

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of	:	
	:	Docket Nos. 50-445
TEXAS UTILITIES ELECTRIC	:	50-446
COMPANY, ET AL.	:	50-445-2
	:	50-446-2
(Comanche Peak Steam Electric	:	
Station, Units 1 and 2)	:	

APPLICANTS' SUPPLEMENTAL RESPONSES
TO CASE'S INTERROGATORIES
RE: THE MAC REPORT AND
ISSUES RAISED BY THE MAC REPORT

Pursuant to 10 C.F.R. Sections 2.740b and 2.741, Applicants hereby provide their supplemental responses¹ to CASE's Interrogatories in connection with the MAC Report and Issues Raised by the MAC Report dated June 24, 1985. Applicants' supplemental responses are governed by the Memorandum and Order entitled "Memorandum (Motions Relating to the MAC Report)" dated July 22, 1985, and by the Memorandum and Order entitled "Memorandum (Status of Pending Motions)" dated October 29, 1985.

1. On page 2 of Applicants' 5/29/85 cover letter, it is stated that the MAC Report was discovered "in gathering data for a prudence audit being performed for TUEC," and other relevant details are given.

Provide the following regarding such prudence audit:

- (d) Provide the name (and organization and title) of each individual with each of the organizations in (c) preceding who is primarily or actively involved "in being audited"² in such prudence audit.

Answer: As indicated in the response to 1.(c) in Applicants' submittal dated August 12, 1985, the audit is being done solely for Texas Utilities Electric Company and only Texas Utilities Company subsidiaries are

¹ By Agreement between Ms. Ellis and Mr. Horin, the time for filing additional supplemental responses is December 6, 1985.

² Language of Interrogatory modified per Board Memorandum of July 22, 1985, described above.

being audited. Company individuals who have a primary management role in the audit are identified in the response to Interrogatory 1.(f) which follows.

- (f) Who (name, organization, title) determined the purpose and scope of such audit? If such individual(s) consulted with others, provide the name, organization, and title of each such person. Include in your answer a brief discussion of how it was decided that such an audit was to be performed, the scope of such audit, what role each individual played in making such decisions, etc. (i.e., how the whole process evolved).

Answer: After amendments to PURA in the 1983 legislature and the 1984 TUEC rate case, it became apparent to TUEC regulatory services Vice Presidents Messrs. E. L. Watson and T. L. Baker that prudence would become an issue. Through senior management discussion, M. D. Spence, President of TUGCO, and E. L. Watson determined that a Project Audit Team should be formed within TUGCO to assist in preparation and conduct of a prudence audit. A senior management group was formed to oversee the prudence audit. This group presently consists of Messrs. M. D. Spence, T. L. Baker, W. G. Council, Executive V. P., R. L. Gary, Executive V. P., Joe B. George, V. P., and R. A. Wooldridge, Legal Counsel for TUEC. Mr. H. C. Schmidt, Manager of Nuclear Services, was appointed director of a Project Audit Team. The Project Audit Team, with assistance from Richard Metzler and Associates, a consulting firm, developed the general scope of the prudence audit. A copy of the work specification will be made available for inspection.

- (m) Which other audits, reports, analyses, etc., were reviewed or will be reviewed by prudence auditors in connection with the prudence audit?

Answer: Attached are two lists (List A and List B) of audits, reports, and analyses known to have been made available for review by the prudence auditors in connection with the prudence audit.

- (s) Provide copies of all documents (in the broad sense of the word, as defined on page 2, item 3, of this pleading) regarding your answer to items (a) through (r) preceding.

Include copies of all drafts of the prudence audit, as well as the final prudence audit itself.

Answer: There have been no drafts of the prudence audit report, nor is there a final prudence audit report at this time. The other documents referred to in previous answers, including those in List A, attached, will be made available to CASE for inspection and copying at a time mutually convenient to CASE and the undersigned counsel for the Applicants at the offices of Texas Utilities Generating Company, 400 N. Olive Street, Dallas, Texas.

The documents identified in List B, attached, and described in answer to Interrogatory 1.(m) above, are believed by the Applicants to be outside of the scope of the "legitimate purposes" as described in the

Board's Memorandum and Order of July 22, 1985 (at page 2). Consistent with such Order, it is Applicants' understanding that interrogatories are to be answered "to the extent that they relate to the circumstances leading to the discovery of the MAC Report, the extent to which Applicants' employees knew about that report, the root causes for failing to divulge the report, and the possible existence of other reports that may not have been revealed in response to discovery requests." The documents described in List B, in Applicants' view, do not relate to any of the matters which remain in issue in the licensing proceedings. This material would be "relevant only to CASE's . . . appearance before the public utility commission" (see page 2, Board's Memorandum of July 22, 1985, as described above). Such being the case, Applicants do not believe it is appropriate to make these documents available for inspection and copying. Should CASE desire further explanation of the items on List B or question Applicants' position on this matter, the undersigned counsel for the Applicants is agreeable to consider this matter further with CASE at any reasonable time.

Respectfully submitted,

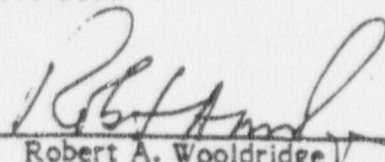
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