



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

Rocket file
50-556/557

March 4, 1992

MEMORANDUM FOR: Bruce A. Boger, Director
Division of Reactor Projects - III/IV/V

THRU: Seymour H. Weiss, Director
Non-Power Reactors, Decommissioning and
Environmental Project Directorate
Division of Advanced Reactors
and Special Projects *sfw*

FROM: Barry Zalzman, Senior Project Manager
Non-Power Reactors, Decommissioning and
Environmental Project Directorate
Division of Advanced Reactors
and Special Projects

SUBJECT: SUMMARY OF FEBRUARY 25, 1992 MEETING WITH PUBLIC
SERVICE COMPANY OF OKLAHOMA ON THE RESOLUTION OF
OUTSTANDING ISSUES TO TERMINATE NRC OVERSIGHT

On February 25, 1992, the NRC staff met with representatives of the Public Service Company of Oklahoma (PSO) to discuss the final resolution of the conditions imposed by the Atomic Safety and Licensing Board (ASLB) in its order of March 7, 1983, (Order) granting the termination of proceedings and withdrawal of the Black Fox construction permit application. The material presented needs to be evaluated to consider whether PSO complied with the conditions of the Order and whether the bases for the conditions are still relevant. In addition, the staff will need to determine the nature of the regulatory vehicle that would ultimately be used to close the matter. The list of meeting attendees and agenda are included in Enclosures 1 and 2.

Background

On January 23, 1983, PSO (Applicant) submitted the last of a series of motions to the ASLB for the termination of proceedings and the withdrawal of the construction permit. The ASLB Order granted the motion with the following conditions:

- a). Subject to the NRC staff's monitoring and approval, Applicants shall implement their Black Fox Station Soil Stabilization and Erosion Control Plan, as approved by the Staff on September 24, 1982, by no later than October 1, 1983, and

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- b). Subject to the NRC Staff's monitoring and approval, Applicants shall dismantle those site improvements, not to be utilized at the Inola Station, in such a manner as not to cause any onsite or offsite detrimental environmental impacts.

Meeting Summary

PSO provided a discussion of the history of the Black Fox project, a discussion of the current plans for the site, and a detailed presentation on the current status of the site. In addition, on February 14, 1992, PSO's counsel, Newman & Holtzinger, P.C., issued a detailed discussion of the environmental status of the Black Fox site; this material was placed in the Black Fox docket file.

PSO discussed the current plans for a power generating station at the Black Fox (or Inola) site. PSO is part of the Central and South West System (CSW), a holding company that, among other functions, develops capacity forecasts for the region.

PSO provided the CSW facility construction forecast of 1982 as background information for the ASLB deliberation on the motion to terminate proceedings. At that time, Inola Unit 1 was projected to be completed in 1992, Unit 2 in 1994, Unit 3 in 1996, and Unit 4 in 1998. PSO indicated that the power demand did not materialize as forecasted and the 1992 CSW System Joint Facilities Plan anticipates that a unit (coal fired or combined-cycle) would be constructed at the site with operation to begin in 2006 or 2007.

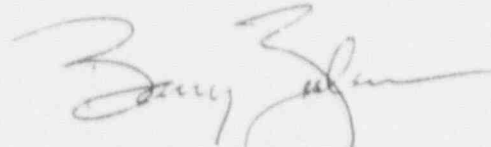
Inasmuch as the ASLB decision based the second condition of the Order (dismantlement of site improvements not to be utilized at the Inola Station) on the 1982 CSW forecast, the NRC staff questioned PSO as to whether the delayed utilization of the site improvements should impact the NRC staff's consideration of the request to consider PSO's compliance with the conditions of the Order. PSO indicated that the remaining improvements would likely be utilized should a plant be constructed at the site and that numerous state entities (e.g., Oklahoma Health Department) would continue to oversee protection of the environment in and around the site.

With the downscaling of the power generation use of the site, PSO anticipates that its land requirements for the Inola Station would be roughly half that originally acquired and is seeking to avail the remaining portion for alternate development. A particular activity was discussed with the staff that would result in the sale of 1000 of the 2200 acres (more or less). This activity would use about 30 acres for buildings and would take advantage of some of the existing site improvements.

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The remainder of the presentation focussed on the successful implementation of the soil stabilization and erosion control program. An NRC inspection in 1983 resulted in the staff concluding that the program was adequate and anticipating that only normal erosion should occur after implementation. Portions of the site were used actively as a ranch for farming and grazing which is consistent with the existing land use in the region. A series of slides were presented and recent (February 1992) photographs were provided to illustrate the natural succession in and around the site and the effectiveness of the measures taken for environmental stabilization. From PSO's presentation and description in their February 14, 1992 submittal, it appears that the program accomplished its intended objectives. Participants expressed the opinion that the natural succession at the site would be impeded and the potential for offsite environmental consequences would be increased should full redress of the site to its original state be mandated.

Finally, the NRC staff indicated its intent to move to resolve this matter expeditiously and, should there be a need for additional information, requests would be submitted promptly.



Barry Zalzman, Senior Project Manager
Non-Power Reactors, Decommissioning and
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Division of Advanced Reactors
and Special Projects

Enclosures:
As stated

cc w/enclosures:
See next page

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Public Service Company of Oklahoma

Docket Nos. 50-556/557
Black Fox Units 1 & 2

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NRC MEETING WITH PUBLIC SERVICE COMPANY OF OKLAHOMA
ON RESOLUTION OF REMAINING CONDITIONS AT BLACK FOX

ONE WHITE FLINT NORTH 4-B-13

FEBRUARY 25, 1992 1:00 P.M.

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BRUCE ROGER	NRR/DRPW	301-504-1354

Public Service Company of Oklahoma
Presentation to Nuclear Regulatory Commission

February 26, 1992

- | | |
|---|---|
| I. Introductory Remarks | Nancy Ranek
Newman & Holtzinger, P.C. |
| II. Current Plans for Site Use | |
| A. Plans for Generating Station | John Zink
Director
Production Services
PSO |
| B. USF Yeast, Inc. | Robert Jackson
Manager
Economic Development
PSO |
| III. Current Status of Site | Lee Paden
Director
Government Relations
PSO |
| | John Aronson
President
Advanced Aquatic
Technology Associates,
Inc. |
| IV. Request for NRC Conclusion that Conditions of Black Fox Licensing Board's Order Have Been Satisfied | Nancy Ranek |

March 4, 1992

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- original signed by -

Barry Zalzman, Senior Project Manager
Non-Power Reactors, Decommissioning and
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Division of Advanced Reactors
and Special Projects

Enclosures:

As stated

cc w/enclosures:

See next page

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