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UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION III  
799 ROOSEVELT ROAD  
GLEN ELLYN, ILLINOIS 60137

June 12, 1984

Ms. Barbara Stamiris  
5795 N. River  
Freeland, MI 48623

Dear Ms. Stamiris:

This is in response to your letter of May 14, 1984 criticizing me for statements and positions I've taken recently on the Midland nuclear project. Frankly, after reviewing your letter, I consider many of your accusations personally insulting and without merit.

You have accused me of being a utility advocate, placing Consumers Power Company's financial needs ahead of public safety needs, because I stated that the utility's estimated completion date of 1986 for the Midland project was "reasonable and attainable" and because I recently met with the staff of the Michigan Public Service Commission in private regarding Midland. I would like to address these matters to set the record straight.

My comments at the public meeting in Midland on May 4, 1984, regarding Consumers Power Company's revised schedule for Midland were consistent with the remarks given by Messrs. Dircks and Eisenhut, and me at the NRC Commission meeting of April 22, 1984, in which you and others were given an opportunity to state your views to the Commission on Midland. We stated that we were encouraged that the utility had backed off its previously announced completion estimate of 1984, which in our view was clearly unrealistic, and based on our experience we believe that operation by the end of 1986 is reasonable.

You criticized me for failing to convene the Caseload Forecast Panel to assess the realism of Consumers Power Company's schedule. It appears that you continue to misunderstand the purpose of the Caseload Forecast Panel. Convening the panel is not a regulatory requirement. The sole purpose of this regulatory tool is to provide NRC with an estimated completion date, when the project is nearing completion, to assist the Office of Nuclear Reactor Regulation in scheduling its licensing reviews. In April 1984, Consumers Power Company requested that the Caseload Forecast Panel review the revised construction schedule for Midland. Because the project is still better than two years away from projected fuel load, NRC Headquarter's management decided to have the licensee describe its revised schedule and related assumptions at a public meeting rather than conduct a Caseload Forecast Panel review. The staff may elect to have a Caseload Forecast Panel convened in 1985 when the findings would be more meaningful. I don't think that my statement that the licensee's forecasted schedule sounded "reasonable and achievable" was out of line. You should note that I qualified that statement by noting that the key factor likely to affect the schedule was the amount of rework that would be required based on the reinspection program.

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Ms. Barbara Stamiris

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With respect to my meeting with the staff of the Public Service Commission, the NRC staff felt it was necessary to clarify certain NRC positions regarding Midland. The Public Service Commission staff had issued a staff conclusion April 11, 1984, which stated that Midland was no longer a viable option for Michigan's electrical needs. This report based its conclusions on a number of factors, one of which was the uncertainty associated with the NRC regulatory process. The purpose of our meeting was to clarify for the PSC staff where the NRC stood on various issues relative to Midland and what remained to be done for NRC licensing of the plant. In meeting with the PSC staff, representatives from the Office of Nuclear Reactor Regulation and the Office of Inspection and Enforcement accompanied me so that a full NRC staff position could be conveyed to the PSC staff on these matters.

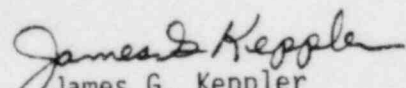
You also commented on the management audit proposal and what you consider to be my "regulatory lenience." Let me address these matters as well.

The NRC approval of Cresap, McCormick, and Paget (CMP) to perform the management audit at Midland was based on the information provided at the May 4, 1984, meeting in addition to the previously submitted information. At that meeting, satisfactory answers were provided to the NRC's concerns raised in my letter of April 10, 1984 --- including concerns about TERA's independence and the need for a retrospective analysis. After CMP completes the reconnaissance portion of its study we intend to meet with CMP again in Midland to review CMP's more detailed plans for the management appraisal. That meeting will be open to public observation.

You have blamed the serious problems at Midland on my "regulatory lenience." I think if you will compare the enforcement actions taken against Midland with those taken at other problem plants around the country, your statement doesn't stand the scrutiny. I would point out that Midland has had more escalated enforcement actions (civil penalties and orders) taken by the NRC than any other facility during the construction phase.

In closing, I see no reason why the previously discussed actions taken by the NRC staff should be interpreted as ones of "advocacy." And, certainly, neither of these actions has done anything to jeopardize public safety. While the NRC staff believes that Consumers Power Company has developed a workable construction completion program and reasonable schedule for completing the project, the NRC staff intends to follow closely the conduct of the Construction Completion Program to assure the quality of the plant.

Sincerely,

  
James G. Keppeler  
Regional Administrator

cc: See Attached Distribution List

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cc:

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