SECY - COMMISSION RULING RE CPL

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PROD. & UTIL PAG 50-400-LA

From: To: Date: Subject: "NC-WARN" <NC-WARN@pobox.com> "Lam, Dr. Peter" <psI@nrc.gov>, "Bollwerk, Paul" <... Thu, Feb 15, 2001 5:44 PM COMMISSION RULING RE CPL

NEWS RELEASE Contact: Jim Warren

February 15 2001 919-490-0747

NRC HALTS NUCLEAR WASTE STORAGE

Critics Express Concern About Commission's Intentions in CP&L Case

DURHAM -- The five-member Nuclear Regulatory Commission has suspended its agency's December 21st approval for Carolina Power & Light to load high-level nuclear waste into two new pools at the Shearon Harris Nuclear Plant in Wake County, NC. The Commission also ordered the NRC staff to substantiate its support for the waste expansion.

Yesterday's order represents another bizarre twist in the two-year legal struggle between CP&L and Orange County. The Commission's order formally denied Orange's appeal of the December approval by a high-ranking NRC staff official, saying its regulations do not permit such appeals. Nevertheless, the Commission used its discretionary authority to tell CP&L it cannot load waste into the pools until the NRC staff satisfies a list of questions about its review.

The December approval had startled observers because it appeared to undermine a separate NRC licensing board, which is still considering whether to require a trial-like hearing on nuclear waste accident risks. In January, Sen. John Edwards and Rep. David Price questioned the NRC's actions.

Diane Curran, an attorney representing Orange County, said today "We are pleased that the Commission stopped CP&L from putting waste in the pools, but it's only half a loaf. We still believe it was illegal for the NRC staff to issue the license amendment before a hearing is completed – and we are in a very strong legal position."

Environmental group NC WARN said it believes the Commission's unusual action means the panel is in a very difficult position. The group questioned why it took the full Commission so long just to decide whether to keep reviewing this matter, when the case was clearly made seven weeks ago – in Orange County's request for an emergency suspension – that the staff's approval, and lack of defense for it, are illegal.

Jim Warren, NC WARN's director, said today, "We're concerned that the Commission may be stalling – hoping this problem will go away if the NRC licensing board rules that a safety hearing is not required. Or hoping that as time passes, the illegality of the NRC's approval would become moot because they are allowing CP&L to continue pool construction as the clock ticks." Yesterday's order did not stop the company from continuing

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construction of the two new pools, which is expected to take until mid-year.

The Commission's order also comes as the NRC staff is under fire for an alleged lack of independence and scientific integrity in its review of the CP&L expansion. NC WARN is seeking investigations by the U.S. General Accounting Office and the NRC's inspector general to determine whether the NRC staff has compromised public safety by succumbing to pressure from CP&L to approve the plan. The December approval came at a time when CP&L is running dangerously short of storage capacity at its three nuclear plants.

Warren added, "CP&L continues construction on the pools at its own financial risk – or rather that of its ratepayers. We have absolutely no doubt that an environmental impact study will confirm that CP&L's massive waste expansion should be avoided in favor of a far safer alternative."

Since it was exposed in October 1998, CP&L's plan for high-density storage at the nation's only four-pool site has been highly controversial. Orange County's two nuclear experts have raised serious concerns about an increased potential for a very large accident – which could potentially release nearly 30 times the radiation as the 1986 Chernobyl disaster. CP&L has spent an estimated \$2 million to prevent safety hearings before the NRC licensing board, where they would have to openly address the experts' concerns.

TWO BACKGROUND POINTS LARGELY IGNORED BY THE MEDIA SO FAR: The NRC now estimates a 1 in 100 chance for a waste pool accident in the U.S. – not including the most troubling risk factors represented by terrorism and sabotage. Also, it was recently learned that plants in Alabama and Iowa lost waste pool cooling last year for two days, during which time temperatures rose to levels where damage to safety equipment begins to occur.

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UNITED STATES OF AMERICA NUCLEAR REGULATORY COMMISSION

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In the Matter of

CAROLINA POWER & LIGHT COMPANY

(Shearon Harris Nuclear Power Plant)

Docket No. 50-400-LA

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing LIMITED APPEARANCE STATEMENT OF NC WARN have been served upon the following persons by U.S. mail, first class, or through NRC internal distribution.

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Office of the Secretary of the Commission

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Dated at Rockville, Maryland, this 16th day of February 2001