

PUBLIC HEARING
SOUTH TEXAS NUCLEAR PROJECT

July 23, 1980

7 p.m.

River Room, Henry B. Gonzalez Convention Hall.

NOTES

Public Hearing called to order at 7 p.m. by Mayor Lila Cockrell.

Among those present: Mayor Lila Cockrell; Mayor Pro-Tem John Steen; City Council members Henry Cisneros, Joe Webb, Helen Dutmer, Frank Wing, Bernardo Eureste, Robert Thompson, Joe Alderete, Gene Canavan, Van Henry Archer; City Manager Thomas E. Huebner; Assistant City Manager Louis J. Fox; City Attorney Jane Macon.

Mayor Cockrell welcomed all and explained the purpose and the ground-rules to be followed in conducting the public hearing (agenda attached). Mayor Cockrell then introduced the invited guests.

Mayor Cockrell then called upon Glenn Biggs, Chairman of the City Public Service Board of Trustees, for his presentation.

Glenn Biggs, Chairman, CPS Board of Trustees-delivered general remarks on the city of San Antonio's progress in recent years, along with the history of power in San Antonio. He stated it is vital to have nuclear power available to San Antonio in order for the city to progress for the future.

Jack Spruce, General Manager, CPS-stated that nuclear and coal are the best for power generation for San Antonio, and expressed his feeling that San Antonio needs the South Texas Nuclear Project (STNP).

Arthur von Rosenberg, Manager, Planning & Development, CPS-narrated an audio-visual presentation on CPS power generation. He noted that STNP Unit 1 is now 58% complete, delayed by revisions in quality control; that Unit 2 is 21% complete, and the total plant is now 43% complete. He stated that STNP's nuclear power has an economic advantage over other fuels, and he compared nuclear fuel costs with other energy sources. He also compared projected costs to produce power by nuclear means versus other energy sources, and stated that CPS recommends continued participation in STNP as the best economic alternative.

Don D. Jordan, President & Chief Executive Officer, Houston Lighting & Power Company-endorsed the CPS reports, and stated that STNP will produce power at a lower cost than other alternatives. He outlined the cost increases of STNP and all energy alternatives and explained changes that had been made by the contractor, Brown & Root, in its organization that will assist STNP progress. He stated he feels that STNP is cost-effective.

Thomas J. Feehan, President, Chief Executive Officer & Director, Brown & Root-outlined construction schedules and cost figures for STNP, and noted that certain self-imposed welding and concrete work stoppages have slowed progress on the project.

Mayor Cockrell then introduced Mrs. Carmen Badillo, President of Communities Organized for Public Service (COPS), for her presentation.

Mrs. Carmen Badillo, President, COPS-stated that her organization has been evaluating the nuclear project. She stated that COPS is not against the South Texas Nuclear Project, only against shoddy construction.

Mrs. Beatrice Cortez, Executive Vice-President, COPS-asked Feehan, the President of Brown & Root, about the total assets of Brown & Root ("several billion dollars"), the firm's profit margin for constructing STNP ("a \$12 million fixed fee") and whether or not he considered STNP a well-constructed project ("yes").

In response to a question by Mrs. Cortez concerning the \$100,000 fine levied by the Nuclear REgulatory Commission, Feehan explained the NRC's allegations made against Brown & Root, and admitted that some were true. A discussion then ensued involving project problems and allegations of problems.

Feehan explained details of the Order to Show Cause issued by NRC, and what is being done about it. He stated that the major problems noted in the Order have already been corrected.

Feehan noted the current estimated completion cost for STNP is some \$2.27 billion, and stated his opinion that the project partners would get their money's worth from the project.

Mrs. Badillo asked Don D. Jordan for an explanation of the Houston Lighting and Power Company system, and a discussion of that system was held. Jordan stated that HLP requires a large amount of power, and always is looking for additional power, above and beyond that already in hand. Asked by Mrs. Badillo about specific problems at STNP, Jordan cited the 10 areas specified by NRC in its Order to Show Cause, but stated that no safety-related problems were found. Jordan then cited some problem areas noted by the STNP contractor such as inspections.

Questioned by Mrs. Badillo as to whether Houston Lighting and Power would allow shoddy construction at STNP, Jordan discussed his firm's commitments to insure that STNP now will run right without mistakes being made. He stated that if any mistakes are found, they will be immediately corrected, and noted that no one is perfect. Jordan stated that the #2 man at Houston Lighting and Power has been committed to directly overseeing STNP on a fulltime basis during construction. Jordan stated that HLP, relative to its continuing power needs, has been meeting for discussions with others including City Public Service of San Antonio about Houston's power needs. He stated that any excess power that San Antonio wants to sell will be purchased by HLP.

Asked by Mrs. Badillo if HLP was willing to buy San Antonio's share of STNP, Jordan stated that he did not cover CPS' share of the project, but if such an offer were made, HLP would 'look into it.'

Jesse Lara, Co-Chairperson of the COPS Committee on Nuclear Power, asked Karl Seyfrit, Director of Region IV, Nuclear Regulatory Commission to discuss the role of NRC in the project. A discussion then was held on the NRC role in overseeing nuclear construction within a 14-state area.

Asked by Lara just when NRC became aware of problems within STNP, Seyfrit noted that he was assigned to Region IV in 1978. He stated that in September 1978, NRC has some concerns about the construction and at that time met with the licensee. As a result, work in several areas at STNP were halted. Seyfrit then discussed a number of allegations made in connection with construction of STNP, including harassment, threats and improper record-keeping procedures. He then discussed how reports are made by the NRC regional office, and noted that the licensee is required to publish certain data and send it to Washington.

Asked by Lara what prompted NRC to levy the maximum fine allowable in connection with the Order to Show Cause, Seyfrit stated that many things determined in NRC's latest investigation, including construction problems, prompted the amount of the fine.

Seyfrit stated that since September 1979, NRC has had a resident inspector on-site, an individual he described as "our eyes and ears on-site", and noted that all partners in STNP receive copies of NRC reports made on the project. He stated that it is NRC's concern that STNP be constructed and operated as well as possible, and stated his confidence that the on-site inspector, along with other inspections that might be performed, are capable of well overseeing construction of STNP.

A discussion then followed concerning how NRC reports are handled and followed up on.

Seyfrit noted that a petition has been filed with NRC in Washington to hold a Public Hearing on STNP, but no final decision yet has been made.

Asked by Lara if, in his opinion, STNP is being built safely and efficiently, Seyfrit answered "absolutely." Asked what would happen if, were not being built safely and efficiently, Seyfrit replied the project's license to operate would be withheld.

Sonia Hernandez, Sacred Heart Parish Area Vice-President, COPS, asked CPS General Manager Jack Spruce to confirm that \$958 million now is CPS' share of STNP, and he confirmed the figure. Spruce also stated his assurance that CPS is paying onto its 29% share of the project. A discussion followed concerning the high utility bills in San Antonio and the amounts that San Antonians are going to be asked to pay for utilities in future years. Spruce explained recent increased costs showing up on CPS customer bills and noted that a portion of that was attributable to the City's continuing 14% in-lieu-of-taxes payments on gross sales of CPS. He stated that literally everything is increasing in cost these days, including fuels to generate power.

Janie Rosales, COPS asked Spruce to explain why CPS needed \$85 million in bonds sold, and Spruce explained the money is needed for San Antonio's portion of costs in STNP, for new transmission lines and for other uses. Spruce stated that if CPS were forced to raised the needed monies through solely rate increases, it would greatly raise CPS utility rates to customers. He stated it was much cheaper to all concerned to pay for bonds over a long period of time.

A discussion took place over the possible effects of delaying the necessary bond funds until perhaps December 1980, and Spruce explained that it could require CPS to dip into its contingency fund, which now stands at some \$30 million.

Mrs. Cortez, commenting on the question-and-answer portion of the hearing, stated that some answers were not very clear. She cited such things as costs, topnotch construction and possible future cost increases to taxpayers as cases in point.

Mrs. Badillo commented on the purpose of the public hearing and noted that STNP's project cost now stands at some \$958 million. She stated that the citizens must know that STNP is worth the continued investment. She also asked for another public hearing in February 1981, before the planned next CPS bond sale.

UNCOMMITTED

Susanne Rupp, League of Women Voters-noted a recent tour of STNP and spoke of the problems found by the Nuclear Regulatory Commission at the plant, noting specifically the welding problems, soil stability and the \$100,000 fine levied by NRC. She stated that the League of Women Voters questions the safety of the construction at STNP, saying that the League's "confidence has been shaken". She recommended that San Antonio secure the services of an independent expert to advise us on our continued participation in STNP.

FOR

Monte J. Wise, 1314 Mt. Vieja-recited San Antonio's energy problems and stated that there have been no major breakthroughs in solar or wind power in the past 50 years. He also commented on how long the various power alternatives will be available.

Martin P. Ross, 9331 Camp Verde, Chairman of PRO-NUC-explained his citizens' organization. He noted cases of regional savings by cities with nuclear power generation, and stated that nuclear plants are a necessity and that the nation must rely on both coal and uranium as sources of power generation.

Julius Braun, 13010 Country Pass-read from a prepared statement, outlining the daily risks citizens face in many areas. He urged City Council to retain its perspective on nuclear power and stated the need for overlapping sources of power.

R.J. Pedretty, San Antonio Manufacturers Assn.-stated that his association supports the South Texas Nuclear Project, and noted his belief that there is no way to replace our power requirements without nuclear power. He stated that STNP will save money in the long run. He commented that STNP will be constructed, whether or not San Antonio participates in it.

F.C. Mengden, 741 Morningside-noted that he was appearing to represent himself. He identified himself as an engineer who has been involved in the nuclear field since 1968. He stated that he is convinced that nuclear power is far preferable to other present forms of energy production, even coal. He stated that he has lived near both nuclear and coal plants, and asked that San Antonio continue its participation in STNP.

Cy Betts, Greater San Antonio Chamber of Commerce and Senior Vice-President, Southwest Research Institute-identified himself as manager of energy group at SWRI, and urged the City Council to continue participation in STNP. He cited the substantial savings to be gained through STNP and called it our best energy buy.

David Hemion, Executive Vice-President, North San Antonio Chamber of Commerce-recommended the City Council approve the CPS bond issue to finance continued participation in STNP. He called STNP our best economic buy for power, and asked CPS to provide monthly or at least quarterly progress reports on construction at STNP.

Dom Pisano, San Antonio Builders Assn.-stated his support for STNP.

Burk Edwards, Director of the Alamo City Chamber of Commerce spoke in place of the registered David Hartfield. He stated that San Antonio needs energy to attract industry, and that nuclear power is necessary to meet our power generation needs. He urged that San Antonio keep its commitment to nuclear power.

William Hudson, 323 Stone Wood Dr.-commented on nuclear fuel cycle and the safety aspects of nuclear power generation. He stated that everyone must answer questions about nuclear power for themselves, and urged citizens to research the subject at the library.

AGAINST

Steven Marshall, Socialist Workers Party-stated his opposition to nuclear power and urged more Public Hearings and an eventual pullout from participation in STNP. He cited several nuclear accidents and stated that birth defects are attributable to nuclear power. He cited defects in the South Texas Nuclear Project, and stated that nuclear power cannot be made safe. He urged an end to construction of STNP.

Loretta Van Coppenolle, Citizens Concerned About Nuclear Power- took issue with the 45-minute limit placed on speakers, and stated that persons from Bay City were not able to appear at the hearing because of the time constraints. She spoke against STNP.

Greg Arnold, Sierra Club-spoke against nuclear powerplants, and cited the alleged poor construction record of STNP.

At this point, Mayor Cockrell stated that her office had received a telephone call from a resident of Bay City relative to the Public Hearing. Mayor Cockrell noted that the Public Hearing was designed to provide a discussion of the South Texas Nuclear Project by San Antonians primarily, but appearances by persons from Bay City were allowable if CCANP wished to include them in their allotted 45-minute time period.

Golfrey Connally, Citizens Concerned About Nuclear Power-identified himself as an economics professor at San Antonio College. He recited the history of costs relating to San Antonio's share of STNP, and presented overhead viewgraphs to show that our participation in STNP became economically unfeasible when costs increased some 85% above initial cost projections. He stated that those costs had reached 104%, and that STNP will cost San Antonio some \$3.4 billion over a 30-year period, making nuclear power generation more expensive than coal.

Lanny Sinkin, Citizens Concerned About Nuclear Power-played a tape recording of data relating the costs to megawatts of power produced. He spoke about reducing San Antonio's participation in the STNP project. He cited an internal memorandum of Brown & Root Construction Company on the subject of intimidation of quality control inspectors, took note of NRC notices of violation at the plant and asked why the NRC regional office in Arlington found problems at STNP.

James Michael Smith, Citizens Concerned About Nuclear Power-identified himself as a former ironworker on the STNP project, and stated that workers at the plant were not pushing hard for completion of the plant because many felt that the plant never would become operational. He spoke about alleged drug usage by workers on-site, and stated that the work on STNP was substandard.

Earl Davis, Citizens Concerned About Nuclear Power-took note that a French magazine was advertising 'nuclear suits' for sale to the public and spoke of his concern about the possibilities of a nuclear accident at STNP.

Bruce Bohmke, Citizens Concerned About Nuclear Power-noted that STNP will be of no further use in 30 years and asked what then would be done with the plant. He stated that there currently exists only three methods of decommissioning a nuclear plant and discussed each possible alternative in decommissioning.

Phil Heaver, Citizens Concerned About Nuclear Power-identified himself as a doctor of physics (Ph.D) and a teacher. He stated that there are significant dollar savings to be made by conserving energy, and stated his opinion that energy conservation is more cost-effective than the STNP. He presented overhead viewgraphs to compare STNP cost estimates with energy conservation methods.

Mona Keen, 2602 Encino, Bay City, Texas-spoke of her concerns about the South Texas Nuclear Project's emissions and their possible effects on area residents. She stated that San Antonio, Houston, Corpus Christi and Austin benefit from STNP but area residents around the nuclear plant do not. She spoke against construction of STNP.

Gwendolyn Rochambeau, speaking for Rebecca Mehke-Martin, Citizens Concerned About Nuclear Power-stated her belief that construction and operation of the South Texas Nuclear Project was immoral.

Doug Duncan, MD-cited the medical aspects of any emission of Uranium 239, stating that one of its results is lung cancer. He stated his belief that there are definite dangers of having a nuclear plant located in this area because of the possibility of an emission escape.

Loretta Van Coppenolle, Citizens Concerned About Nuclear Power-concluded the CCANP presentation by asking that the South Texas Nuclear Project be terminated.

Mayor Cockrell at this point asked for City Council concurrence to allow the remaining two persons registered against the STNP to speak. Concurrence was given, but Carl Henry, Energy Conservation Task Force, stated only that he was not opposed to STNP; and the final registered speaker, Maria Cabral, El Centro del Pueblo, 229 Grenet, was not present.

Mayor Cockrell then called upon William P. Sayles, Chairman of the Board and Chief Executive Officer, Central Power & Light, Corpus Christi to explain CP&L's position relative to STNP. Sayles stated that his utility wanted to get the nuclear plant on-line as soon as possible.

COMMENTS BY CITY COUNCIL MEMBERS

Bernardo Eureste-stated that tomorrow (Thursday) he would have his say on the STNP issue and stated that in the end, political pressure would end STNP. He stated his opposition to the project and to all nuclear energy, and noted that he feels that STNP opponents will prevail. He stated that STNP will be causing rate increases in San Antonio for the next 20 years, and noted his belief that he is not sure that the votes are there to pass CPS' pending 2.4% rate increase.

Frank Wing-thanked COPS for calling for tonight's Public Hearing and for bringing out good questions about the STNP project. He stated he has no qualms on the pending CPS bonds but does have questions about any rate increase.

Helen Dutmer-stated that she is not opposed to STNP but is opposed to a new building for CPS and will vote "no" to CPS bonds, if money for a new building is included.

Joe Webb-stated he has repeatedly stood against the South Texas Nuclear Project, and asked if Karl Seyfrit, Director of Region IV, Nuclear Regulatory Commission, had any additional comments to make.

Seyfrit took note of a previous question asking why it took three years to bring about the latest NRC investigation at STNP. He stated that the facts did not add up to the need for a large-scale investigation for some time, and when they finally did, the large investigation was begun.

Asked by Webb if eventually the STNP will be a 'fail-safe' nuclear project, Seyfrit replied in the negative, stating that a fully 'fail-safe' nuclear project cannot be built by humans. He further stated that only if NRC feels that STNP is safe, will the project be issued a license to operate. There then ensued a discussion of available reactor manufacturers.

Asked by Webb if this Public Hearing will have any bearing on future inspections at STNP, Seyfrit replied that this Public Hearing will not change any plans of NRC. However, he stated that, based upon investigations made of the project thus far, NRC will intensify its investigations of some areas of STNP construction. He also noted that NRC regulations governing construction of nuclear plants may be changing.

There ensued a discussion on disposal of nuclear waste material.

In response to a question by Webb, Don Jordan, President & Chief Executive Officer, Houston Lighting & Power, commented on disposal of nuclear waste material, stating that during the first 10 years of operations at STNP, waste material will be stored on-site in water. After that period, the material will be moved elsewhere to a site yet to be determined. He further stated that the life expectancy of the South Texas Nuclear Project is some 40 years.

Henry Cisneros-took note that opponents of the project had presented a chart dealing with the sensitivity of costs vs. share of the project, and also claimed that STNP participation is not sensitive to fuel or capital costs involved. He asked Don Jordan to comment on those points. Jordan replied that the numbers as presented by the opponents don't conform to figures compiled by Houston Lighting & Power, and further stated that HL&P figures are close to CPS figures in those areas of concern. Cisneros stated he supports the project, but also noted that STNP is a burden, a heavy load on the people of San Antonio. He stressed that we must have the most energy at the best price, and that the project must be cost-effective. Jordan then noted that HL&P also must ask its customers to pay for energy generation.

Robert Thompson-asked Jordan how he views the NRC's \$100,000 fine. Jordan replied that the fine had to be paid by a certain date, and Houston Lighting & Power went ahead and paid the fine before the deadline. He noted that the partners in STNP were presently discussing what should be done about the fine. Jordan stated his belief that all STNP partners were participants together in the project, and feels that HL&P should not have to bear the full cost of the fine as the managing partner of the project.

John Steen-thanked those persons who came from out of town to participate in the Public Hearing, and praised CPS, saying he supports STNP.

Mayor Cockrell-stated that tonight's Public Hearing reinforces her belief that San Antonio is on the right track in power generation by continued participation in STNP, and stated that to do otherwise would put us at the mercy of the coal shippers. She noted that with natural gas and coal shipping rates both hard to control, the only hope for consumers in San Antonio is to stay with STNP. She stated that consumers will have to pay higher rates for the next few years, but can look forward eventually to great future savings in costs of power generation.

Mayor Cockrell adjourned the Public Hearing at 11 p.m.

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