

UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING APPEAL BOARD

In the Matter of )  
 )  
Louisiana Power & Light Company ) Docket No. 50-382  
 )  
(Waterford Steam Electric Station, )  
Unit No. 3) )

AFFIDAVIT OF DENNIS M. CRUTCHFIELD

1. My name is Dennis M. Crutchfield. I am employed as Assistant Director for Safety Assessment, Division of Licensing, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission. On March 12, 1984 the Executive Director for Operations established the NRC Waterford task force to complete all outstanding regulatory actions at Waterford (including allegations). I was assigned to manage that effort. A statement of my professional qualifications is attached to my Affidavit filed in this proceeding on August 7, 1984.

2. The purpose of this affidavit is to respond to allegations raised in "Joint Intervenors Motion for Leave to File Supplemental Memorandum in Support of Motion to Reopen," dated February 25, 1985.

3. The joint intervenors' motion addresses four broad areas which are supported by 10 exhibits. I have examined the motion and the attached exhibits. I find there is nothing in those documents to cause the NRC Staff to reconsider its determination that Louisiana Power & Light has the competence and character to operate Waterford 3 safely.

4. The following discussion summarizes my views on the four issues identified in joint intervenors motion.

8503150386 850312  
PDR ADCK 05000382  
G PDR

A. Middle South's Misleading Statements in its Most Recent Offering Statement to Sell \$100 Million in Securities

Joint Intervenors' motion asserts that LP&L lacks the integrity to operate a nuclear power plant because, it is alleged, Middle South Utilities, Inc., and NOPSI failed to disclose the City of New Orleans' legal position that the City's approval was needed for a securities offering to sell \$100 Million of stocks and bonds with the Securities and Exchange Commission (SEC).

Potential misleading statements to the SEC are outside the scope of the NRC's authority. Nonetheless, it should be noted that LP&L in its response to this motion indicated that it does not appear that the full filings with the SEC were attached to the intervenor's motion or were analyzed. Further it appears from this response that the SEC issued a Memorandum and Order on February 21, 1985 which in part dealt with the City of New Orleans' authority to control the issuance of securities.

R. Waterford's Current Management Lacks an Understanding of the Seriousness of Waterford's Quality Assurance Problems and Respect for NRC Regulation

In support of this allegation, Joint Intervenors' offer as an exhibit a news article from The Times - Picayune dated January 25, 1985, quoting Vice-President of Nuclear Operations, R.S. Leddick's, comments made to the Rotary Club of Metairie.

The newspaper report contains very abbreviated matter and does not address the context of the meeting to determine whether the statement was in the context of an overall discussion of plant costs or whether it was the personal comments of an individual. Without knowing the real context the quoted comments cannot be accurately characterized. Nonetheless, the NRC staff at this time believes that the utility management has demonstrated an appropriate level of sensitivity to the seriousness of the safe operation of Waterford 3 and will obey the NRC's regulations.

C. LP&L Blackout of the City of New Orleans Demonstrates its Lack of Management Competence, or, Potentially, Intentional Misconduct

Joint Intervenors allege that the blackout on January 21, 1985 supports their contention that LP&L lacks the character and competence to operate Waterford 3. The two individuals that Joint Intervenors state are responsible for the blackout, are not and have not been involved since August 1983 with the management of the Waterford 3 project. This event does not alter the NRC Staff's previous conclusion on management competence.

D. Applicant's Management has Demonstrated its Subservience to and Lack of Independence from its Parent Middle South

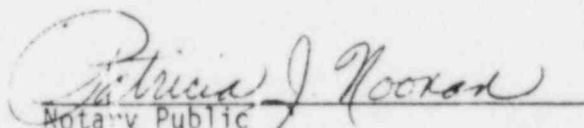
Joint Intervenors' allege that Middle South Utilities, Inc., will ultimately control the operation of Waterford 3. As their only support of this allegation Joint Intervenors reference a newspaper article concerning the implication that

Floyd Lewis, Middle South Chairman and President, threatened to fire James Cain, LP&L and NOPSI President, unless Cain supported a plan under which LP&L and NOPSI would buy larger shares of Grand Gulf than previously agreed. The article however quotes both men, who deny the allegation. The low-power license was granted to LP&L and not Middle South Utilities, Inc. to own and operate the Waterford 3 facility. The implication that Middle South would override LP&L's management of the safe operation of Waterford 3 is unsupported.

5. In conclusion, the Joint Intervenors' motion does not contain any significant new safety issues that have not been previously reviewed by the Staff.

  
Dennis M. Crutchfield

Subscribed and sworn to before me  
this 12<sup>th</sup> day of August 1984.

  
Notary Public

My Commission expires: July 1, 1986.

UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING APPEAL BOARD

In the Matter of )  
LOUISIANA POWER AND LIGHT COMPANY ) Docket No. 50-382  
(Waterford Steam Electric Station, )  
Unit 3) )

CERTIFICATE OF SERVICE

I hereby certify that copies of "NRC STAFF RESPONSE TO JOINT INTERVENORS' MOTION FOR LEAVE TO FILE SUPPLEMENTAL MEMORANDUM IN SUPPORT OF MOTION TO REOPEN" in the above-captioned proceeding have been served on the following by deposit in the United States mail, first class or, as indicated by an asterisk, through deposit in the Nuclear Regulatory Commission's internal mail system, this 12th day of March, 1985.

Christine N. Kohl, Chairman\*  
Atomic Safety and Licensing Appeal  
Board  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

Dr. W. Reed Johnson\*  
Atomic Safety and Licensing Appeal  
Board  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

Howard A. Wilber\*  
Atomic Safety and Licensing Appeal  
Board  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

Sheldon J. Wolfe, Esq., Chairman\*  
Administrative Judge  
Atomic Safety and Licensing Board  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

Dr. Walter H. Jordan  
Administrative Judge  
881 West Outer Drive  
Oak Ridge, TX 37830

Malcolm Stevenson, Esq.  
Monroe & Lemann  
1424 Whitney Building  
New Orleans, LA 70130

Dr. Harry Foreman, Director  
Administrative Judge  
University of Minnesota  
Box 395, Mayo  
Minneapolis, MN 55455

E. Blake, Esq.  
B. Churchill, Esq.  
Shaw, Pittman, Potts &  
Trowbridge  
1800 M Street, N.W.  
Washington, D.C. 20036

Luke B. Fontana, Esq.  
824 Esplanade Avenue  
New Orleans, LA 70116

Lynne Bernabei, Esq.  
Government Accountability Project  
1555 Connecticut Avenue, N.W.  
Suite 202  
Washington, D.C. 20036

Ian Douglas Lindsey, Esq.  
7434 Perkins Road  
Suite C  
Baton Rouge, LA 70808

Brian P. Cassidy  
Regional Counsel, FEMA  
John W. McCormack Post  
Office and Courthouse  
Boston, MA 02109

Atomic Safety and Licensing Board  
Panel\*  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

Docketing and Service Section\*  
Office of the Secretary  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

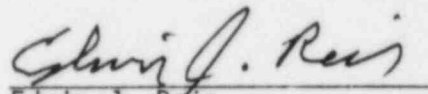
Robert D. Martin  
Regional Administrator, Region IV  
U.S. Nuclear Regulatory Commission  
Parkway Central Plaza Building  
611 Ryan Plaza Drive, Suite 1000  
Arlington, TX 76011

William J. Guste, Jr., Esq.  
Attorney General for the State  
Of Louisiana  
234 Loyola Avenue  
7th Floor  
New Orleans, LA 70112

Carole H. Burstein, Esq.  
445 Walnut Street  
New Orleans, LA 70118

Atomic Safety and Licensing Appeal  
Board Panel\*  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

Mr. Gary L. Groesch  
2257 Bayou Road  
New Orleans, LA 70119

  
Edwin J. Reis  
Assistant Chief Hearing Counsel