

September 10, 1981

Docket Nos. 50-354/355

Mr. Thomas J. Martin
Vice President-Engineering and
Construction
Public Service Electric and Gas Company
80 Park Plaza, T17C
Newark, New Jersey 07101

Dear Mr. Martin:

Subject: Order Extending Construction Completion Dates - Hope Creek
Generating Station, Units 1 and 2

In response to your request of April 29, 1981, the Nuclear Regulatory
Commission has issued an Order extending the construction completion
dates for the Hope Creek Generating Station. The latest completion
date for Unit 1 has been extended to December 31, 1986 and Unit 2 to
December 31, 1989, respectively.

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

Sincerely,

Original signed by
~~Robert G. Eisenhut~~

Darrell G. Eisenhut, Director
Division of Licensing
Office of Nuclear Reactor Regulation

Enclosures:

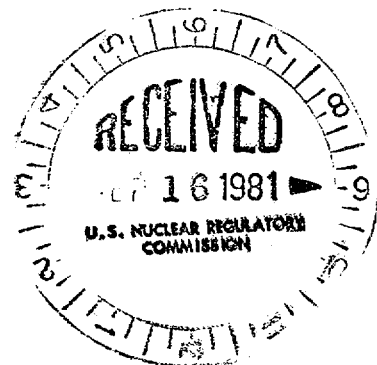
1. Order Extending Construction
Completion Date
2. Staff Evaluation

cc: w/enclosure
See next page

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USGPO: 1981-335-960

Mr. Thomas J. Martin
Vice President-Engineering and
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80 Park Plaza, T17C
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State of New Jersey
36 West State Street
Trenton, New Jersey 08625

Commissioner
Dept. of Public Utilities
State of New Jersey
101 Commerce Street
Newark, New Jersey 07102

Mayor
Lower Alloways Creek Township
Salem County, New Jersey 08079

U.S. Environmental Protection
Agency
ATTN: EIS Coordinator - Reg. II
26 Federal Place
New York, New York 10007

PUBLIC SERVICE ELECTRIC AND GAS COMPANY,

ATLANTIC ELECTRIC COMPANY

HOPE CREEK GENERATING STATION, UNITS 1 AND 2

DOCKET NOS. 50-354 AND 50-355

ORDER EXTENDING CONSTRUCTION COMPLETION DATES

Public Service Electric and Gas Company and Atlantic Electric Company (the Permittees) are the holders of Construction Permits CPPR-120 and CPPR-121 issued by the Atomic Energy Commission* on November 4, 1974. These permits authorize the construction of the Hope Creek Generating Station, Units 1 and 2, presently under construction at the Public Service Electric and Gas Company's site on Artificial Island, near the town of Salem in the State of New Jersey.

On April 29, 1981, the Permittees filed a request pursuant to the Code of Federal Regulations, Title 10, Part 50, Section 50.55(b) for an extension of the construction completion dates for these units because construction has been delayed by the following factors beyond their control:

1. Less than anticipated growth in electrical demand
2. Continuing forecasts of relatively low growth
3. Reduction in anticipated revenues
4. Inadequate rate relief which has prompted the Permittees to reduce capital outlays which, in turn, has led to a reduction in the construction budget.

*Effective January 19, 1975, the Atomic Energy Commission became the Nuclear Regulatory Commission and permits in effect on that day were continued under the authority of the Nuclear Regulatory Commission..

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This action involves no significant hazards consideration; good cause has been shown for the delays; and the requested extension is for a reasonable period, the bases for which are set forth in the staff's evaluation of the request for extension.

The Commission has determined that this action will not result in any significant environmental impact and, pursuant to 10 CFR 51.5(d)(4), an environmental impact statement, or negative declaration and environmental impact appraisal, need not be prepared in connection with this action.

The NRC staff evaluation of the request for extension of the construction permits is available for public inspection at the Commission's Public Document Room, 1717 H Street, N. W., Washington, D. C. 20555 and at the Salem Free Public Library, Salem, New Jersey.

IT IS HEREBY ORDERED THAT the latest completion date for CPPR-120 is extended from May 31, 1981 to December 31, 1986 and that the latest completion date for CPPR-121 is extended from May 31, 1982 to December 31, 1989.

FOR THE NUCLEAR REGULATORY COMMISSION

Original signed by

~~Robert L. Tedesco~~

Darrell G. Eisenhut, Director
Division of Licensing
Office of Nuclear Reactor Regulation

Date of Issuance:
September 10, 1981

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EVALUATION OF A REQUEST FOR EXTENSION OF
CONSTRUCTION PERMITS NOS. CPPR-120 AND CPPR-121
HOPE CREEK GENERATING STATION - DOCKET NOS. 50-354 AND 50-355

Introduction

Construction Permits were issued to the Public Service Electric and Gas Company (PSE&G) and Atlantic Electric Company on November 4, 1974 authorizing construction of the Hope Creek Generating Station, Units 1 and 2, on PSE&G's site on Artificial Island, near the town of Salem in the State of New Jersey. Construction Permit CPPR-120 specified May 31, 1981 as the latest date of completion of Unit 1, and CPPR-121 specified May 31, 1982 as the latest date of completion of Unit 2. The Permittees requested, in a letter dated April 29, 1981, that these completion dates be extended to December 31, 1986 and December 31, 1989, respectively.

Discussion

The Permittees' letter stated that the delay in completion of the Hope Creek Generating Station was due to the following factors which were beyond their control:

1. Less than anticipated growth in electrical demand
2. Continuing forecasts of relatively low growth
3. Reduction in anticipated revenues
4. Inadequate rate relief which has prompted the Permittees to reduce capital outlays which, in turn, has led to a reduction in the construction budget.

Factors 1, 2, 3 and the first part of 4 can be attributed to market conditions beyond the control of the Permittees. They directly affect the Permittees' ability to schedule external financing for the previously planned construction program. As a consequence, the staff believes that the proposed stretch out of this construction program is a prudent managerial decision. This action improves the Permittees' financing flexibility by reducing the immediate necessity to raise large amounts of capital in a difficult and costly financial environment.

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We find that the delay factors indicated in the Permittees' April 29, 1981 request constitute good cause for granting the requested extensions. We have identified no significant hazards considerations in connection with the extensions of the construction completion dates. In addition, we find that the only change proposed by the Permittees to the existing construction permit is extensions of the latest completion dates. These extensions will not allow any work to be performed involving new safety information of a type not considered by a previous Commission safety review of the facility and that is not already allowed by the existing construction permits. Therefore, we find that (1) this action does not involve a significant hazards consideration, (2) prior public notice of this action is not required, (3) there is reasonable assurance that the health and safety of the public will not be endangered by extensions of the construction completion dates, and (4) good cause exists for issuance of an Order extending the completion dates.

Conclusions

Accordingly, issuance of an Order extending the latest completion dates for construction of the Hope Creek Generating Station, Units 1 and 2 to December 31, 1986 and December 31, 1989 respectively is reasonable and should be authorized.

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