



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

March 12, 1980

Docket Nos. STN 50-556
and STN 50-557

Robert Edward Bryant
2646 N.W. Eleventh Street
Oklahoma City, Oklahoma 73107

Dear Mr. Bryant:

Your letter of January 15, 1980 to the Nuclear Regulatory Commission has been referred to me for response. As you know, the construction permit application of Public Service Company of Oklahoma for Black Fox Station, Units 1 and 2, is presently the subject of hearings before an Atomic Safety and Licensing Board. In addition, the Partial Initial Decision on environmental and site suitability matters, which authorized the issuance of a Limited Work Authorization on July 24, 1979, is on appeal before our Atomic Safety and Licensing Appeal Board. Since decisions and rulings by the Licensing Board and Appeal Boards are subject to review by the Commissioners, it would be inappropriate for a member of that body to respond to your inquiry. Accordingly, I am pleased to respond to your concerns.

In regard to unresolved safety issues and the issuance of a limited work authorization for Black Fox, Commission rules provide that certain limited site preparations, excavations and construction of service facilities may be authorized if a favorable environmental impact statement is issued and there is a reasonable assurance that the site is a suitable location for a reactor of the general size and type proposed from the standpoint of radiological health and safety under the Atomic Energy Act of 1954 and the Commission's regulations. After several weeks of testimony on environmental matters and the suitability of site for the Black Fox Station, the Licensing Board in that case issued a Partial Initial Decision on July 24, 1978 authorizing the issuance of LWAs. Accordingly, a LWA for each unit was issued by the NRC Staff on July 26, 1978.

In regard to unresolved safety issues at the construction permit stage, NRC regulations provide that a permit can be issued if the technical or design information required to complete the safety analysis can reasonably be left for later consideration, that the necessary information will be supplied in the final safety analysis report submitted by the utility and that any necessary research is adequately described and will be conducted. Additionally, before a CP can be issued, there must be a reasonable assurance

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that any safety questions will be resolved at or before the latest date stated in the application for completion of construction of the proposed facility. For this reason, any of the 27 so-called safety issues you mentioned which are contained in the Reed Report must either be resolved before a construction permit is issued in this case or have a reasonable assurance of being resolved at or before the latest date stated in the application for completion of construction, which is before an operating license is granted. As you probably know, the Reed Report is a document which was prepared by General Electric in 1974 and 1975 to assess the marketability of its reactors and which has since been classified by the NRC as being proprietary in nature because it contains protected trade secrets or confidential business information.

In order to determine the status of these 27 safety concerns, hearing sessions were conducted by the Black Fox Atomic Safety and Licensing Board to determine, in accordance with our regulations, whether any safety issues contained in that report are unresolved now, and if any are, whether there is a reasonable assurance that they will be resolved at or before an operating license is issued for this plant. Unfortunately, because of the confidential nature of the proprietary information being discussed, only those persons who were participating in the hearing and who signed agreements to protect the information were in attendance. These persons included the legal and technical representatives of the citizen intervenors in this case who had access to and cross-examined on the report in relation to their contentions submitted in the proceeding. While the Licensing Board has not yet issued an opinion on this subject (largely because the final recommendations on corrective actions necessitated by the Three Mile Island accident are not yet available), be assured that in accordance with the Commission's regulations they are required to make the determinations listed above before any construction permit is issued.

In addition, the Licensing Board's decision on the Reed Report, its handling of the report and the conduct of the subsequent hearings will ultimately be reviewed by the Atomic Safety and Licensing Appeal Board assigned to this case and quite possibly the Nuclear Regulatory Commission itself under current licensing policy.

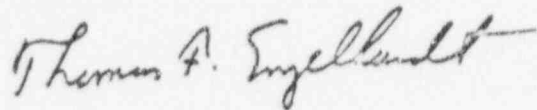
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In regard to the availability of the Reed Report to you, because of the confidentiality and sensitivity of the business information contained therein, our regulations prohibit the dissemination of that information to persons other than parties to an NRC proceeding with a need to know who have duly executed a proprietary agreement designed to protect the contents of the report from public disclosure.

I hope that the information above is responsive to your concerns.

Sincerely,

A handwritten signature in cursive script that reads "Thomas F. Engelhardt". The signature is written in dark ink and is positioned above the typed name.

Thomas F. Engelhardt
Deputy Executive Legal Director