

NRC Staff Responses to First Set of Interrogatories from Financial Qualifications
Intervenors (FQ/S-1) dated July 8, 1980

Interrogatory FQ/S-1.1

Staff Response: (a & b) Because the financial information in SER Supplement No. 2 is substantially out of date, the staff will request the applicant to fully update its previous financial submissions. The staff will then present its own updated analysis of the applicant's financial qualifications to design and construct the facility.

(c) In accordance with the provisions of 10 CFR 50.71(b), the staff routinely monitors the financial condition of licensees. This monitoring is intensified in the case of licensees experiencing serious financial difficulties.

Interrogatory FQ/S-1.2

(a,b,c) The Staff's analysis in SER Supplement No. 2 assumed that the applicant's cost estimate did include interest, distribution and general plant costs. The staff's updated analysis will include a review of more recent cost estimates.

(d) In September of 1974 the staff reviewed a total cost estimate for Allens Creek Units 1 and 2 of \$1.3 billion. This was not broken-down by unit.

(e) The staff analyzes the most recent cost estimates available including any cost increases. This analysis is found in the financial qualifications

section of SER Supplements and in the staff's testimony prepared for hearings.

Interrogatory FQ/S-1.4

(a,c) The staff has monitored the availability of capital to nuclear plant licensees since the TMI accident and has determined that viable capital markets do continue to exist for these utilities.

(b) The staff is studying the financial effects of the TMI accident and has not yet determined whether changes to its financial qualifications requirements are desirable.

Interrogatory FQ/S-1.5

The staff is concerned about the escalating cost of nuclear facilities including costs classified as GWIP. However, the applicant would sustain a financial loss only if the facility were not completed and placed in commercial operation, an eventuality that cannot be predicted.

Interrogatory FQ/S-1.6

The staff will reach an updated conclusion on the applicant's financial qualifications following receipt and analysis of the applicant's revised cost estimate and financing plan.

Interrogatory FQ/S-1.7

(a,b,c) The staff expects to call Jim C. Petersen, Senior Financial Analyst, or Michael L. Karlowicz, Jr. Financial Analyst, (both of the Office of Nuclear Reactor Regulation) to testify on the applicant's financial qualifications. As

noted above, the testimony and conclusion cannot be determined until after the applicant's updated financial package has been received and evaluated.

(d) The staff's financial witness will use information provided by the applicant; internally generated plant cost estimates; and information from financial journals and reporting services.