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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of

HOUSTON LIGHTING AND POWER
COMPANY, ET. AL.

(South Texas Project
Units 1 and 2) ^

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Docket Nos. 50-498
50-499

CITIZENS CONCERNED ABOUT NUCLEAR POWER, INC.
RESPONSE TO BOARD MEMORANDUM OF MARCH 10, 1980

The following remarks are offered by Citizens Concerned About Nuclear Power, Inc., (CCANP), in response to the Memorandum of March 10, 1980 circulated to all parties by the Atomic Safety and Licensing Board. In particular, this response addresses the idea of holding a hearing on issues relating to asserted construction and QA/QC deficiencies at a much earlier date than the licensing hearings currently projected for the winter of 1982-1983.

CCANP's one major concern in regard to such a hearing is that such an early hearing not foreclose the possibility of raising similar issues at a later time. Such issues might be the result of construction deficiencies occurring prior to the date of the hearing but unknown to CCANP at the time of the hearing or occurring after the hearing has been held. CCANP is aware that new Non-Conformance Reports are being written at the project and is receiving reports of other construction deficiencies not previously reported which CCANP is trying to confirm. Under no circumstances would CCANP agree to an early hearing on these matters if the result of the hearing would be to foreclose future matters of a similar nature.

The first time CCANP was aware that such a separate hearing was even a possibility was when Chairman Bechhoefer of the Atomic Safety and Licensing Board suggested the idea in January, 1980. At that time, CCANP indicated that consideration would be given to the idea.

CCANP wants to the record to show clearly that CCANP has not previously expressed a formal opinion on the early hearing on construction deficiencies and has certainly not expressed a desire for such a hearing. This point is made because Applicants have circulated a letter both internally and to the media which indicates that CCANP is desirous of such a hearing. The letter and resulting media coverage are attached hereto.

Respectfully submitted,



Lanny Sinkin
Lanny Sinkin
Co-Coordinator
Citizens Concerned About
Nuclear Power, Inc.

8004280069

March 13, 1980

TO: Mr. Betterton
FROM: Bert Schwarz

Enclosed is a copy of a Memorandum issued by the Licensing Board on March 10, 1980 inviting comments by the parties on the feasibility of an early, separate hearing on admitted contentions concerning asserted construction and QA/QC deficiencies (including the concrete voids).

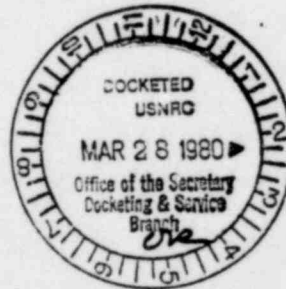
The Intervenor, particularly Citizens Concerned About Nuclear Power, have indicated a desire for an early hearing on these matters, and your attention is invited to the Licensing Board's statement that it believes such a hearing might profitable be held at an earlier date than would otherwise be indicated for the other admitted contentions in connection with the Application for Operating Licenses. The Board suggest that a hearing on the indicated issues would be held in the Fall of 1980 or the Winter of 1980-81, noting that this would be approximately two years prior to the date on which the Board expects to hold its overall hearing on said Application.

A recommended response to the enclosed Memorandum by the Board is under consideration.

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Enclosure

cc: Mr. Barker
Mr. Biddle
Mr. Copeland
Mr. Culp
Mr. Frazar
Mr. Jacobi
Mr. Lawhn
Mr. McCuistion
Mr. McGuire
Mr. Menger
Mr. Newman
Mr. Oprea
Mr. Painter
Mr. Parsons
Mr. Richards
Mr. Simmons
Mr. Stanley
Dr. Sumpter
Mr. Thrash
Mr. Turner
Mr. White

(each w/encl.)



3-18-80

Board to consider problems at South Texas N-plant

HAROLD SCARLETT
Environment Writer

A federal board has agreed to consider problems at the South Texas Nuclear Project in deciding whether Houston Lighting & Power Co. is qualified to build second nuclear power plant at Allens Creek.

An Atomic Safety and Licensing Board agreed to consider the question in board order allowing a dozen new intervenors to take part in hearings on a construction permit for the Allens Creek project. Several of the intervenors raised the

contention about the \$2.7 billion South Texas nuclear plant near Bay City.

They contended heavy cost overruns and construction errors and delays at the South Texas Project, along with requested rate increases and scarce investment money, show HL&P is "not financially qualified" to build Allens Creek.

HL&P, the managing partner of the four-utility South Texas Project, would be the sole owner of the Allens Creek plant, planned 45 miles west of central Houston near Wallis.

Meanwhile, another Atomic Safety and Licensing Board is considering a special hearing on concrete voids and other re-

puted construction and quality control problems at the South Texas Project.

This board is in charge of hearings, scheduled for the winter of 1982-83, on an operating permit for the South Texas Project.

It said in a memorandum that a hearing on the South Texas construction problems "might profitably be held" next fall or winter, in advance of the permit hearing.

The board asked for comments from HL&P and other hearing parties on a special construction hearing, which was proposed by opponents of the South Texas Project.

The Nuclear Regulatory Commission

appoints the three-member licensing boards and assigns them to handle applications for nuclear plant permits.

In the Allens Creek case, the board's acceptance of 12 new intervenors grew out of a Houston hearing last October in which opponents of the plant explained their contentions.

The board disqualified six other persons as intervenors, saying they raised no valid contentions. The board earlier had accepted one organization, the Texas Public Interest Research Group, and five individuals as intervenors.

But it had to reopen the proceedings to additional intervenors after an appeals

board ruled that the original rules on admitting intervenors were unduly restrictive.

The board in its new order accepted several dozen contentions, including some new ones by earlier intervenors, as valid issues for the later permit hearings.

It also rejected several dozen other contentions as invalid.

One of the earlier intervenors, John F. Doherty, led in the number of newly accepted contentions with 12. Most of his contentions involved highly technical questions about the equipment and safety of the proposed Allens Creek plant.

One of Doherty's accepted contentions linked to the South Texas Project, is that improper welds, costly rewelds, potential safety hazards will arise at Allens Creek unless HL&P is required to give special training to welders.

Two new intervenors, Mr. and Mrs. Morgan Bishop, got 10 contentions accepted — including one that HL&P must have difficulty rebutting.

The Bishops contended that Houston is growing westward toward the Allens Creek site far faster than HL&P projected. They argued that if current growth trends continue, the nuclear plant will be inside Houston's city limits by 1997.

3-20-80

HL&P agrees to special hearing

By **HAROLD SCARLETT**
Post Environment Writer

The Houston Lighting & Power Co. agreed Wednesday to a proposed special hearing on construction and quality control problems at the South Texas Nuclear Project.

But opponents of the \$2.7 billion nuclear power project near Bay City reacted warily to the proposal.

Such a hearing was suggested last week by a federal Atomic Safety and Licensing Board which is considering an application for an operating permit for the nuclear plant.

The licensing board said an early hearing on construction problems "might profitably be held" next fall or winter in advance of the operating permit hearings, now scheduled for the winter of 1982-83.

An HL&P vice president, Ed A. Turner, said the

light company would welcome the early hearing because it would help resolve charges about the quality of construction at the project.

Turner said the special hearing should also help clear the way for issuance of an operating license and startup of the twin-reactor plant's first unit in 1984.

The nuclear plant, being built by Brown & Root Inc., has had chronic problems with air pockets in the concrete walls of the reactor buildings and recurring friction between construction crews and quality control inspectors.

But two leading opponents of the project, Peggy Buchorn of Bay City and Lanny Sinkin of San Antonio, said they feared the early hearing might preclude consideration of any future construction problems at the 1982-83 license hearing.



POOR ORIGINAL