

AUG 3 1976

Docket Nos. 50-369
and 50-370

Mr. William O. Parker, Jr.
Vice President, Steam Production
Duke Power Company
P. O. Box 2178
422 South Church Street
Charlotte, North Carolina 28242

Dear Mr. Parker:

In response to your letters dated December 30, 1975 and July 1, 1976 requesting an extension of the completion dates for the William B. McGuire Nuclear Station, Units 1 and 2, the Nuclear Regulatory Commission has issued an Order extending the construction completion dates. In lieu of the latest completion date of February 1, 1976, the construction completion date of Construction Permit No. CPPR-83 has been extended to August 1, 1978; in lieu of the latest completion date of March 1, 1977, the construction completion date of Construction Permit No. CPPR-84 has been extended to August 1, 1979.

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
K. Kniel

Karl Kniel, Chief
Light Water Reactors
Branch No. 2
Division of Project Management

Enclosures:

1. Order Extending Construction Completion Dates
2. Staff Evaluation

cc: See page 2

Distribution

Docket File

NRC PDR

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LWR #2 File

Attorney, ELD

JRutberg, ELD

RCDeYoung

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IVillalva

JLee

FJWilliams

HSmith

BScott, PM

IE (3)

NDube, MIPC

MJinks, OA (w/4 enls
per docket)

WMiller, ADM

ACRS (16)

HDenton, DSE

VAMoore, DSE

RHVollmer, DSE

MLErnst, DSE

WPGammill, DSE

RHeineman, SS

JKnight, SS

DFRoss, SS

RLTedesco, SS

BScharf, OA (15 copies)

DSkovholt

EHughes

EP Project Manager

EP Licensing Assistant

TBAbernathy, TIC

bcc: JRBuchanan, NSIC

ARosenthal, ASLAB

NHGoodrich, ASLBP

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Mr. William O. Parker, Jr.

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cc: Mr. W. L. Porter
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Charlotte, North Carolina 28242

Mr. R. S. Howard
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The Honorable Glenn C. Blaisdell
County Manager of Mecklenburg County
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Dr. Neill Thomasson (AW-459)
Chief, Energy Systems Analysis Branch
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401 M Street, S. W.
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DUKE POWER COMPANY

WILLIAM B. MCGUIRE NUCLEAR STATION, UNITS 1 AND 2

DOCKET NOS. 50-369 AND 50-370

ORDER EXTENDING CONSTRUCTION COMPLETION DATES

Duke Power Company is the holder of Construction Permits Nos. CPPR-83 and CPPR-84 issued by the Atomic Energy Commission* on February 28, 1973, for construction of the William B. McGuire Nuclear Station, Units 1 and 2 presently under construction at the Company's site on the shore of Lake Norman in Mecklenburg County, North Carolina.

On December 30, 1975, Duke Power Company filed a request for an extension of the completion dates. Duke Power Company submitted additional information in support of its request on July 1, 1976. The extension has been requested because construction had been delayed due to, among other things, (1) increased delivery time of materials and components due in part to changing design requirements and the inability of many suppliers to deliver materials at the required time, (2) expected slower rate of load growth than originally anticipated and unfavorable conditions in the financial markets which made it difficult to obtain financial resources on reasonable terms necessary to maintain their previous construction schedule, and (3) decrease in rate of construction progress due to a reduction in work force.

*Effective January 20, 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 delay; and the requested extension is for a reasonable period, the bases for which are set forth in a staff evaluation, dated August 3, 1976.

Copies of the above documents and other related material are available for public inspection and copying at the Commission's Public Document Room, 1717 H Street, N. W., Washington, D. C. 20555 and at the Public Library of Charlotte and Mecklenburg County, 310 North Tryon Street, Charlotte, North Carolina 28202.

IT IS HEREBY ORDERED THAT THE latest completion dates are extended for CPPR-83 from February 1, 1976 to August 1, 1978 and for CPPR-84 from March 1, 1977 to August 1, 1979.

FOR THE NUCLEAR REGULATORY COMMISSION

Original Signed By
R. C. DeYoung

R. C. DeYoung, Deputy Director
Division of Project Management
Office of Nuclear Reactor Regulation

Date of Issuance:

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| DATE> | 7/ /76 | 7/ /76 | 7/ /76 | 7/ /76 | 7/ /76 | |

EVALUATION OF REQUEST FOR EXTENSION OF
PROVISIONAL CONSTRUCTION PERMITS NOS. CPPR-83 AND CPPR-84
FOR THE WILLIAM B. MCGUIRE NUCLEAR STATION, UNITS 1 AND 2
DOCKET NOS. 50-369 AND 50-370

Introduction

On December 30, 1975, Duke Power Company (the applicant) requested an extension of the completion dates for the construction of the William B. McGuire Nuclear Station, Units 1 and 2. In its letter of December 30, 1975, the applicant stated that construction schedules have been revised for various reasons resulting in a total construction delay of approximately 27 months and requested an extension of the construction completion dates from February 1, 1976 to April 1, 1978 for Unit No. 1 and from March 1, 1977 to April 1, 1979 for Unit No. 2. Subsequently, in its letter dated July 1, 1976, the applicant submitted information which discussed the details concerning the construction delays, and requested a further extension for completion until August 1, 1978 and August 1, 1979 for Units 1 and 2, respectively.

Discussion

Duke Power Company attributes the delay to (1) late delivery of materials and components, (2) financial market conditions and expected slower rate of load growth and (3) decrease in the rate of construction progress due to a reduction in work force. An additional delay in the projected commercial operation date for Unit 1 has incurred due to extra time required to perform excavation and delay in shipment of steam generators. Details concerning the delays are as follows:

- (1) The overall delay caused by late delivery of materials and components resulted in an extension of eight and six months respectively of the commercial operation dates of Units 1 and 2. This delay was due to a combination of events, including (a) late delivery of tanks, other equipment and engineering drawings which resulted in a delay in auxiliary building concrete, (b) late release of drawings, late delivery of reinforcing steel, inclement weather, and the complexity of placing reinforcing steel which resulted in a delay in concrete for the reactor building, (c) late delivery of material causing a delay in erection of the containment plate and (d) late finishing of caisson work, inclement weather, and late delivery of embedded condenser circulating water pipe resulting in delays in turbine building substructure concrete and condenser circulating water discharge structures.

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- (2) The applicant states that critical conditions in the financial markets, such as high interest rates, tight credit, and the depressed stock market made it difficult to obtain financial resources on reasonable terms necessary to maintain its previous construction schedule. In addition, the applicant expects a slower rate of load growth than originally anticipated. As a result of rescheduling and to reduce cash flow, the construction work force was reduced by nearly 400. The combination of critical financial conditions and slower rate load growth culminated in the applicant's announcement of a fourteen and sixteen month delay in commercial operation of Units 1 and 2 respectively.
- (3) Based upon the rate of construction progress with the smaller work force and without scheduled overtime, the applicant expects to complete Units 1 and 2 by August 1, 1978 and August 1, 1979 respectively.

Conclusions

Based on our review of Duke Power Company's request, we conclude that the above factors are beyond the applicant's control, are reasonable, and that Duke Power Company has shown good cause for the delay in completion of the construction. Based on our evaluation of the causes for the delay, we have determined that the requested extension is for a reasonable period of time.

As a result of our review of the McGuire 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 completion dates. In addition, we find that the only modification proposed by Duke Power Company to the existing construction permits is an extension of the construction completion dates which does 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) there is reasonable assurance that the health and safety of the public will not be endangered by extension of the construction completion dates, and (3) good cause exists for the issuance of an order extending the completion dates.

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Accordingly, issuance of an order extending the latest completion dates for the construction of the William B. McGuire Nuclear Station, Unit No. 1 to August 1, 1978 and Unit No. 2 to August 1, 1979 is ~~reasonable~~ and should be authorized.

Original signed by

I. Villalva, Project Manager
Light Water Reactors
Branch No. 2
Division of Project Management

Original signed by
K. Kniel

Karl Kniel, Chief
Light Water Reactors
Branch No. 2
Division of Project Management

Dated: AUG 3 1976

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