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ELD
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RCDeYoung
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ABraitman
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ADromerick
FMiraglia
JLee
ACRS (14)
bcc: J. R. Buchanan, ORM
T. B. Abernathy DTIE
A. Rosenthal, ASLAB
N. H. Goodrich, ASLB

Docket Nos. 50-272
and 50-311

JUL 2 1975

Mr. R. L. Mittl
General Manager - Projects
Engineering and Construction
Department
Public Service Electric
and Gas Company
80 Park Place
Newark, New Jersey 07101

Dear Mr. Mittl:

In response to your letters dated August 14, 1974, September 25, 1974, and June 18, 1975, requesting an extension of the construction completion dates of Provisional Construction Permit Nos. CPPR-52 and CPPR-53, the Nuclear Regulatory Commission has issued an Order extending the construction completion dates for the Salem Nuclear Generating Station, Units 1 and 2. In lieu of the latest completion dates of October 1, 1974 and May 1, 1975, for Units 1 and 2, respectively, as specified previously in the May 10, 1972 Order extending the completion dates of Provisional Construction Permit Nos. CPPR-52 and CPPR-53, the latest completion dates have been extended to December 31, 1976, and May 1, 1979, for Salem Nuclear Generating Station, Units 1 and 2, respectively.

A copy of the Order and the staff's evaluation are enclosed for your information. The Order has been forwarded to the Office of the Federal Register for publication.

Sincerely,

Original signed by
AW Dromerick for/

D. B. Vassallo, Chief
Light Water Reactors Project Branch 1-1
Division of Reactor Licensing

Enclosures:
As Stated

cc: Fred Broadfoot, Esq.
Assistant General Counsel
Public Service Electric & Gas Company
80 Park Place
Newark, New Jersey 07101

Joseph B. Knotts, Jr., Esq.
Conner & Knotts
Suite 1050
1747 Pennsylvania Avenue, N. W.
Washington, D. C. 20006

(See previous concurrences.)

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| SURNAME | | | JLee:pay AWDromerick | | DBVassallo |
| DATE | | | 7/ /75 | 7/ /75 | 7/ /75 |

PUBLIC SERVICE ELECTRIC AND GAS COMPANY, ET AL

SALEM NUCLEAR GENERATING STATION, UNITS 1 AND 2

DOCKET NOS. 50-272 AND 50-311

Order Extending Construction Completion Dates

Public Service Electric and Gas Company, Philadelphia Electric Company, Delmarva Power and Light Company and Atlantic City Electric Company are the holders of Provisional Construction Permit Nos. CPPR-52 and CPPR-53 issued by the Commission on September 25, 1968, for construction of the Salem Nuclear Generating Station, Units 1 and 2 presently under construction in Salem County, New Jersey, on the southern part of Artificial Island on the east bank of the Delaware River in Lower Alloways Creek Township.

On August 14, 1974, Public Service Electric and Gas Company filed a request for an extension of the completion dates because construction has been delayed due to, among other things, (1) an increase in project scope and complexity, (2) redesign of equipment, (3) delayed delivery of equipment, and (4) labor-related problems. On September 25, 1974 and June 18, 1975, Public Service Electric and Gas Company filed additional information in support of its request. The appplicant further states in the September 25, 1974 letter that a reevaluation of its construction program reflecting recently concluded studies of generating capacity requirements, together with the need to adjust its construction to match available financing, has resulted in revised commercial operating dates. The June 18, 1975 letter contained additional discussion concerning the revised load forecast. Unit No. 1 is now scheduled for commercial operation in September 1976 and Unit No. 2, in May 1979 .

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This action involves no significant hazards consideration; good cause has been shown for the delay; and the requested extension is for a reasonable period, the bases for which are set forth in a staff evaluation, dated

IT IS HEREBY ORDERED THAT THE latest completion date for CPPR-52 is extended from October 1, 1974 to December 31, 1976 and the latest completion date for CPPR-53 is extended from May 1, 1975 to May 1, 1979.

FOR THE NUCLEAR REGULATORY COMMISSION

Original signed by R. C. DeYoung

R. C. DeYoung, Assistant Director
for Light Water Reactors Group 1
Division of Reactor Licensing

Date of Issuance:

(See previous concurrences.)

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| DATE➤ | 7/ /75 | 7/ /75 | 7/ /75 | 7/ /75 | | |

July 1, 1975

# EVALUATION OF REQUEST FOR EXTENSION OF PROVISIONAL CONSTRUCTION PERMIT NOS. CPPR-52 AND CPPR-53 FOR THE SALEM NUCLEAR GENERATING STATION, UNITS 1 AND 2 DOCKET NOS. 50-272 AND 50-311

## Introduction

Provisional Construction Permit Nos. CPPR-52 and CPPR-53 were issued to Public Service Electric and Gas Company, Philadelphia Electric Company, Delmarva Power and Light Company, and Atlantic City Electric Company (the applicants) on September 25, 1968. It was stated in the permits that the construction completion dates for the Salem units were May 1, 1972 and May 1, 1973 for Units 1 and 2, respectively. Subsequently, the applicants requested an extension of the construction completion dates and on May 10, 1972, an Order was issued by the Commission which extended the dates to October 1, 1974 and May 1, 1975 for Units 1 and 2, respectively. Acting on its own behalf and that of the other applicants, on August 14, 1974 Public Service Electric and Gas Company (PSE&G) requested a second extension of the completion dates for the construction of Salem Nuclear Generating Station, Units 1 and 2. PSE&G requested that the construction completion dates be extended to February 1, 1976 and February 1, 1977 for Units 1 and 2, respectively.

On September 25, 1974, and on June 18, 1975, PSE&G submitted additional information and provided further explanation of the factors contributing to the construction delays. Further, PSE&G stated that the construction program had been reevaluated recently, and requested that in lieu of its earlier request, the latest completion dates be extended to December 31, 1976, and May 1, 1979, for Units 1 and 2, respectively.

## Discussion

In its letter of September 25, 1974, PSE&G stated that there were several delaying factors contributing towards the request for an extension of the completion dates, as follows:

1. Increase in scope and complexity of the project, partially due to new licensing requirements and/or additional design criteria; for example, the inclusion of ASME Section XI requirements for inservice inspection of Class 2 and Class 3 components, the additional investigation of postulated failures of high energy piping outside containment, and the interpretation and applicability of newly issued Regulatory Guides.

2. Modifications in some systems and equipment as a result of operating experience at other plants. One example is the redesign of steam generator feedwater piping as a result of water hammer and another is the rewinding of the generator stator of Unit No. 1.

3. Delayed delivery for equipment, including a 12-month delay in delivery of air filtration equipment.

4. Labor-related problems, including four strikes, causing an eight-month delay.

In the September 25, 1974 letter, PSE&G further states that a reevaluation of the construction program reflecting recently concluded studies of generating capacity requiremnts, together with the need to adjust construction to match available financing, has resulted in revised commercial operating dates for the Salem units. This consideration was discussed more fully in the applicants' letter of June 18, 1975 which shows that the system load that had been expected (based on a 1971 forecast) to occur in 1975 is now expected (based on a 1974 forecast) to occur in 1979. We have previously found that the applicants are financially qualified to design and construct Salem Units 1 and 2. In addition, an evaluation of the financial qualifications of each participant was recently published in our Safety Evaluation Report dated October 11, 1974. Since October, the general financing climate has improved significantly. We note further that the senior debt of the applicants continues to be rated "A" or better by the major bond rating agencies. Therefore, we consider that the revision in commercial operating dates, based on reevaluated capacity requirements and available financing, is a prudent managerial decision which requires no change in our prior determination. Unit No. 1 is now scheduled for commercial operation in September 1976 and Unit No. 2 in May 1979.

Conclusions

Based on our review of the information supplied by PSE&G, we concluded that the above factors are beyond the applicants' control, are reasonable and that the applicants have shown good cause for the delay in completion of the construction. Based on our evaluation of the causes for the delay and the revised commercial operation dates, we have determined that a period of twenty-seven months for Unit No. 1 and forty-eight months for Unit No. 2 is a reasonable period of time to extend the completion dates.

As a result of our review of the applicants' Final Safety Analysis Report to date and considering the nature of the delays, we have identified no area of significant safety considerations in connection with the extension of the construction permit completion dates. In addition, we find that

the only modification proposed by the applicants to the existing construction permits is an extension of the construction completion dates which does not allow any work to be performed that is not already allowed by the existing construction permits. Therefore, we find that this action does not involve a significant hazards consideration.

Accordingly, issuance of an Order relating to Provisional Construction Permit Nos. CPPR-52 and CPPR-53 extending the latest completion dates for Salem Nuclear Generating Station, Units 1 and 2 to December 31, 1976 for Unit No. 1 and May 1, 1979 for Unit No. 2 is reasonable and should be authorized.

A. W. Dromerick

A. W. Dromerick, Project Manager
Light Water Reactors Project Branch 1-1
Division of Reactor Licensing

A. W. Dromerick

for D. B. Vassallo, Chief
Light Water Reactors Project Branch 1-1
Division of Reactor Licensing