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December 5, 1985

Nuzio J. Palladino, Director
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Dear Mr. Palladino:

On a recent Business trip to Florida, I discovered that the Hutchinson Island Nuclear Powerhouse, St. Lucie Unit No. 1, is not planning to adhere to a vital safety requirement in 1986. Specifically, I understand that the Florida Power and Light Company, which operates this nuclear powerhouse, will violate the safety requirement that all such units be completely refurbished after ten years of on-line service. It is my understanding that the NRC allowed Florida Power and Light to postpone such refurbishing from 1985 to 1986. However, from my research it is clear that the utility does not plan to undergo this ten year refurbishing in 1986 as promised to the NRC and to the citizens of Florida last year.

I know that I should not need to stress the importance of such safety requirements and their strict enforcement considering the history of past nuclear disasters and near tragedies. While I was in Florida, a similar near disaster occurred at Hutchison Island at St Lucie No. 1. During partial repairs, a 45 ton slab dangled dangerously above the nuclear fuel because of an accident. Clearly, partial repairs such as this and the shutdown last year to cut out a stainless steel protection shield do not take the place of the required shutdown and refurbishing after ten years of operating. With the public's increasing suspicion of nuclear power as a safe source of energy, safety guidelines such as the ten year requirement for complete refurbishing must be strictly enforced by your agency.

One disturbing point which was asserted by business contacts in Florida is that the NRC has waived the safety

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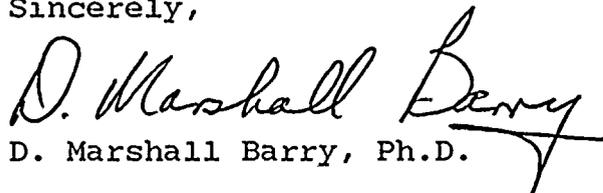
requirement for a ten year refurbishing for FP&L in 1986. If this is the case, I need to have a copy of your Findings of Fact; Hearings, Reports and other evidence on which you based this remarkable and dangerous decision.

Unless such rationale clearly supports such an act, I will have to consider court and/or other action to ensure that your agency lives up to its mandate to protect the public.

Finally, if any other nuclear units have or will have such a waiver by the NRS, I need the names, locations, and operating utilities for each such safety waiver.

Thank you for your prompt response in advance.

Sincerely,


D. Marshall Barry, Ph.D.

cc: Edward M. Kennedy, Senator: State of Massachusetts
John Kerry, Senator: State of Massachusetts
Barney Frank, Congressman: State of Massachusetts
Edward J. Markey, Chairman: House Subcommittee on
Energy Conservation and Power
Michael Bilirakis, Member: House Subcommittee on
Energy Conservation and Power



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US·World

NRC staff ties firms' finances, plant safety

By John Robinson
Globe Staff

WASHINGTON — The safety of nuclear power plants can be directly related to the financial health of their parent companies, according to internal staff memoranda of the Nuclear Regulatory Commission.

Acknowledgement of the link is the first time since the NRC stopped reviewing the finances of operating nuclear facilities in 1982 that plant safety and financial viability as related issues have caused official concern within the regulatory agency. One NRC staffer pointed to the Public Service Co. of New Hampshire and its Seabrook nuclear plant as an example of a project that raises such concerns.

William J. Dirks, NRC executive director for operations, wrote in a memoran-

dum dated July 22, 1985 that "financial strain" on the resources of Arkansas Power & Light Co. could potentially have an impact on the safety of the company's reactors.

In a subsequent memo Dirks raised concerns about state regulations that "in the interest of short-term economics, pressures may cause utilities to hurry work, take short cuts or delay action in order to meet a deadline, a cost limitation or other factor."

Dirks said the regulations, known as performance incentives, "may affect the balance between aspects conducive to safety and aspects that could erode safety."

The issue of financial viability and safety has been a matter of litigation between nuclear power companies and anti-nuclear environmentalists, who contend

that utilities cannot get sufficient funds through the rate setting process to ensure safe maintenance and operation of their nuclear facilities.

The NRC, since eliminating its financial review process, believes there is no connection between reviews and safety.

But Peter Bradford, a former NRC commissioner who voted against dropping the review rule, said yesterday an examination of the Three Mile Island nuclear plant accident demonstrated that financial considerations "might force a utility to take steps that would be inconsistent with safe operations."

A NRC staff member who asked not to be identified by name, said the growing concern inside the agency was that utilities, especially relatively small ones like Public Service of New Hampshire, would cut back on experienced staff and neces-

sary maintenance when faced with financial choices.

"Seabrook represented a very large increase, a doubling, of Public Service of New Hampshire's capital assets. It became clear as they went along they could not afford the rapid growth. The danger is a company like that will say, 'Let's cut back.' Unfortunately, with a nuclear power plant, it all boils down to safety."

In a letter released yesterday to NRC chairman Nunzio J. Palladino, Rep. Edward J. Markey wrote, "I firmly believe that a utility's financial situation should not be permitted to justify or excuse any threat to public health and safety."

Markey, chairman of the House subcommittee on energy conservation and power, asked that the commission provide "specific process and criteria" for public assessment of a nuclear licensee's financial qualifications.



NUNZIO PALLADINO
Letter from Markey asks action

