

JUL 5 1978

Docket 50-341

The Detroit Edison Company  
ATTN: Dr. Wayne H. Jens  
Manager, Engineering  
and Construction  
2000 Second Avenue  
Detroit, Michigan 48226

Gentlemen:

SUBJECT: AMENDMENT NO. 1 TO CPPR-87 - ENRICO FERMI ATOMIC POWER PLANT,  
UNIT 2

Your letters dated May 6, 1977, May 25, 1977 and March 17, 1978, transmitted an application, as amended, for an Amendment to the Fermi 2 Construction Permit. The purpose of the amendment is to provide for the addition of the Northern Michigan Electric Cooperative, Inc., and the Wolverine Electric Cooperative, Inc., as co-owners of the facility and as applicants for all licenses previously requested.

We have reviewed your request for an Amendment to Construction Permit CPPR-87 and have concluded that the Northern Michigan Electric Cooperative and the Wolverine Electric Cooperative are financially qualified to participate in the ownership of Fermi-2. The basis for our conclusion is set forth in the enclosed safety evaluation.

We have also concluded that there will be no environmental impact attributable to the proposed action other than that already predicted and described in the Commission's Final Environmental Statement issued in July 1972 and the Atomic Safety and Licensing Board's Initial Decision of September 22, 1972. Therefore, no environmental impact statement for the proposed action need be prepared. The basis for our conclusion is set forth in the enclosed environmental impact appraisal

Enclosed are Amendment No. 1 to CPPR-87 for Fermi 2 which modifies the construction permit to reflect the changes stated above and a negative declaration to the effect that no environmental impact statement need be prepared.

OFFICE	LWR 1	OELD UKH	OELD/Antitrust	LWR DBV	DPM	DPM
SURNAME	Edgerton/veg	V. Harding	8	DBVassallo	RCDeYoung	RSBoyd
DATE	6/23/78	6/23/78	6/29/78	7/5/78	6/ /78	7/5 /78

CP 4  
BP

The Detroit Edison Company

- 2 -

JUL 5 1978

Also enclosed is a copy of a related notice which has been forwarded to the Federal Register for publication.

Sincerely,

Original signed by:  
Roger S. Boyd

Roger S. Boyd, Director  
Division of Project Management  
Office of Nuclear Reactor Regulation

Enclosures:

1. Amendment No. 1 to  
Construction Permit  
No. CPPR-87
2. Federal Register Notice
3. Safety Evaluation Report
4. Environmental Impact Appraisal
5. Negative Declaration

ccs w/enclosures: See Page 3

OFFICE >						
SURNAME >						
DATE >						



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555

THE DETROIT EDISON COMPANY  
NORTHERN MICHIGAN ELECTRIC COOPERATIVE, INC.

AND

WOLVERINE ELECTRIC COOPERATIVE, INC.  
ENRICO FERMI ATOMIC POWER PLANT, UNIT 2

DOCKET NO. 50-341

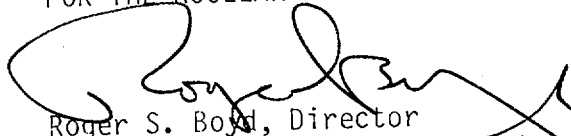
AMENDMENT TO CONSTRUCTION PERMIT

Amendment No. 1  
Construction Permit No. CPPR-87

1. The Nuclear Regulatory Commission (the Commission) having found that:
  - A. The application for amendment to Construction Permit No. CPPR-87 filed May 6, 1977 by the Detroit Edison Company, as amended May 25, 1977 and March 17, 1978, for the purpose of adding Northern Michigan Electric Cooperative, Inc. and Wolverine Electric Cooperative, Inc. as co-owners of the Fermi 2 facility, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended, and the Commission's rules and regulations set forth in 10 CFR Chapter 1;
  - B. The Detroit Edison Company, Northern Michigan Electric Cooperative, Inc. and Wolverine Electric Cooperative, Inc. are financially qualified for joint participation in the ownership of the proposed facility in the ownership percentages stated in the application;
  - C. The issuance of this amendment is in accordance with 10 CFR Part 51; and
  - D. The issuance of this amendment will not be inimical to the common defense or to the health and safety of the public;
2. Accordingly, Construction Permit No. CPPR-87 is amended to reflect a change in the ownership of the facility as follows:
  - A. Paragraph 1 is amended by deleting "The Detroit Edison Company" and substituting "The Detroit Edison Company, Northern Michigan Electric Cooperative, Inc., and Wolverine Electric Cooperative, Inc. as their interests appear in the application to add co-owners, as amended," and by deleting "applicant" and substituting "applicants";

- B. Paragraph 2.C is amended by deleting "applicant" and substituting "applicants";
  - C. Paragraph 2.D is amended by deleting "applicant" and substituting "The Detroit Edison Company"; and
  - D. Paragraph 3 is amended by deleting "applicant submits" and substituting "applicants submit."
- 3. The rights of creditors shall be in accordance with the provisions of 10 CFR Part 50, Section 50.81.
  - 4. This amendment is effective as of the date of its issuance.

FOR THE NUCLEAR REGULATORY COMMISSION



Roger S. Boyd, Director  
Division of Project Management  
Office of Nuclear Reactor Regulation

Date of Issuance: JUL 5 1978

THE DETROIT EDISON COMPANY  
NORTHERN MICHIGAN ELECTRIC COOPERATIVE, INC.

AND

WOLVERINE ELECTRIC COOPERATIVE, INC.  
ENRICO FERMI ATOMIC POWER PLANT, UNIT 2

DOCKET NO. 50-341

AMENDMENT TO CONSTRUCTION PERMIT

Amendment No. 1  
Construction Permit No. CPPR-87

1. The Nuclear Regulatory Commission (the Commission) having found that:
  - A. The application for amendment to Construction Permit No. CPPR-87 filed May 6, 1977 by the Detroit Edison Company, as amended May 25, 1977 and March 17, 1978, for the purpose of adding Northern Michigan Electric Cooperative, Inc. and Wolverine Electric Cooperative, Inc. as co-owners of the Fermi 2 facility, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended, and the Commission's rules and regulations set forth in 10 CFR Chapter 1;
  - B. The Detroit Edison Company, Northern Michigan Electric Cooperative, Inc. and Wolverine Electric Cooperative, Inc. are financially qualified for joint participation in the ownership of the proposed facility in the ownership percentages stated in the application;
  - C. The issuance of this amendment is in accordance with 10 CFR Part 51; and
  - D. The issuance of this amendment will not be inimical to the common defense or to the health and safety of the public;
2. Accordingly, Construction Permit No. CPPR-87 is amended to reflect a change in the ownership of the facility as follows:
  - A. Paragraph 1 is amended by deleting "The Detroit Edison Company" and substituting "The Detroit Edison Company, Northern Michigan Electric Cooperative, Inc., and Wolverine Electric Cooperative, Inc. as their interests appear in the application to add co-owners, as amended," and by deleting "applicant" and substituting "applicants";

OFFICE ➤						
SURNAME ➤						
DATE ➤						

- B. Paragraph 2.C is amended by deleting "applicant" and substituting "applicants";
  - C. Paragraph 2.D is amended by deleting "applicant" and substituting "The Detroit Edison Company"; and
  - D. Paragraph 3 is amended by deleting "applicant submits" and substituting "applicants submit."
3. The rights of creditors shall be in accordance with the provisions of 10 CFR Part 50, Section 50.81.
4. This amendment is effective as of the date of its issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

Original signed by:  
Roger S. Boyd

Roger S. Boyd, Director  
Division of Project Management  
Office of Nuclear Reactor Regulation

Date of Issuance: JUL 5 1978

SEE PREVIOUS YELLOW FOR PREVIOUS CONCURRENCES\*

OFFICE ➤	LWR/1	OELD*	OELD/Antitrust*	LWR	DPM	DPM
SURNAME ➤	Edgerton/red	LKintner	VHarding	DVassallo	RCDeYoung	RSBoyd
DATE ➤	JStoiz	6/25/78	6/28/78	7/5/78	6/ /78	7/5/78
	6/30/78					

- B. Paragraph 2.C is amended by deleting "applicant" and substituting "applicants";
- C. Paragraph 2.D is amended by deleting "applicant" and substituting "The Detroit Edison Company"; and
- D. Paragraph 3 is amended by deleting "applicant submits" and substituting "applicants submit."
- 3. The rights of creditors shall be in accordance with the provisions of 10 CFR Part 50, Section 50.51. *50.81*
- 4. This amendment is effective as of the date of its issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

Roger S. Boyd, Director  
Division of Project Management  
Office of Nuclear Reactor Regulation

Date of Issuance:

*Fred - please check: I think the section number in 43 above should be 50.81 rather than 50.51*

OFFICE	LWR	OELD	OELD/Antitrust	LWR	DPM	DPM
	Edison/red	V. Harding		DBVassallo	RCDeYoung	RSBoyd
SURNAME	LKintner	JStolz				
DATE	6/ /78	6/23/78	6/23/78	6/ /78	6/ /78	6/ /78

UNITED STATES NUCLEAR REGULATORY COMMISSION

DOCKET NO. 50-341

THE DETROIT EDISON COMPANY, ET AL

NOTICE OF ISSUANCE OF AMENDMENT TO CONSTRUCTION PERMIT

Notice is hereby given that the U. S. Nuclear Regulatory Commission (the Commission) has issued Amendment No. 1 to Construction Permit No. CPPR-87, issued to the Detroit Edison Company, Northern Michigan Electric Cooperative, Inc. and Wolverine Electric Cooperative, Inc. The amendment reflects a change in the ownership of the Enrico Fermi Atomic Power Plant, Unit 2 (the facility) located in Frenchtown Township, Monroe County, Michigan. The amendment is effective as of its date of issuance.

The Attorney General's advice letter, which did not recommend an anti-trust hearing, was published in the Federal Register (42 Fed. Reg. 54894) on October 11, 1977. An Atomic Safety and Licensing Board was appointed to consider a petition to intervene raising antitrust questions. The Board denied this petition in an order dated April 7, 1978. This decision was affirmed by an Atomic Safety and Licensing Appeal Board in an order dated May 9, 1978. The proposed amendment was then generally noticed on September 22, 1977 (42 Fed. Reg. 47894). The Atomic Safety and Licensing Board appointed to consider the petitions for leave to intervene submitted in response to this notice denied them in an order dated March 21, 1978.

The amendment provides for the addition of Northern Michigan Electric Cooperative, Inc. and the Wolverine Electric Cooperative, Inc. as applicants

OFFICE >						
SURNAME >						
DATE >						



for all licenses previously requested for the facility and the transfer of 11.22 percent ownership interest to Northern Michigan Electric Cooperative, Inc. and 8.78 percent ownership interest to Wolverine Electric Cooperative, Inc. Detroit Edison Company, with 80 percent ownership, has sole responsibility for licensing, design, procurement, construction, operation and all related functions with respect to the facility.

The application for the amendment complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations. The Commission has made appropriate findings as required by the Act and the Commission's rules and regulations in 10 CFR Chapter I, which are set forth in the amendment.

For further details with respect to this action, see (1) the application for amendment contained in letters dated May 6, 1977, May 25, 1977 and March 17, 1978, (2) Amendment No. 1 to Construction Permit No. CPPR-87 and (3) the Commission's related Safety Evaluation supporting Amendment No. 1 to the above construction permit. All of these items and other related material are available for public inspection at the Commission's Public Document Room, 1717 H Street, N. W., Washington, D. C. and at the local Public Document Room located in the Monroe County Library System, Reference Dept., 3700 South Custer Road, Monroe, Michigan.

OFFICE >						
SURNAME >						
DATE >						

A copy of items (2) and (3) may be obtained upon written request addressed to the U. S. Nuclear Regulatory Commission, Washington, D. C. 20555, ATTN: Director, Division of Project Management.

Dated at Bethesda, Maryland this 6<sup>th</sup> day of July 1978.

FOR THE NUCLEAR REGULATORY COMMISSION

Original Signed by

John F. Stolz

John F. Stolz, Chief  
Light Water Reactors Branch No. 1  
Division of Project Management

\*SEE PREVIOUS YELLOW FOR CONCURRENCE

M OFFICE	LWR #1	LWR #1	*OELD	LWR #1		
SURNAME	Edgerton	LKintner		JFStolz		
DATE	7-3-78	6/30/78		6/30/78		

UNITED STATES NUCLEAR REGULATORY COMMISSION

DOCKET NO. 50-341

THE DETROIT EDISON COMPANY, ET AL

NOTICE OF ISSUANCE OF AMENDMENT TO CONSTRUCTION PERMIT

Notice is hereby given that the U. S. Nuclear Regulatory Commission (the Commission) has issued Amendment No. 1 to Construction Permit No. CPPR-87, issued to the Detroit Edison Company, Northern Michigan Electric Cooperative, Inc. and Wolverine Electric Cooperative, Inc. The amendment reflects a change in the ownership of the Enrico Fermi Atomic Power Plant, Unit 2 (the facility) located in Frenchtown Township, Monroe County, Michigan. The amendment is effective as of its date of issuance.

The amendment provides for the addition of Northern Michigan Electric Cooperative, Inc. and the Wolverine Electric Cooperative, Inc. as applicants for all licenses previously requested for the facility and the transfer of 11.22 percent ownership interest to Northern Michigan Electric Cooperative, Inc. and 8.78 percent ownership interest to Wolverine Electric Cooperative, Inc. Detroit Edison Company, with 80 percent ownership, has sole responsibility for licensing, design, procurement, construction, operation and all related functions with respect to the facility.

The application for the amendment complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations. The Commission has made appropriate

The Attorney General's advice letter, which did not recommend an antitrust hearing, was published in the Federal Register (42 Fed. Reg. 54894) on October 11, 1977. An Atomic Safety and Licensing Board was appointed to consider a petition to intervene raising antitrust questions. The Board denied this petition in an order dated April 7, 1978. This decision was affirmed by an Atomic Safety and Licensing Appeal Board in an order dated May 9, 1978. The proposed amendment was then generally noticed on September 22, 1977 (42 Fed. Reg. 47894). The Atomic Safety and Licensing Board appointed to consider the petitions for leave to intervene submitted in response to this notice denied them in an order dated March 21, 1978.

findings as required by the Act and the Commission's rules and regulations in 10 CFR Chapter 1, which are set forth in the amendment.

For further details with respect to this action, see (1) the application for amendment contained in letters dated May 6, 1977, May 25, 1977 and March 17, 1978, (2) Amendment No. 1 to Construction Permit No. CPPR-87 and (3) the Commission's related Safety Evaluation supporting Amendment No. 1 to the above construction permit. All of these items and other related material are available for public inspection at the Commission's Public Document Room, 1717 H Street, N. W., Washington, D. C. and at the local Public Document Room located in the Monroe County Library System, Reference Dept., 3700 South Custer Road, Monroe, Michigan.

A copy of items (2) and (3) may be obtained upon written request addressed to the U. S. Nuclear Regulatory Commission, Washington, D. C. 20555, ATTN: Director, Division of Project Management.

Dated at Bethesda, Maryland this       day of       1978.

FOR THE NUCLEAR REGULATORY COMMISSION

John Angelo, Acting Chief  
Light Water Reactors Branch No. 1  
Division of Project Management

*concur*  
*Subject to adding two sentences on first page*  
*It with changes recommended*

OFFICE	LWR 1	LWR 1	OELD LAR	LWR 1		
SURNAME	Edgerton/red	LKinther	V. Harding	JStolz		
DATE	6/ /78	6/21/78	6/23/78	6/ /78		

## SAFETY EVALUATION

### SUPPORTING AMENDMENT NO. 1 TO CPPR-87

#### INTRODUCTION

On September 26, 1972, Detroit Edison Company was issued Construction Permit No. CPPR-87 for the Enrico Fermi Atomic Power Plant, Unit 2. On May 6, 1977, Detroit Edison Company requested an amendment to CPPR-87. This request was supplemented on May 25, 1977 and amended on March 17, 1978. The purpose of the amendment is to add Northern Michigan Electric Cooperative, Inc. and Wolverine Electric Cooperative, Inc. as co-owners of a 20 percent interest in the Fermi 2 facility. Of this 20 percent, 11.22 percent was transferred to Northern Michigan Electric Cooperative and 8.78 percent to Wolverine Electric Cooperative. Detroit Edison, with 80 percent ownership, has sole responsibility for licensing, design, procurement, construction, operation and all related functions with respect to the facility.

On September 22, 1977, the Commission published in the Federal Register a Notice of Consideration of Issuance of Amendment to Construction Permit for the Fermi 2 facility to permit any person whose interest may be affected by the proceeding to file a request for a hearing. Petitions for leave to intervene were filed by Mrs. Martha G. Drake and Citizens for Employment and Energy represented by Dr. Robert G. Asperger and Mr. Kim Siegfried. After a prehearing conference on January 19, 1978, the Atomic Safety and Licensing Board (ASLB) allowed petitioners to amend their petitions for the purpose of clarifying their contentions. In its order dated March 21, 1978, the ASLB denied the petitions for intervention because the petitioners contentions either did not meet the requirements of 10 CFR 2.714 or were outside the scope of the limited proceeding to amend the construction permit. In its decision dated April 20, 1978, the Atomic Safety and Licensing Appeal Board affirmed the ASLB's March 21, 1978 Order after considering an appeal of that order by Martha G. Drake.

#### ANALYSIS

Our review of the request for adding co-owners to the Fermi 2 facility has resulted in the conclusion that the activities authorized by this amendment to the Construction Permit would not involve a significant hazards consideration inasmuch as it involves no increase in the probability of an accident, no increase in the consequences of an accident, nor a decrease in safety margins.

OFFICE >						
SURNAME >						
DATE >						

We conclude, therefore, that the activities authorized by this amendment would not constitute an unreasonable risk to the health and safety of the public.

The application for amendment to the construction permit states that neither Northern Michigan Electric Cooperative nor Wolverine Electric Cooperative is owned, controlled or dominated by an alien, a foreign corporation, or a foreign government. We conclude that the activities authorized by this amendment will not be inimical to the common defense and security.

We have evaluated the financial qualifications of Northern Michigan Electric Cooperative and Wolverine Electric Cooperative to participate with Detroit Edison Company as co-applicants in Fermi 2. The Nuclear Regulatory Commission's regulations relating to the determination of an applicant's financial qualifications are Section 50.33f and Appendix C to 10 CFR Part 50. By staff's letter of March 29, 1977, it requested a copy of the participation agreement, which sets forth the conditions of the sale of a 20 percent interest in the Fermi 2 facility. This was submitted on May 6, 1977. Under this agreement, Northern Michigan Electric Cooperative and Wolverine Electric Cooperative would assume a 20 percent share in both the ownership and the cost of operating the facility. Staff also requested satisfactory evidence that the Rural Electrification Administration had taken, or would take, favorable action on approving the pending loan to both Northern Michigan Electric Cooperative and Wolverine Electric Cooperative. The Rural Electrification Administration took favorable action on approving loans to both applicants on September 28, 1977. This financing will cover the applicants' total participation in Fermi 2. Finally, the applicants were asked to describe the extent to which the cooperatives are subject to the rate-setting authority of the Michigan Public Service Commission. Detroit Edison Company, in its letter dated May 4, 1977, replied that cooperatives are subject to the same regulations governing all public utilities. Consequently, security for the cooperatives' long-term financing is a function of the regulatory agency's obligation to allow rates to be set at a level sufficient to cover the cost of service, including the cost of capital. Based on the preceding analysis, we have concluded that Northern Michigan Electric Cooperative, Inc. and Wolverine Electric Cooperative, Inc. are financially qualified to participate in the ownership of the Enrico Fermi Atomic Power Plant, Unit 2. This finding is based on the favorable action taken by the Rural Electrification Administration in approving loans to the applicants, thereby assuring them of a source of funds to finance their respective shares in the project.

OFFICE >						
SURNAME >						
DATE >						

### CONCLUSIONS

For reasons stated in the above analysis we conclude that activities authorized by this amendment: (1) do not involve a significant hazards consideration; (2) would not constitute an unreasonable risk to the health and safety of the public; and (3) are not inimical to the common defense and security.

Based on our evaluation of financial information provided in the application for the amendment as summarized in the above analysis, we conclude that there is reasonable assurance that Northern Michigan Electric Cooperative, Inc. and Wolverine Electric Cooperative, Inc. are financially qualified to participate in the ownership of Fermi 2.



L. L. Kintner, Project Manager  
Light Water Reactors Branch No. 1  
Division of Project Management



John F. Stolz, Chief  
Light Water Reactors Branch No. 1  
Division of Project Management

Dated: JUL 5 1978

OFFICE >	LWR 1	LWR 1				
SURNAME >	LKintner/redJStolz					
DATE >	6/21/78	6/30/78				

ENVIRONMENTAL IMPACT APPRAISAL  
BY THE DIVISION OF SITE SAFETY AND ENVIRONMENTAL ANALYSIS  
SUPPORTING AMENDMENT NO. 1 TO CONSTRUCTION PERMIT CPPR-87  
RELATING TO CHANGE OF OWNERSHIP INTEREST  
ENRICO FERMI ATOMIC POWER PLANT, UNIT NO. 2  
DOCKET NO. 50-341

Environmental Impact Appraisal  
Description of Proposed Action

The action proposed is the issuance of an amendment to the construction permit for the Enrico Fermi Atomic Power Plant Unit No. 2 (CPPR-87) providing for the addition of Northern Michigan Electric Cooperative, Inc. (NMEC) and Wolverine Electric Cooperative, Inc. (WEC) as co-owners with Detroit Edison Company (DE) of the station.

By letter dated February 17, 1977, DE informed the staff that on February 8, 1977, NMEC and WEC entered into an agreement with DE whereby NMEC would own 11.22% of the Fermi 2 facility and WEC 8.78%. Such ownership will be as tenants in common. The participants will share the electrical output and pay construction costs according to their respective share in the facility. DE, which plans to own and be entitled to 80% of the unit, is acting as Applicant and will retain sole responsibility for licensing, design, procurement, construction, operation and all related functions with respect to the facility.

In a March 29, 1977 letter to DE, the staff requested additional information relative to the proposed action. Responses were provided by DE in an enclosure to a June 10, 1977 letter and in Supplement No. 3 to the Environmental Report, Operating License Stage, dated August 8, 1977. Further updating of information pertinent to this action was also provided in Supplement No. 4 to the Environmental Report dated February 28, 1978.

Environmental Impact of the Proposed Action

The staff has reviewed the submittals provided by DE as well as all electricity demand forecasts applicable to Michigan and known to the staff so as to evaluate the current need for power estimates for each of the owners of Fermi Unit No. 2 and to assess the potential environmental impacts of the proposed change in ownership of the facility.

A. Need for Power

The Enrico Fermi Atomic Power Plant Unit No. 2 is now scheduled to begin commercial operation in September 1980 and will have a net

OFFICE ➤						
SURNAME ➤						
DATE ➤						



electrical output of 1093 MWe, 219 MWe of which will be sold to two Michigan Cooperatives. The staff has reexamined the need for Fermi Unit No. 2 in light of the proposed ownership change as well as the numerous revisions to forecasts of demand and capacity plans that have occurred in the last few years.

DE will retain ownership of 874 MWe of Fermi Unit No. 2. Because DE is an integral part of a larger system--Michigan Electric Coordinated System<sup>1</sup> (MECS)-- the staff concludes that a determination of need for 80% of Fermi 2 should be viewed in the context of capacity and peak demand on the MECS.

The staff has reviewed MECS's 1976-77 capacity plans and demand projections and concludes that in order to maintain minimum reliability on the MECS, Fermi Unit No. 2 will be needed within a reasonable time frame of the proposed January 1980 operating date.

The staff bases this conclusion on its review of several forecasting studies which provide demand projections pertinent to the MECS. This review examined forecasts prepared by the Michigan Public Service Commission<sup>2</sup> and the Governor's Advisory Commission on Electric Power Alternatives.<sup>3</sup> Both analyses were prepared specifically for the MECS and represent the product of responsible entities of the Michigan State Government. In addition, the staff has reviewed a forecast of electricity growth for the State of Michigan. This forecast was prepared by the Energy Division of the Oak Ridge National Laboratory.<sup>4</sup> Since the MECS generates about 90% of all the electricity sold in Michigan, it is the staff's opinion that the Oak Ridge forecasting models results for the State of Michigan are substantially comparable to the MECS.

<sup>1</sup>MECS is comprised solely of DE and Consumers Power Company (CP). These two utilities service approximately 90% of Michigan's total electrical needs. They dispatch power as a single entity and coordinate and plan all transmission and generating equipment jointly.

<sup>2</sup>Michigan Public Service Commission, Evaluation of the Consumers Power and Detroit Edison 1974 Load Growth Forecasts, Staff Study 1974-4, December 1974.

<sup>3</sup>Governor's Advisory Commission on Electric Power Alternatives, Final Report, Facts and Recommendations, Lansing, Michigan, August, 1976.

<sup>4</sup>A Regional Forecasting Model for Electric Energy, Oak Ridge National Laboratory, W. S. Chern and B. D. Holcomb, 1977.

OFFICE ➤						
SURNAME ➤						
DATE ➤						

Finally, the staff has considered the Federal Energy Administration's forecast for the east north central region.<sup>5</sup> Although this forecast is not as precise geographically (evaluates growth in a five state region), it is considered here as a secondary reference check on the preceding analyses. In each instance, these independent forecasts indicate that the projections submitted by DE and the MECS are conservative reflections of future growth. For example, with respect to the MECS, the utilities' own forecasts understate 1982 peak demand relative to these projections by between about 600 to 3000 MWe. Thus, the staff concludes that the demand projections on which DE has based its need analysis are conservative and it is reasonable to conclude that the unit will be needed in the proposed time frame.

With respect to the co-ops, both NMEC and WEC show a very substantial need for their 20% share of the Fermi Unit No. 2. In fact, even after their portions of Fermi Unit No. 2 are credited to their net capacities, these systems are still forecasting sizable deficits in their ability to meet internal peak demands. The staff concludes that there exists a need for this capacity on the part of the co-ops although probably not as severe as the co-ops' data suggest. The co-ops are forecasting faster growth in peak demand than the staff feels is warranted based on its review of growth models for the state of Michigan and neighboring utilities. However, since these systems have no other planned generating additions through 1990, a much more modest growth rate, i.e., one compatible with the staff's assessment of growth, would still warrant their participation in Fermi Unit No. 2.

B. Economic Comparison - Coal vs. Nuclear

The Fermi Unit No. 2 is now estimated to have a total capital cost in 1981 dollars of \$948 million. Adding other costs related to fuel, operation and maintenance, property taxes, transmission and distribution facilities, and miscellaneous fees and licenses, results in present worth total generating costs in 1981 of approximately \$2 billion. This represents DE's latest estimate and assumes a 40 year operating life for Unit No. 2. In the Final Environmental

---

<sup>5</sup>U.S. Federal Energy Administration, National Energy Outlook, FEA-N-75/713, February 1976.

Statement related to the construction of Fermi Unit No. 2,<sup>6</sup> the staff estimated 1975 present worth generating costs assuming 30 years of operation at \$572 million. Increases of this magnitude are not unique to nuclear power plants and in fact similar escalation has occurred among coal fired plants which are the primary alternative to a baseload facility such as Fermi Unit No. 2. The staff has recently performed several detailed analyses<sup>7</sup> that demonstrate nuclear's economic advantage over coal in Michigan and neighboring states in the early to mid 1980's. Based on these analyses, the staff contends that the economics of power generation in the east north central region continue to favor nuclear facilities. This is particularly true in the case of Fermi Unit No. 2 because a sizable portion of the capital costs is already sunk and must be deducted from the total costs in any cost comparison. In addition, a coal alternative to Fermi Unit No. 2 would incur a substantial incremental penalty since such an alternative could not become operational until 1983 or 1984 at the earliest (assuming six to seven year lead time). Consequently a coal-fired power plant alternative would bear replacement power costs in the 100's of millions of dollars extending over the period when Fermi Unit No. 2 would have come on-line versus when the coal alternative can be expected on-line. Given these additional costs advantages to Fermi Unit No. 2, the staff concludes that its economic advantage relative to a coal alternative would be sizable.

C. Transmission Lines

The transmission lines specifically related to Fermi Unit No. 2 do not connect directly with transmission facilities of the

---

<sup>6</sup>U.S. Atomic Energy Commission, Final Environmental Statement for Enrico Fermi Atomic Power Plant Unit 2, Docket No. 50-341, July 1972.

<sup>7</sup>See for example -

U.S. Nuclear Regulatory Commission, Final Supplement to the Final Environmental Statement related to Construction of Midland Plant Units 1 and 2, Consumers Power Company, NUREG-0275, June, 1977; and

Testimony of Darrel Nash and Jack Roberts before the Atomic Safety and Licensing Board on Alternative Generating Sources, Marble Hill Nuclear Generating Station, Units 1 and 2, Public Service Company of Indiana, April 1977.

co-ops. Power will be transmitted from Fermi Unit No. 2 to Consumers Power via interconnects. The co-ops will be provided power directly from Consumer Power also via system interconnects. The co-ops plan to increase the capability at the existing interconnects with Consumer Power or construct additional interconnects.

Such planned modifications to the interconnects, however, are essentially independent of whether the co-ops are approved as part owners of Fermi Unit No. 2 since the co-ops would alternatively construct their own additional generating capacity or purchase power directly from DE or Consumer Powers to satisfy demand. These alternative power supply options would also necessitate similar charges to co-ops transmission interconnects and thus are not specifically related to the proposed action.


#### Conclusion and Basis for Negative Declaration


On the basis of the foregoing analysis and the NRC staff evaluation, it is concluded that there will be no environmental impact attributable to the proposed action other than that already predicted and described in the Commission's FES issued in July 1972 and the Board's Initial Decision of September 22, 1972. Having made this conclusion, the Commission has further concluded that no environmental impact statement for the proposed action need be prepared, and that a negative declaration to this effect is appropriate.


Dated ~~MAY 25 1978~~

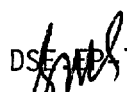
JUL 03 1978

  
Clifford A. Haupt

  
George M. Knighton

 DSE:EP-1  
CHaupt  
5/5/78

OELD   
V. Harding  
6/23/78

 DSE:EP-1  
GM Knighton  
7/5/78

NEGATIVE DECLARATION

SUPPORTING: AMENDMENT NO. 1 TO CONSTRUCTION PERMIT NO. CPPR-87

CHANGE IN OWNERSHIP FOR THE

ENRICO FERMI ATOMIC POWER PLANT, UNIT NO. 2

DOCKET NO. 50-341

The U. S. Nuclear Regulatory Commission (the Commission) has reviewed the Detroit Edison Company's (permittee) request to amend the construction permit for the Enrico Fermi Atomic Power Plant, Unit No. 2 (CPPR-87) which is located in Monroe County, Michigan. The permittee has requested the addition of Northern Michigan Electric Cooperative, Inc. (NMEC) and Wolverine Electric Cooperative, Inc. (WEC) as co-owners with Detroit Edison Company of the facility. NMEC and WEC would own 11.22% and 8.78% of the Fermi Unit No. 2 facility and Detroit Edison would maintain a 80% share of the station and will retain all responsibility related to licensing, construction and operation of Fermi Unit No. 2.

The Commission's Division of Site Safety and Environmental Analysis (staff) has prepared an environmental impact appraisal relative to this change to CPPR-87. Based upon this appraisal, the staff has concluded that an environmental impact statement for this particular action is not warranted because pursuant to the Commission's regulations in 10 CFR Part 51 and the Council of Environmental Quality's Guidelines, 40 CFR 1500.6, the Commission has determined that this change to the construction permit is not a major federal action significantly affecting the quality of the human environment.

OFFICE ➤						
SURNAME ➤						
DATE ➤						

The environmental impact appraisal is available for public inspection at the Commission's Public Document Room 1717 H Street, N. W., Washington, D. C. 20555; and at the Reference Department of the Monroe County Library System, 3700 South Custer Road, Monroe, Michigan 48161.

Dated at Bethesda, Maryland, this *3rd* day of *July* 1978.

FOR THE NUCLEAR REGULATORY COMMISSION

Original Signed by  
Clifford A. Haupt

Clifford A. Haupt, Acting Chief  
Environmental Projects Branch 1  
Division of Site Safety and  
Environmental Analysis

\*See previous yellow for concurrences *CAH for*

OFFICE >	DSE:EP-1	OELD *	DSE:EP			
SURNAME >	CAHaupt:mh	RBlack	RBallard			
DATE >	<i>7/23/78</i>	6/23/78	<i>7/3/78</i> <del>5/25/78</del>			

The environmental impact appraisal is available for public inspection at the Commission's Public Document Room, 1717 H Street, N. W., Washington, D. C. 20555; and at the Reference Department of the Monroe County Library System, 3700 South Custer Road, Monroe, Michigan 48161.

Dated at Bethesda, Maryland, this       day of

FOR THE NUCLEAR REGULATORY COMMISSION

George W. Knighton, Chief  
Environmental Projects Branch 1  
Division of Site Safety and  
Environmental Analysis

OFFICE ➤	DSE:EP-1	OELD <i>LRH</i>	DSE:EP-1			
SURNAME ➤	<i>CAH</i> CAHapt/1k	<i>VR</i> RBlack	<i>GWK</i> GWKnighton			
DATE ➤	5/23/78	5/23/78	5/25/78			

FERMI UNIT 2 AMENDMENT NO. 1 TO CP

July 5, 1978

DISTRIBUTION

Docket File ✓  
NRC PDR  
Local PDR  
LWR 1 File  
ELD - R. Black  
J. Rutberg  
R. S. Boyd  
R. C. DeYoung  
D. B. Vassallo  
J. F. Stolz  
L. Kintner  
E. Hylton (5)  
F. J. Williams  
W. Haass  
M. Jinks, OA (w/4)  
IE (3)  
N. Dube, MIPC  
A. Toalston, AIG  
W. Miller, ADM  
I. Dinitz  
H. Denton  
V. A. Moore  
R. H. Vollmer  
M. L. Ernst  
D. Crutchfield  
W. P. Gammill  
R. J. Mattson  
J. P. Knight  
D. F. Ross  
R. L. Tedesco  
B. Scharf, OA (15 copies)  
D. Skovholt  
Lana A. Cobb, IE  
C. Haupt, EP  
M. Slater, EP

bcc:  
J. R. Buchanan, NSIC  
T. B. Abernathy, TIC  
A. Rosenthal, ASLAB  
J. Yore, ASLBP  
ACRS (16)