

50-365



Rudolph Mitchell, Chairman
The Public Service Commission
P. O. Drawer 11649
Columbia, South Carolina 29211

Dear Mr. Chairman:

This is in response to your letters of March 9, 1981 to John F. Ahearne who at that time was serving as Chairman of the Nuclear Regulatory Commission. In those letters you cited our January 30, 1981 report to the U. S. House of Representatives Subcommittee on Energy and Water Development, Committee on Appropriations and the further delays in licensing schedules for the applications for McGuire Nuclear Station, Unit 1 and Virgil C. Summer Nuclear Station, Unit 1. The following is a discussion of the actions being taken by the NRC to improve licensing schedules as discussed by Chairman Hendrie in a recent letter to the Honorable Tom Bevill, Chairman, Subcommittee on Energy and Appropriations, U. S. House of Representatives.

The basic problem we are confronting is the backlog of licensing decisions for new plants ready to come on line. We believe the problem is a direct consequence of the Three Mile Island, Unit 2 (TMI) accident and of the nationally accepted need to carefully reexamine the way in which the NRC and the nuclear industry fulfill their shared responsibility for safety. As a consequence of that accident we were forced to slow our licensing process for more than a year, while staff resources were diverted to develop and evaluate additional requirements based on lessons learned from TMI. This substantial licensing pause occurred while plant construction continued. Due to the need for applicants to address TMI requirements and the need to adjudicate these new requirements in some cases, our licensing approval process is now on the critical path for operation of these plants.

We believe that considerable reductions in the delays are possible. To that end the Commission has already made it clear to its staff that expedited licensing decisions are a high priority in this agency. The Commission is also investigating changes which could be made to reduce the length of the licensing process in general, in order to benefit all potentially affected plants.

Time savings for the plants scheduled for completion in 1981 and 1982 can be gained by increasing the efficiency of the hearing process and subsequent Commission and Appeals Board review. The hearing process itself consists of a prehearing phase, an evidentiary hearing phase, and a post-hearing phase during which the Licensing Board writes its decision. While it appears that there may be opportunities for time savings in the hearing process, speeding

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up proceedings to minimize possible economic consequences must be balanced against the need to make administrative decisions which represent fair opportunity for public participation and which are sound and will survive judicial review.

Within that constraint, the NRC legal staff and the Licensing and Appeal Boards believe that time savings could be realized during the pre-hearing and post-hearing phases. A review of the actual length of our most recent operating licensing hearings indicated that the time period between issuance of the supplemental staff safety evaluation report and initial Licensing Board decisions averages 18 months. These hearings were conducted under somewhat relaxed time schedules since the hearings were scheduled to be completed well before plant completion. We believe we can compress the average time to approximately 10 months by tightening the periods allowed for each part of the pre-hearing process and by providing firmer time management of the entire process. The Commission is publishing for comment on an expedited schedule, proposed changes to NRC rules which could accomplish this. Implementation of these changes could eliminate most of the impact for those plants with hearings scheduled to be completed in late 1981 and 1982.

Present Commission review practices could also be modified to save time. The suspension of the immediate effectiveness rule resulted in the following review procedure: an initial Licensing Board decision approving plant operation is automatically stayed for 60 days for Appeal Board review, and for a further 20 days for Commission review. Nominally, the review adds an additional three months to the process.

While the Commission has agreed tentatively to shorten this review, it has not yet decided upon the best mechanism to accomplish this. Two alternatives are available. Under the first approach the Commission would decide whether or not to stay the Licensing Board's decision within 10 days of the decision to grant a low power license and within 30 days of a decision to grant a full power license. The Appeal Board would not participate in this review. The normal Appeal Board review process and consideration of ancillary stay motions would proceed in parallel and if the Appeal Board found that the initial decision should be reversed, it could order a plant to shut down. For a plant whose Licensing Board approval was not reversed (most plants have historically fallen into this category) a nominal savings of two months could be achieved in beginning operation if the Commission acted quickly.

The other alternative is to make the initial Licensing Board decision immediately effective. Appeal Board and Commission review would consist of a post-effectiveness review, as was the case prior to the TMI-2 accident. Thus, the Commission would not play a direct role in determining whether a plant can be initially permitted to operate and would have to rely on the ability to give clear guidance to the Boards, but would have the opportunity to shut down a plant upon review. This alternative would require that the regulations be changed by rulemaking. The time savings for plants on the hearing schedule

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Rudolph Mitchell

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would be a nominal three months. The Commission has decided to seek public comment on both alternatives through publication of a proposed rule. Reducing review time, by either alternative, would be of particular benefit to the McGuire application which is well into the hearing process.

For those applications most severely impacted, such as McGuire, another possibility is direct Commission intervention, if a detailed case-by-case review indicates that such intervention would be helpful. While the Commission is considering this as a possibility, no decision has yet been reached. However, the Commission is now reviewing these cases with this alternative in mind.

Sincerely,

Original Signed by
H. R. Denton

Harold R. Denton, Director
Office of Nuclear Reactor Regulation

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NRC SECRETARIAT

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Incoming: Rudolph Mitchell, CWP
 From: State of South Carolina
Public Service Commission
 To: Ahearne Date 3/9/81
 Subject: expedite the licensing process
So Car Elec Co-V.C. Summer

- ☐ Prepare reply for signature of:
- ☐ Chairman
 - ☐ Commissioner _____
 - ☐ EDO, GC, C., SOL, PA, SECY, IA, PE
 - ☐ Signature work omitted
 - ☐ _____
 - ☐ Return original of incoming with response

- ☐ For direct reply*
- XXX ☐ For appropriate action
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STATE OF SOUTH CAROLINA
THE PUBLIC SERVICE COMMISSION

P. O. DRAWER 11649
COLUMBIA, SOUTH CAROLINA 29211

RUDOLPH MITCHELL, COMMISSIONER
SECOND DISTRICT

March 9, 1981

The Honorable John F. Ahearne, Chairman
United States Nuclear Regulatory Commission
Washington, D. C. 20555

RE: South Carolina Electric and Gas Company - V. C. Summer
Nuclear Station

Dear Chairman Ahearne:

We are distressed by your January 30, 1981 report to the United States House Appropriations Subcommittee on Energy and Water Development, on the status of licensing of nuclear power reactors. Your report announces dramatic delays in licensing schedules for a number of nuclear plants including South Carolina Electric and Gas Company's V. C. Summer Nuclear Station, Unit No. 1. According to your projected schedule, Summer will not be licensed until June 1982, six months later than you projected in your December Report.

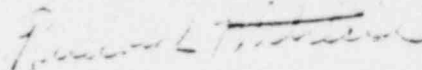
The cost escalations resulting from this delay are sure to be immense. We are informed that they may approach one hundred twenty-five million dollars (\$125,000,000) for a six month delay. This is nearly twenty-one million dollars (\$21,000,000) per month. While this Agency does not regulate the rates of the Public Service Authority (Santee Cooper), one-third owner of the Summer Plant, we do regulate South Carolina Electric and Gas Company's rates. Also, we are not insensitive to the economic burden even to Santee Cooper's customers. We earnestly strive to keep rates reasonable in South Carolina. It is most difficult under the best of circumstances. It becomes even more difficult and frustrating when this type of non-productive expense is foisted upon our utilities and their ratepayers.

This Commission certainly does not advocate a lessening of administrative vigor in the effort to insure safety in

The Honorable John F. Ahearne, Chairman
March 4, 1981
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nuclear operations. We do, however, urge serious consideration of the very real economic burdens posed by increased licensing delays which in this case seem to have little or nothing to do with new safety or environmental issues. We urge the Commission to direct their Staff to get on with the task of license review and issuance, to establish licensing as a high priority as it should be, and to mobilize the manpower necessary to reduce these delays.

Yours very truly,



Rudolph Mitchell
Chairman

RM:ngg

cc: The Honorable James B. Edwards
Secretary of Energy