

MEMORANDUM FOR: Commissioner Roberts
FROM: William J. Dircks, Executive Director
SUBJECT: RESOURCES FOR CRBR REVIEW

Your memorandum of 16 February asks how many additional people would be required for the CRBR review if the Commission were to grant the exemption. Our best estimate is that no additional people would need to be assigned to the CRBR review although it is possible, as explained below, that some additional staff resources (1-2 manyears) and technical assistance (< \$50,000) might be expended.

Should the CRBR exemption be granted, no additional safety issues would have to be resolved which would not have to be eventually resolved for the construction permit. However, those issues related to the proposed LWA-2 traditional licensing sequence were followed. This would probably mean that some relatively small amount of staff and technical assistance than if a more resources would have to be expended earlier for an LWA-2 sequence than for the normal sequence. The shift in the time of resolution is not likely to require greater integrated resource expenditure for an LWA-2 sequence than a normal sequence.

Possible exceptions to this are issues which might be resolved for an LWA-2 on the basis of the feasibility of adding design features to prevent or mitigate certain accident conditions: features which would normally neither be proposed nor reviewed if more time were available for resolution of the issue at hand. For example, given sufficient time, it may be possible for the staff to conclude that core disruptive accidents can be accommodated without recourse to restraining devices for the primary system. To accomplish a resolution consistent with the projected LWA-2 licensing schedule, however, it might be necessary for us to expend some resources in evaluating the practicality of adding such restraints later should they prove ultimately to be needed. It would be necessary in this case to demonstrate that the LWA-2 construction would not preclude adding such restraints.

It is unlikely such evaluations would require more personnel assignments to the CRBR review but might involve more time on the part of currently assigned reviewers. Added review costs, however, could largely be met by increased contractor technical assistance.

~~ef~~
8203740374

XA

EDO



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

FEB 26 1982

MEMORANDUM FOR: Commissioner Roberts
FROM: William J. Dirck, Executive Director for Operations
SUBJECT: RESOURCES FOR CRBR REVIEW

Your memorandum of 16 February asks how many additional people would be required for the CRBR review if the Commission were to grant the exemption. Our best estimate is that no additional people would need to be assigned to the CRBR review although it is possible, as explained below, that some additional staff resources (1-2 manyears) and technical assistance (< \$50,000) might be expended.

Should the CRBR exemption be granted, no additional safety issues would have to be resolved which would not have to be eventually resolved for the construction permit. However, those issues related to the proposed LWA-2 construction would have to be resolved at an earlier time than if a more traditional licensing sequence were followed. This would probably mean that some relatively small amount of staff and technical assistance resources would have to be expended earlier for an LWA-2 sequence than for the normal sequence. The shift in the time of resolution is not likely to require greater integrated resource expenditure for an LWA-2 sequence than a normal sequence.

Possible exceptions to this are issues which might be resolved for an LWA-2 on the basis of the feasibility of adding design features to prevent or mitigate certain accident conditions: features which would normally neither be proposed nor reviewed if more time were available for resolution of the issue at hand. For example, given sufficient time, it may be possible for the staff to conclude that core disruptive accidents can be accommodated without recourse to restraining devices for the primary system. To accomplish a resolution consistent with the projected LWA-2 licensing schedule, however, it might be necessary for us to expend some resources in evaluating the practicality of adding such restraints later should they prove ultimately to be needed. It would be necessary in this case to demonstrate that the LWA-2 construction would not preclude adding such restraints.

It is unlikely such evaluations would require more personnel assignments to the CRBR review but might involve more time on the part of currently assigned reviewers. Added review costs, however, could largely be met by increased contractor technical assistance.

~~EF~~
8203740374 XA

Commissioner Roberts

- 2 -

Thus, we believe that the CRBR exemption would not require significant additional staff resources, and would entail no reassignments of staff currently working on other NRR projects. Technical assistance would be used for any special evaluations that might be needed.

(Signed) William J. Dircks

William J. Dircks
Executive Director for Operations

cc: Chairman Palladino
Commissioner Gilinsky
Commissioner Bradford
Commissioner Ahearne
SECY
OPE
OGC
OCA

Distribution
Docket File (50-537)
CRBR Reading
W. Dircks
K. Cornell
T. Rehm
G. Cunningham
H. Denton
E. Case
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PPAS
D. Eisenhut
R. Mattson
R. Vollmer
H. Thompson
B. Snyder
J. Funches
B. Morris
W. Foster
P. Check
EDO (GT-11527)
S. Treby
C. Thomas

OFFICE	CRBRPO:NRR	CRBRPO:NRR	CRBRPO:NRR	PPAS:NRR	NRR	EDO	
SURNAME	BMorris/bm	WFoster	PCheck	JFunches	HRDenton	WJDircks	
DATE	2/22/82	2/21/82	2/21/82	2/ /82	2/ /82	2/ /82	

FROM: Commissioner Roberts		ACTION CONTROL	DATES	CONTROL NO.
		COMPL DEADLINE	3/5/82	11541
		INTERIM REPLY		DATE OF DOCUMENT
		FINAL REPLY		2/19/82
TO: Dircks and Denton		FILE LOCATION	PREPARE FOR SIGNATURE OF:	
			<input type="checkbox"/> CHAIRMAN <input checked="" type="checkbox"/> EXECUTIVE DIRECTOR OTHER: _____	
DESCRIPTION <input type="checkbox"/> LETTER <input checked="" type="checkbox"/> MEMO <input type="checkbox"/> REPORT <input type="checkbox"/> OTHER		SPECIAL INSTRUCTIONS OR REMARKS		
Request written views on 2/16/82 letter from Public Service Co. of Oklahoma to Denton re cancellation of construction permits for Black Fox Station Units 1 and 2		<u>PRIORITY</u>		
ASSIGNED TO	DATE	INFORMATION ROUTING		
Denton, NRR	2/23/82	<input checked="" type="checkbox"/> Dircks Cornell Rehm Cunningham		

NRC FORM 232
(6-80)

EXECUTIVE DIRECTOR FOR OPERATIONS
PRINCIPAL CORRESPONDENCE CONTROL

ACB



OFFICE OF THE
COMMISSIONER

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

February 19, 1982

MEMORANDUM FOR: William J. Dircks
Executive Director for Operations

Harold R. Denton, Director
Nuclear Reactor Regulation

FROM: Commissioner Roberts *MR*

SUBJECT: PUBLIC SERVICES COMPANY OF OKLAHOMA LETTER
OF FEBRUARY 16, 1982, TO HAROLD R. DENTON

I would appreciate having your written views on this letter.

cc: SECY

PDR

~~8204020224~~

Rec'd Off. EDO *2-22-82*
Date.....
Time..... *11:25 A*

PUBLIC SERVICE COMPANY OF OKLAHOMA
A CENTRAL AND SOUTH WEST COMPANY



P.O. BOX 201 / TULSA, OKLAHOMA 74102 / (918) 599-2000

'82 FEB 18 P3:52

Martin E. Fate, Jr.
President

OFFICE OF SECURITY
DOCKETING & SERVICE
BRANCH

February 16, 1982
FEB 17 AM 10 49

Mr. Harold R. Denton
Director, Office of Nuclear Reactor
Regulation
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Handwritten notes:
JK 2/19
TR 2/12/82
TK noted

Dear Mr. Denton:

Re. In the matter of Black Fox Station Units 1
and 2; Docket Nos. STN50-556 and STN50-557

Public Service Company of Oklahoma, Associated Electric Cooperative, Inc., and Western Farmers Electric Cooperative, co-applicants for Construction Permits in the subject docket, are announcing today the cancellation of the Black Fox Station. This letter follows a verbal notification to your office today by our Washington counsel.

I feel it is incumbent upon this company, as project manager, to explain at some length the reason for our actions. In essence, the action taken is necessitated by a continuing climate of political and regulatory uncertainty at the federal level. The project has regrettably become economically unattractive due to the sharp increase in project costs brought about by the almost three-year licensing moratorium imposed by the U. S. Nuclear Regulatory Commission.

The Black Fox owners have always believed themselves to be caught in a unique time warp, i.e., that of having instituted work under a Limited Work Authorization and having the safety hearing record complete prior to the events at Three Mile Island. No other pending construction permit applicant was in that situation.

PSO, as project manager, has been more than responsive to the events at Three Mile Island. Our actions have been anticipatory of new requirements and have found us pro-acting as a demonstration of our commitment to do that which was required to place the Black Fox licensing back on track. You know we led the industry in these responses, and were instrumental in forming and leading a Near-Term Construction Permit working group to interact with your staff in establishing the licensing basis for the pending applications.

Handwritten: PDR
~~8202220287~~

CENTRAL AND SOUTH WEST SYSTEM.

During this effort, you met personally with executives and representatives of this company many times to assure us your good will and ultimate licensability of our project.

Notwithstanding our efforts, we cannot help but feel we were ignored through 1979, toyed with during 1980, and disappointed in 1981. Despite your assurances to the contrary, we have found no real commitment to progress or licensing stability following the events at Three Mile Island or the several investigations.

To be absolutely frank, Public Service Company, as project manager, and all three companies, as owners, have no confidence in the process; or that it will allow completion of the units as planned on any reasonably foreseeable schedule or operation of the units on a reliable basis throughout their expected lifetime.

I must here repeat the thrust of the argument set forth in our response to the proposed licensing rules published on October 2, 1980, and March 23, 1981. That is, if there were a safety problem associated with the changes therein mandated for plants under construction, your Agency would have immediately revoked their Construction Permits, and some of those units are identical to Black Fox in vintage and design. This having not been done, the Agency, by halting progress at Black Fox, has exhibited a bias born of political perception, not of technical necessity.

Indeed, the ultimate irony is that only today do the post-TMI rules for the pending Construction Permit applications become effective, with the "lessons learned" being substantially the same as were identified by your office in the fall of 1979.

The effects of inflation on project costs during this period have been staggering; moreover, the promise of future backfitting requirements can only mean that the cost of the project will continue to escalate at some unknown and uncontrollable rate. The extensive delays in setting the requirements for granting nuclear Construction Permits have narrowed the nuclear economic advantage over coal-fired alternatives to the vanishing point. When you combine this with the financing difficulties associated with the absolute magnitude of the investment as now estimated, and the political, regulatory, and economic uncertainty that attend nuclear power; termination of the project becomes a necessity born of prudent management. The corporate risks of doing otherwise are simply untenable to all of the companies involved in this venture.

Mr. Harold P. Denton, Director
Office of Nuclear Reactor Regulation

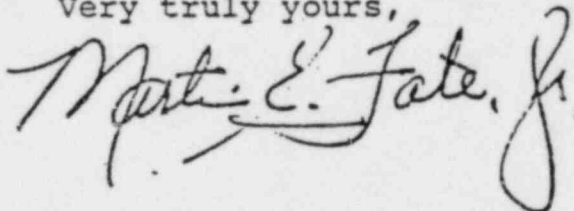
February 16, 1982
Page 3

We intend to preserve the site for construction of future power generation projects, hence most of the activity pursued on the site itself under the Limited Work Authorization will be convertible to alternatively fired generating facilities. The timing for these facilities is uncertain, but will undoubtedly have to commence within the foreseeable future to replace the capacity which was being relied upon from the Black Fox facility.

I have, at this date, directed counsel for the co-applicants to seek withdrawal of the application from the Atomic Safety and Licensing Board, as provided in 10CFR, Section 2.107. Your staff should continue to direct any questions to Dr. John C. Zink, our Manager of Licensing.

Black Fox Station has always been a good management decision; the need for nuclear-fueled generation is indisputable; it is regrettable that outside, uncontrollable circumstances did not allow its pursuit in a reasoned manner by individuals at companies committed to achieving excellence in every aspect of the project.

Very truly yours,



MEF:VLC:lh

cc: BFS Service List
Office of the Commissioners, USNRC
Nunzio J. Palladino, Chairman
Victor Gilinsky
Peter A. Bradford
John F. Ahearne
Thomas M. Roberts

Following the decision by the Commission, in March 1981, to resume TMI-2 related reviews for the pending construction permit applications, the staff, by use of a dedicated review team, has reviewed and published safety evaluation reports for five of the pending construction permit applications. Following that decision, CP applicants were required to file their response to the proposed CP/ML rule published on March 23, 1981. PSO did not file the required responses until October 1981. The staff completed its review of that submittal by a dedicated team and published its Safety Evaluation Report on December 31, 1981.

Thus, while the post TMI licensing "pause" certainly created some uncertainty in the licensing process, particularly through 1979 and into 1980, we believe the Agency responded quite promptly to the PSO submittal in response to the Commission's proposed CP/ML rule.

(Signed) William J. Dircks

William J. Dircks, Executive Director
for Operations

- cc: Chairman Palladino
- Commissioner Gilinsky
- Commissioner Bradford
- Commissioner Ahearne
- OPE
- OGC
- SECY

*See Previous Concurrence

EDO
WDiDircks
3/18/82

QED
ESC
3/17/82

OFFICE	DL:LB#4 *	LA:DL:LB#4*	DL:LB#4 *	DL:AD:L*	DIR:DL*	AD/NBR	DIR/NBR
SURNAME	DScalletti	MDuncan	EAdensam	RTedesco	DGEisenhut	EGCase	HRDeaton
DATE	3/2/82	3/2/82	3/9/82	3/9/82	3/11/82	3/15/82	3/15/82