

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION
BEFORE THE ATOMIC SAFETY AND LICENSING BOARD



In the Matter of Puget Sound)
Power and Light, et al.)
Amended Application for Construction) Docket Nos.
Permits and Facility Licenses,) STN 50-522-523
SKAGIT/HANFORD NUCLEAR PROJECT)
_____)

REPLY OF INTERVENORS NATIONAL WILDLIFE FEDERATION
AND OREGON ENVIRONMENTAL COUNCIL TO RESPONSES OF
COMMISSION STAFF AND APPLICANTS TO AMENDED CONTENTIONS

Pursuant to direction of the Licensing Board, intervenors National Wildlife Federation and Oregon Environmental Council (NWF/OEC) filed amended contentions on May 21, 1982. Applicants and Commission staff have objected to certain of those amended contentions. NWF/OEC here reply to their objections.

I. CONTENTION 3.E; BENEFIT/COST ANALYSIS

NWF/OEC contend that the Commission should assess the likelihood of Bonneville Power Administration (BPA) acquisition of the Skagit/Hanford Project in order to make its benefit/cost calculations for the project. A BPA decision not to acquire will considerably increase interest charges on the project.

Both Applicants and Commission staff claim that interest charges are irrelevant in the benefit/cost calculation because only true "societal costs" must be considered in that analysis. While BPA acquisition shifts part of the risk of the project to that

agency (BPA does not actually pay the extra interest, however) and interest rates paid by applicants accordingly diminish, nevertheless total societal risk--that reflected in interest actually paid and that unquantified interest assumed by BPA--remains the same.

Unfortunately, the cost calculations performed by applicants in their ASC/ER and by the staff in the DES do not appear to treat interest costs in such a sophisticated manner. See, e.g., ASC/ER at Table 8.2-2. If, in fact, the true "societal" risk of an investment is to be assessed for the benefit/cost calculation, then the ASC/ER and DES have even greater defects than NWF/OEC have raised. But that is beside the point here.

BPA assumption of the risks associated with a project through its acquisition raises different issues than those considered in Detroit Edison Co. (Enrico Fermi Atomic Power Plan, Unit 2) LBP-78-11, 7 NRC 381, 391 (1978), cited by applicants and staff. There, the intervenors argued that actual environmental costs were disproportionately borne by one group of citizens who received only a minor percentage of the benefits of the plant. (Their utility owned twenty percent of the output.) Here, the question is: will the actual dollar costs of a plant be higher or lower (depending on BPA action), and how do those costs measure up against the costs of alternatives to which the project must be compared? In comparing alternatives to the Skagit/Hanford plant, surely the Commission should not ignore the likelihood that some alternatives will be more easily financed and actually cost less, in dollars, than others. Dollars are, after all, a standard measure of "societal cost." NWF/OEC continue to believe, for that reason, that their contention

with respect to BPA acquisition and interest rates is valid and should be admitted.

II. CONTENTION 5.A; IMPACTS OF WASTE STORAGE

The applicant and staff object to Contention 5.A, which complains of the failure to consider the environmental impacts of on-site storage of high-level radioactive waste for the duration of the license.

The applicants claim that those impacts are considered. The staff, in contrast, admits that neither the ASC/ER nor the DES assesses the environmental impacts of 30 years storage of high-level radioactive waste on-site, because the applicants "have not requested 30-year storage in . . . [their] application."

NWF/OEC's position is quite simple, but has evidently not been fully understood. Pending the completion of the Nuclear Waste Confidence Proceeding, neither the applicant nor the staff may assume that off-site waste storage will be available. Instead, the Commission requires that an analysis of storage for the term of the license be made for each project. See, 44 Fed. Reg. 61372 (Oct. 25, 1979). The applicants' failure to apply for a 30-year waste storage license and the staff's refusal to consider the implications of 30 years of on-site storage reveal that both applicants and the staff have improperly prejudged the outcome of the Waste Confidence Proceeding. (They assume there will be available off-site storage.) Moreover, they have ignored Commission guidance on treatment of waste disposal in plant license applications pending conclusion of the Confidence Proceeding. NWF/OEC's contention is valid.

III. CONTENTION 4; COLUMBIA RIVER IMPACTS

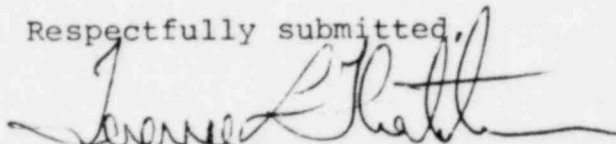
Staff again objects to NWF/OEC's Contention 4, which charges that the ASC/ER and DES fail to assess the impacts of construction and operation of the Skagit/Hanford Plant on the Columbia River environment. Staff does so, however, after admitting (or, at least, assuming for argument) that the impacts not considered will, in fact, occur.

The basis of the staff's objection can be quickly summarized. According to staff, the change in the Columbia River peaking usage resulting from operation of Skagit/Hanford is within the jurisdiction of BPA, and is, therefore, not within the purview of the NRC's analysis. The response to the staff's objection can also be quickly summarized. That the near inevitable change in river operations will come only after both NRC and BPA act, does not excuse NRC from considering the effects from a chain of events it would set in motion by licensing Skagit/Hanford. The NRC must consider all likely or predictable secondary environmental impacts of its decisions, even if those impacts themselves flow proximately from the determination of another agency and only indirectly or secondarily from the NRC license approval. See, City of Davis v. Coleman, 521 F.2d 661, 676 (9th Cir. 1975) (EIS must consider predictable secondary development impacts of highway interchange, even if development depends on later actions of private parties and other governmental bodies).

CONCLUSION

For all the foregoing reasons, NWF/OEC respectfully request admission of all their amended contentions.

Respectfully submitted,



Terence L. Thatcher
Counsel for National Wildlife Federation
and Oregon Environmental Council

708 Dekum Building *
519 S.W. Third Avenue
Portland, Oregon 97204
(503) 222-1429

DATED: June 29, 1982

*Please note for all future service of documents the new address of counsel for National Wildlife Federation and Oregon Environmental Council.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served true copies of
Intervenors National Wildlife Federation/Oregon Environmental
Council's Reply to Responses of Commission Staff and Applicants
to Amended Contentions, upon the following:

John F. Wolf, Esq., Chairman
Administrative Judge
Atomic Safety & Licensing Board
3409 Shepherd St.
Chevy Chase, MD 20015

S. Timothy Wapato
Columbia River Inter-Tribal
Fish Commission
8383 N.E. Sandy Blvd, Suite 320
Portland, OR 97220

Dr. Frank F. Hooper
Administrative Judge
Atomic Safety & Licensing Board
School of Natural Resources
University of Michigan
Ann Arbor, MI 48190

James B. Hovis
Yakima Indian Nation
c/o Hovis, Cockrill & Roy
P. O. Box 487
Yakima, WA 98907

Mr. Gustave A. Linenberger
Administrative Judge
Atomic Safety & Licensing Board
U.S. Nuclear Regulatory
Commission
Washington, D.C. 20555

Steven P. Frantz
Lowenstein, Newman, Reis & Axelrad
1025 Connecticut Ave., N.W.
Washington, D.C. 20036

Richard L. Black, Esq.
Counsel for the NRC Staff
U.S. Nuclear Regulatory
Commission
Office of the Executive Legal
Director
Washington, D.C. 20555

F. Theodore Thomsen
Perkins, Coie, Stone, Olsen
& Williams
1900 Washington Building
Seattle, WA 98101

Nina Bell
Coalition for Safe Power
Suite 527, Governor Building
408 S.W. Second Avenue
Portland, OR 97204

Ralph Cavanagh
Natural Resources Defense Council
25 Kearny Street
San Francisco, CA 94108

by mailing, postage prepaid, this 30th day of June, 1982.


Terence L. Thatcher