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JAMES E. JOINER, P.C.

DIRECT 404-885-3168

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October 20, 1994

VIA FACSIMILE

Michael D. Kohn, Esq.
Kohn, Kohn & Colapinto
517 Florida Avenue, N.W.
Washington, DC 20001-1850

Re: Georgia Power Company (Vogtle Electric Generating Plant, Units 1 and 2) NRC
Docket Nos. 50-424-OLA-3, 50-425 OLA-3; License Amendment for Transfer
to Southern Nuclear Operating Company

Dear Michael:

Following up your reference to the possibility of settlement during the October 17 Status Conference (Tr. 665), I wanted to express Georgia Power's willingness at any time to participate in discussions that might lead to fair and reasonable settlement of this proceeding.

As we previously have told the Board and parties and I am reconfirming to you, we are always ready to entertain a proposal to resolve the issues that have been raised by Mr. Mosbaugh. Settlement is both consistent with NRC policy and precedent and of interest to our client as a means of avoiding protracted litigation and the attendant distraction of personnel. Of course, we strongly believe that Southern Nuclear is entitled unconditionally to become the licensed operator; and we stand behind our request for a license amendment. Recognizing that Mr. Mosbaugh may differ with our thoughts on the proper disposition of this case, it may be that he is able to fashion a proposal for us to evaluate along the lines suggested earlier by the Board at the August 12 Conference (Tr. 572).

We look forward to hearing from you.

Sincerely,



James E. Joiner

JEJ:pcw
Enclosures
cc: Service List

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PDR ADOCK 05000424
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1 I also don't see any intentional unprofessional
2 conduct or really sloppy unprofessional conduct that was in
3 a continuing course. And if I'm right, then the remedy in
4 this case at the end is likely to be something along the
5 lines of what Georgia Power has recommended in its response
6 to the NOV, which is serious attention to management issues,
7 possibly reorganizational questions, possibly training
8 questions.

9 But it really -- unless there's more, and Mr.
10 Mosbaugh may be able to demonstrate more, it seems unlikely
11 that the proof really goes to stopping the transfer to
12 Southern Nuclear.

13 I just want the parties to think about where they
14 really stand on the big picture, because if, in fact, it's
15 true that Mr. Mosbaugh or the staff is able to prove
16 something worse than what we've seen so far, it could
17 conceivably make sense to go through all of the trouble that
18 we're going to go through to try this case, to stipulate to
19 tapes, to have a hearing, to have findings.

20 It's enormously expensive and time-consuming and
21 it may be worth of it if we really are talking about serious
22 misconduct here. And if we're not, it seems to me that it
23 would be far more valuable to stop at this point and look at
24 what we're doing and see if we can't devise a remedy for
25 what's likely to be the worst case, without providing

1 scrutiny regardless of the outcome of the illegal
2 license transfer, and from a public policy perspective
3 and the pro bono reasons our firm is doing that, we
4 believe that the illegal license transfer proceeding
5 may not. Therefore, we believe the illegal license
6 transfer proceeding may, in fact, from a public policy
7 perspective, be more important than the diesel
8 generator issues.

9 Ultimately, you know, it's not impossible
10 to believe that the parties could resolve the diesel
11 generator issues with some form of settlement. I do
12 not believe that is really too practical with respect
13 to the illegal license transfer.

14 And, therefore, Intervenor would propose
15 to remain on schedule and go forward with the hearing
16 as planned.

17 JUDGE BLOCH: Georgia Power?

18 MR. BLAKE: We would second and hope that
19 the Board would notice our agreement with the
20 Intervenor, at least on that one topic.

21 (Laughter.)

22 The Intervenor's position that we try to
23 retain the schedule, not only on this topic, but on
24 each of the issues you're going to hear a recurring
25 theme from us today and as we go forward, trying very

NEAL R. GROSS

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