William J. Dircks, Executive Director MEMORANDUM FOR: Commissioner Roberts Your memorandum of 16 February asks how many additional people would be assigned required for the CRBR review if the Commission were to grant the assigned our best estimate is that no additional people would need to be assigned. required for the CRBR review if the Commission were to grant the assigned our best estimate is that no additional people would need below that to the CRBR review although it is possible. as explained below to the CRBR review although it is possible. Our best estimate is that no additional people would need to be assigned to the crown although it is possible, as explained below, to the CRBR review although it is possible, as explained technical assistant to the crown additional staff resources (1-2 manyears) and technical assistant 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. FROM: SUBJECT: Should the CRBR exemption be granted, no additional safety issues would not have to be eventually resolved for have to be resolved which would not have to be eventually Should the CRBR exemption be granted, no additional safety issues would resolved for the have to be eventually resolved LWA-2 have to be resolved which would not have related to the proposed LWA-2 construction permit. have to be resolved which would not have to be eventually resolved LWA-2 more than if a more than if a more construction permit. However, those issues related to time than if a more construction would have to be resolved at an earlier time than if a more construction would have to be resolved. construction permit. However, those issues related to the proposed LWA-2 more construction would have to be resolved at an earlier time than if a mean traditional licensing sequence were followed. This would probably mean construction would have to be resolved at an earlier time than if a more traditional licensing sequence were followed. This would assistance traditional licensing small amount of staff and technical assistance that some relatively small amount of staff and technical traditional licensing sequence were followed. This would probably me that some relatively small amount of staff and technical sequence that that some relatively to be expended earlier for an LNA-2 sequence that resources would have to be expended earlier. that some relatively small amount of staff and technical assistance than for an LWA-2 sequence likely to resources would have to be expended the time of resolution is not likely to the normal sequence. The shift in the time of resolution is not likely to resources would have to be expended earlier for an LWA-2 sequence likely to the normal sequence. The shift in the time of resolution an LWA-2 sequence than the normal sequence. the normal sequence. The shift in the time of resolution is not likely to require greater integrated resource expenditure for an LWA-2 sequence 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 Possible exceptions to this are issues which might be resolved for an LW on the basis of the feasibility of adding design which would normally neighbors are issues which would normally neighbors and the basis of the feasibility of adding features which would normally neighbors are issues which would normally neighbors and the basis of the feasibility of adding design features which would normally neighbors are issues which might be resolved for an LW. on the basis of the feasibility of adding design features to prevent or neither which would normally neither features which would normally of the mitigate certain accident conditions: were available for resolution of the proposed nor reviewed if more time were available. mitigate certain accident conditions: features which would normally neither be proposed nor reviewed if more sufficient time, it may be possible for example, given sufficient time, it may be possible for example. be proposed nor reviewed if more time were available for resolution of the form were available for resolution of the staff to conclude that core disruptive accidents can be accommodated with the staff to conclude that core disruptive accidents. issue at hand. For example, given sufficient time, it may be possible for without the staff to conclude that core disruptive accidents can be accomplish a the staff to restraining devices for the primary system. the staff to conclude that core disruptive accidents can be accommodated wing resolution consistent with the projected LWA-2 licensing schedule, however resolution consistent with the projected LWA-2 licensing schedule, and the projected LWA-2 licensing schedule, however resolution consistent with the projected LWA-2 licensing schedule, however resolution consistent with the projected LWA-2 licensing schedule, however resolution consistent with the projected LWA-2 licensing schedule, however resolution consistent with the projected LWA-2 licensing schedule. a normal sequence. recourse to restraining devices for the primary system. To accomplish a schedule, however, resolution consistent with the projected LWA-2 licensing evaluating the resolution consistent with the expend some resources in evaluating the projected that the project resolution consistent with the projected LWA-2 licensing schedule, howeve it might be necessary for us to expend some resources, her prove ultimately practicality of adding such restraints later should they prove ultimately practicality of adding such restraints. it might be necessary for us to expend some resources in evaluating the LWA-2 prove ultimately to expend some resources in evaluating the LWA-2 practicality of adding such restraints later should they prove that the LWA-2 be needed. It would be necessary in this case to demonstrate practicality of adding such restraints later should they prove that the LWA-2 be needed. It would be necessary in this case to demonstrate that the construction would not preclude adding such restraints. It is unlikely such evaluations would require more personnel assignments to the care of currently assigned the care of the part of currently assigned the care review but might involve more time on the part of currently assignments. It is unlikely such evaluations would require more personnel assignments to the case of currently assigned the case of the part of currently as a currently assigned the case of the part of currently as a be needed. It would be necessary in this case to demons construction would not preclude adding such restraints. the CRBR review but might involve more time on the part of currently assigne review but might involve more time on the part of currently assigne contractor. Added review costs, however, could largely be met by increased contractor technical assistance. 203+10374) xA



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

FEB 2 6 1982

MEMORANDUM FOR: Commissione, oberts

FROM: William J. Dirck., Executive Director for Operations

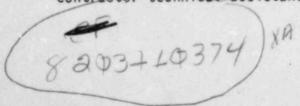
SUBJECT: RESOURCES FOR CRBR REVIEW

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.



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 I. Diroks

William J. Dircks Executive Director for Operations

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

Distribution Docket File (50-537) CRBR Reading

W. Dircks

K. Cornell

T. Rehm

G. Cunningham

OCA

H. Denton

E. Case

P. Fine

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

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Commissioner Roberts			ACTION CONTROL COMPL DEADLINE		3/5/82	CONTROL NO.	
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NRC FORM 232 (6-80) PRINCIPAL CORRESPONDENCE CONTROL

ACB



## 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 Commissioner Roberts

FROM:

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

-8204 P20224

Rec'd CH. EDO 

## PUBLIC SERVICE COMPANY OF OKLAHOMA

A CENTRAL AND SOUTH WEST COMPANY

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

'82 FEB 18 P3:52

Martin E. Fate, Jr.

President DOCKETIN

CFAICE OF SEC.



February 16, 1982

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

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. Qur 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.

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CENTRAL AND SOUTH WEST SYSTEM.

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

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 necessitude.

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.



February 16, 1982 Page 3

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

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 regret-table 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: 1h

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

DISTRIBUTION: MAR 1 8 1982

Docket No.

TERA NRC PDR Local PDR **HDenton** ECase

WDircks BSnyder EAdensam DScaletti PPAS SHanuer HThompson OIE (3) SCavanaugh

MEMORANDUM FOR:

Commissioner Roberts Schroeder

MDuncan OELD

MBridgers (EDO #11541)

FROM:

William J. Dircks, Executive Director Reurple for Operations

PCheck

LBerry RMattson

SUBJECT:

PUBLIC SERVICE COMPANY OF OKLAHOMA LETTER CANCELL PROTIMER

THEIR BLACK FOX STATION APPLICATION

This is in response to your memorandum dated February 19, 1982, requesting my views on the letter from Public Service Company of Oklahoma (PSO) cancelling their application for permits to construct Black Fox Station (BFS), Units 1 and 2.

Before addressing the PSO letter, some background information related to the BFS application review may be helpful.

The PSO application to construct the BFS was docketed on December 23, 1975. The staff's Final Environmental Statement (FES) was issued in February 1977. The Safety Evaluation Report and two of its supplements were issued in June 1977. September 1978 and March 1979. Following the completion of the Environmental and Site Suitability Hearings, a Limited Work Authorization (LWA) was issued in July 1978. Two amendments to the LNA, to allow additional construction work to be carried out, were issued in September and Hovember of 1978. On February 28, 1979, the hearing record for the BFS application was closed. At that time there were no outstanding safety issues that would have precluded issuing a construction permit for BFS provided that a favorable decision was received from the ASLB. The staff believes a construction permit could have been issued in mid 1979 if the TMI-2 accident had not occured.

PSO's situation was unique in that, of all the pending construction permit applications at the time of the TMI-2 accident, they were the only one with an LNA. Indeed, the circumstances surrounding the lessons learned from TMI-2 and the development of a CP/ML Rule had a significant impact on the BFS application. On June 13, 1979, the ASLB issued an order which deferred the final resolution of the application for a construction permit to await their evaluation of any staff recommendations for BFS which would result from its TMI-2 investigations. The Board also denied the applicants' request for referral of this decision to the ALAB. On October 4, 1979, in an Interim Statement of Policy and Procedures, the Commission directed the ASLB's not to issue full adjudicatory decisions which authorize the issuance of construction permits except after further order of the Commission itself.

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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 WDireks  WDireks  3/18/82 3/17/82								
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