NRC concerned about GSU financial status

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The Nuclear Regulatory Commission, traditionally concerned only with safety issues, now wants to be informed of each new development in Gulf States Utilities Co.'s financial condition.

That concern was strongly expressed in a recent letter from the director of the NRC's Office of Nuclear Reactor Regulation to the head of the River Bend Nuclear Group, the GSU organization that operates River Bend.

Steve Stern, NRC project manager for River Bend, said the letter was sent because GSU has told the Securities and Exchange Commission that the company may have to seek protection from its creditors under the Bankruptcy Code.

"I am concerned that the bankruptcy or even the pendency of bankruptcy could negatively impact activities associated with River Bend Station," Harold Denton wrote in the letter to GSU's William Cahill.

According to Denton, bankruptcy or the threat of bankruptcy could affect the quality of operations at River Bend.

"We foresee that this action could adversely affect the quality of such activities as:"

- Filling necessary positions at River Bend and in the corporate office.
- Implementing training programs and commitments to the NRC.
- Performing scheduled plant maintenance, including implementing preventive maintenance programs.
- Completing scheduled plant design

"SEE GSU, 7A"
GSU spokesman Bill Benedetto said GSU is in the process of drafting a response letter to the NRC. "Right now we do not foresee a problem with the operation of River Bend," Benedetto said. "But only at this time. The situation could change. We'll just have to wait and see.

Stern said that for now the NRC will closely watch GSU and will expect to be kept informed of any changes in the company's financial condition. "If they keep losing operating capital, it's going to get worse," Stern said. "The worry is that if they start losing people (at River Bend), we're going to have to consider our options."

Stern said he does not now know what those options could be. "It hasn't happened yet," he said.

According to Stern, as talk of bankruptcy increases, some highly trained nuclear reactor operators at River Bend, trained specifically for the River Bend reactor, may fear for their jobs and go elsewhere.

"If a plant starts losing a lot of operators, that's going to be a problem, he said.

Another commitment the NRC expects from GSU is a promise that the utility company will tell the NRC of any change in management or corporate assets. "Rearrangement of corporate management or management of corporate assets may require NRC approval," Denton wrote in the letter.

"This should be kept in mind in connection with any change in the control of the corporation or control of the River Bend facility. NRC should be kept informed of developments in this matter."

GSU is licensed to operate River Bend and if changes are made that substantially alter the company to the point where the NRC is not certain that the same people licensed to operate the plant are still in charge, the NRC wants to know, Stern said. "Our concern is if they're rearranging the chairs on the deck, we want to know who's making the decisions," he said. "We've licensed GSU to operate River Bend and if they're not (operating it), we want to know, Stern said."

Stern said the announcement by GSU to the SEC about possible bankruptcy, "got high-level attention immediately from within the NRC.

The letter to GSU is similar to a letter the NRC sent Mississippi Power and Light's Grand Gulf nuclear plant last year, Stern said. "But this letter (to GSU) is much stronger," he said.

Stern said River Bend and Long Island Lighting Co.'s Shoreham nuclear plant are the only two in the country that are close to bankruptcy. "Shoreham is the only other plant that is relatively touch-and-go, but they're not as close as Gulf States, and Shoreham is not an operating plant," Stern said.

Benedetto said that GSU "certainly doesn't expect to operate River Bend if we can't operate it according to NRC guidelines."

Stern stressed that the NRC is "in no way getting involved in any financial decisions" by GSU, but only wants to be kept informed as conditions change. "We're just going to watch it continuously. They (GSU) are going to keep us informed immediately. For instance, this morning (Wednesday) bright and early they called me to tell me about what happened in Louisiana (Tuesday)," Stern said.

On Tuesday the Public Service Commission rejected a $100 million emergency interim rate increase request by GSU.

GSU has said it needs the $100 million, plus a similar emergency increase in Texas, or it will run out of cash and face possible bankruptcy by the first week in March 1987.