



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

PDR

September 26, 1979

The Honorable Donald W. Riegle
United States Senate
Washington, D.C. 20510

Dear Senator Riegle:

I am pleased to respond to your letter of June 15, 1979, in which you request that the NRC hold a hearing on the proposal of Consumers Power Company to replace the steam generators at its Palisades Nuclear Plant. In your letter you also expressed hope that the Commission would permit groups such as the Great Lakes Energy Alliance to intervene in such hearings at the expense of the NRC.

On January 19, 1979, the Commission issued a Notice of Proposed Amendment to Provisional Operating License for Palisades. The Notice provided an opportunity for the interested general public to request a hearing and to intervene. The Great Lakes Energy Alliance filed a request for a hearing and a petition to intervene on February 27, 1979. A prehearing conference was held May 9, 1979, in Saint Joseph, Michigan, to consider, among other things, the contentions of the Great Lakes Energy Alliance which appeared there and presented its views. The Licensing Board in this proceeding has decided to hold further hearings. As you are aware, the other Commissioners and I may be called upon to review any decision of the Licensing Board in our adjudicatory capacity and, therefore, I cannot at this time consider any matter pertaining to the merits of the issues. I will see that you are provided a copy of the Licensing Board's final decision when it is issued.

Although the Commission has received and denied numerous requests for public funding from participants in its licensing proceedings, the generic question of intervenor funding is still under consideration in various contexts since individual members of the Commission differ as to how intervenor funding should be applied to NRC proceedings. As you know, several proposals have been made to provide the Commission with explicit statutory authority to extend financial assistance to intervenors. Although Congress has not enacted explicit authorizing legislation in this area, report language accompanying appropriation measures for fiscal year 1979 and 1980 specifically precludes the use of funds by the NRC for the purpose of funding of intervenors.

Sincerely,

for *Virta Gilet*
Joseph M. Hendrie

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