NO
22 OBJECTIONS, STAFF EXHIBITS 10, 11, AND 12 MAY BE RECEIVED
23 IN EVIDENCE.

24 NO OBJECTIONS HAVING BEEN HEARD, THEY ARE
25 RECEIVED, AS ARE JOINT APPLICANT'S EXHIBITS.

1 I THINK THIS MIGHT BE AN APPROPRIATE TIME TO
2 TAKE A BRIEF MORNING RECESS. CAN WE RECESS FOR 15
3 MINUTES, PLEASE?

4 MR. DEWEY: ARE WE THROUGH WITH ANY
5 QUESTIONS THAT THE BOARD MIGHT HAVE FOR MR. LICITRA?

6 JUDGE LAZO: YES.

7 (RECESS TAKEN AT 11:17 A.M.)

8
9 (THE PROCEEDINGS WERE RECONVENED AT AT 11:29
10 A.M.)

11 JUDGE LAZO: WOULD THE HEARING COME TO
12 ORDER, PLEASE?

13 WE ARE GETTING SMALLER AND SMALLER, LOSING
14 OUR AUDIENCE.

15 WE HAVE CONSIDERED THE MATTERS BEFORE US,
16 AND BASED UPON THE TESTIMONY WHICH WE HAVE RECEIVED AND
17 THE ANSWERS TO THE BOARD'S QUESTIONS, WE HAVE DETERMINED
18 THAT IT IS THE BOARD'S DECISION THAT -- UNANIMOUSLY WE
19 AGREE THAT WE SHOULD ACCEPT THE SETTLEMENT AGREEMENT AND
20 DISMISS THIS PROCEEDING WITH PREJUDICE. WE ARE PREPARED
21 TO DO THAT BY ENTERING AN APPROPRIATE ORDER. WE SEE NO
22 REASON TO WRITE AN INITIAL DECISION OR ASK FOR ANY
23 PROPOSED FINDINGS OR CONCLUSIONS OF LAW, SO WE WOULD WRITE
24 AN ORDER DISMISSING THE PROCEEDING.

25 IN THAT CONNECTION, WE WOULD REQUEST COUNSEL

1 FOR THE APPLICANT TO PREPARE A PROPOSED ORDER WHICH WOULD
2 REFLECT THE PROCEEDING AS IT HAS TAKEN PLACE, REFLECTING
3 THE FACT THAT WE DID ASK BOARD QUESTIONS, RECEIVED THE
4 WRITTEN TESTIMONY INTO EVIDENCE AND CONSIDERED THOSE
5 MATTERS IN REACHING OUR DECISION TO DISMISS THE
6 PROCEEDING.

7 MR. GEHR, IS THAT A PROBLEM, OR WOULD YOU --

8 MR. GEHR: NO, SIR. WE WILL DO SO AND GET
9 IT TO YOU BEFORE THE END OF THE WEEK.

10 JUDGE LAZO: I THINK IT WOULD BE BETTER TO
11 HAVE YOUR PROPOSAL TO WORK WITH. WE OF COURSE WOULD LIKE
12 YOU TO SEND IT TO COUNSEL FOR THE STAFF SO THAT WE WILL
13 HAVE ANY COMMENTS --

14 MR. GEHR: CERTAINLY.

15 JUDGE LAZO: -- THAT THE STAFF WOULD PROPOSE
16 BY WAY OF MODIFICATION OR AMENDMENT. AND THEN UPON
17 CONSIDERING WHATEVER YOU DRAFT, WE CAN THEN ISSUE A FORMAL
18 ORDER.

19 MR. GEHR: WE WILL ALSO PROVIDE A COPY TO
20 MR. RAYNER.

21 JUDGE LAZO: YES, PLEASE.

22 MR. GEHR: WHEN I TALKED WITH HIM THIS
23 MORNING HE WAS CURIOUS AS TO WHAT HAD HAPPENED OR WAS
24 GOING TO HAPPEN, SO I WILL KEEP HIM ADVISED.

25 JUDGE LAZO: WELL, I THINK IT'S BEST.

1 AS I SAY, WE ARE UNANIMOUS IN OUR DECISION
2 AND IT HAS BEEN REACHED. THERE IS NO POINT IN GOING BACK
3 TO WASHINGTON AND WRITING YOU ABOUT IT.

4 MR. GEHR: WE WILL SUBMIT IT.

5 JUDGE LAZO: VERY GOOD.

6 NOW ARE THERE ANY OTHER MATTERS THAT WE CAN
7 PROFITABLY SPEND OUR TIME ON THIS MORNING AND DISPOSE OF?

8 THEN HEARING NO RESPONSE, WE CAN ADJOURN.

9 WE HAVE MADE PLANS TO VISIT THE SITE
10 TOMORROW. AND ARE THERE -- DICK, ARE THERE ANY OTHER --

11 JUDGE COLE: NO, I DON'T THINK SO, EXCEPT
12 THE TIME WE PLAN TO BE THERE.

13 JUDGE LAZO: AS I STATED, WE DO PLAN TO
14 VISIT THE SITE TOMORROW. STAFF AND COUNSEL HAS BEEN
15 INVITED TO ATTEND AND MR. RAYNER OF WEST VALLEY HAS BEEN
16 INVITED. I THINK BOTH HAVE DECLINED BUT HAVE WAIVED ANY
17 OBJECTION TO OUR VISITING THE SITE.

18 MR. DEWEY: I WAS GOING TO CHECK WITH MY
19 OFFICE AND SEE IF -- AND GET THEIR INSTRUCTIONS ON IT. I
20 MIGHT GO TOMORROW.

21 JUDGE LAZO: YOU ARE MOST WELCOME,
22 MR. DEWEY.

23
24 VERY WELL THEN, WE WILL ADJOURN.

25 THANK YOU ALL FOR COMING.

(THE PROCEEDINGS WERE CONCLUDED AT 11:44

A.M.)

CERTIFICATE OF OFFICIAL REPORTER

This is to certify that the attached proceedings before the
UNITED STATES NUCLEAR REGULATORY COMMISSION in the matter of:

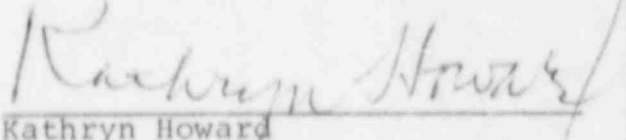
NAME OF PROCEEDING: OPERATING LICENSE PROCEEDING
ARIZONA PUBLIC SERVICE COMPANY, ET AL
PALO VERDE NUCLEAR GENERATING STATION,
UNITS 2 & 3

DOCKET NO.: STN-50-529-OL
STN-50-530-OL

PLACE: PHOENIX, AR

DATE: WEDNESDAY, JUNE 12, 1985

were held as herein appears, and that this is the original
transcript thereof for the file of the United States Nuclear
Regulatory Commission.


Kathryn Howard

Official Reporter

Thacker & Greenfield, Inc.