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DEC 29 1982

Docket Nos.: 50-440
and 50-441

Mr. Murray R. Edelman, Vice President
Nuclear Group
The Cleveland Electric Illuminating Company
P. O. Box 5000
Cleveland, Ohio 44101

Dear Mr. Edelman:

Subject: Order Extending Construction Completion Dates for the
Perry Nuclear Power Plant, Units 1 and 2

In response to your request of July 21, 1982 and information presented in your letter, dated December 1, 1982, the Nuclear Regulatory Commission has issued an Order extending the construction completion dates for the Perry Nuclear Power Plant, Units 1 and 2.

The latest construction completion dates have been extended from December 31, 1982 to November 30, 1985 for Unit 1 (Construction Permit No. CPPR-148) and from June 30, 1984 to November 30, 1991 for Unit 2 (Construction Permit No. CPPR-149).

A copy of the Order granting the extensions 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
Darrell G. Eisenhut

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A PDR

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

Enclosures:

- Order Extending Construction Completion Dates
- Staff Evaluation

cc w/enclosures: See next page

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DATE	12/14/82	12/16/82	12/17/82	12/21/82	12/21/82	12/29/82

Mr. Murray R. Edelman
Vice President, Nuclear Group
The Cleveland Electric Illuminating Company
P. O. Box 5000
Cleveland, Ohio 44101

DEC 29 1982

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DEC 29 1982

cc: Mayor, Village of Perry
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Perry, Ohio 44081

Mayor, Village of North Perry
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North Perry Village, Ohio 44081

Chairman, Perry Township
Board of Trustees
4169 Main Street
Perry, Ohio 44081

Attorney General
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Ohio Department of Health
ATTN: Radiological Health Program
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UNITED STATES NUCLEAR REGULATORY COMMISSION
THE CLEVELAND ELECTRIC ILLUMINATING COMPANY, et al.
PERRY NUCLEAR POWER PLANT, UNITS 1 AND 2
ORDER EXTENDING CONSTRUCTION COMPLETION DATES

The Cleveland Electric Illuminating Company, Duquesne Light Company, Ohio Edison Company, Pennsylvania Power Company, and the Toledo Edison Company (collectively, the applicants) are the holders of Construction Permits Nos. CPPR-148 and CPPR-149 issued by the Nuclear Regulatory Commission on May 3, 1977 for construction of the Perry Nuclear Power Plant, Units 1 and 2 which is presently under construction at the Permittees' site located on Lake Erie in Lake County, about 11 km (7 miles) northeast of Painesville, Ohio. On July 21, 1982 the applicants 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 Perry Nuclear Power Plant, Units 1 and 2 because construction has been delayed due to the following factors:

1. Projections of the growth rate in the demand for electricity have been significantly reduced as a result of the slowdown in industrial growth, increased availability of natural gas, and conservation efforts by customers. This reduced growth rate has delayed the need for the capacity to be supplied by the Perry units.
2. Numerous changes and additional requirements for plant design and analysis have been incorporated, including those required by the Commission as a result of the Three Mile Island accident and during the course of the NRC's regulatory review.

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- 3. Increasing financing requirements caused by changes in plant design, increased plant construction costs and the sustained high rates of inflation during the past several years, have increased the difficulties in obtaining capital funds.

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 safety 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 50.54(d)(4), an environmental impact statement, or negative declaration and environmental impact appraisal, need not be prepared in connection with this action.

The applicants' letters, dated July 21, 1982 and December 1, 1982, and the NRC staff's safety evaluation supporting the Order for extension of the latest construction completion dates are available for public inspection at the Commission's Public Document Room, 1717 H Street, N. W., Washington, D. C. 20555 and at the Perry Public Library, 3735 Main Street, Perry, Ohio 44081.

IT IS HEREBY ORDERED THAT the latest construction completion dates for the Perry Nuclear Power Plant be extended from December 31, 1982 to November 30, 1985 for Unit 1 (CPPR-148) and from June 30, 1984 to November 30, 1991 for Unit 2 (CPPR-149).

Original signed by
Darrell G. Eisenhower

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

Date of Issuance **DEC 29 1982** *No legal effect*

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STAFF SAFETY EVALUATION FOR EXTENSION OF THE
LATEST CONSTRUCTION COMPLETION DATES FOR THE
PERRY NUCLEAR POWER PLANT, UNITS 1 AND 2

INTRODUCTION

Construction Permit Nos. CPPR-148 and CPPR-149 were issued to the Cleveland Electric Illuminating Company (CEI) for Perry Units 1 and 2 on May 3, 1977. In a letter dated July 21, 1982 (D. R. Davidson to H. Denton), CEI requested that the Construction Permits be changed to extend the latest construction completion dates for Unit 1 from December 31, 1982 to November 30, 1985; from June 30, 1984 to November 30, 1991 for Unit 2. At the time this request was received, Unit 1 was approximately 85% completed and Unit 2 was about 45% completed. By letter dated December 1, 1982 (M. R. Edelman to B. J. Youngblood), CEI supplemented its July 21, 1982 letter further amplifying the factors which necessitate extending the Perry plant construction completion dates.

DISCUSSION

The factors identified by CEI for extending Unit 1 and 2 construction completion dates are summarized as follows:

1. Reduced Growth in Electricity Demand

In January 1980, the Central Area Power Coordinating Group (CAPCO), a group comprised of CEI and other utilities which are financial partners with CEI in the Perry Project, completed a thorough analysis of the electrical power generation needs of the area they service. Based on the power demand estimates concluded at that time, the commercial operation of Perry Units 1 and 2 was projected to be May 1984 and May 1988, respectively. However, reduction in power demand which occurred in the area serviced by CEI since January 1980 has resulted in the cancellation and/or delay of several proposed power generating facilities, including a delay in the need for Perry. This factor is alleged to have delayed Unit 1 by one year and Unit 2 by four years.

2. TMI-2 Accident and Resulting NRC Imposed Requirements

NRC requirements imposed on Perry as the result of TMI-2 involved major design, construction and operation changes in the areas of emergency response, combustible gas control, human factors reviews, containment design, ATWS, control rod drive system design, and equipment qualification. The need to implement the changes required has had a significant impact on Perry critical path construction activities, the cumulative affect of which has delayed Unit 1 construction by about one year, and Unit 2 by about four years.

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BUDGETARY CONSTRAINTS

Difficulty has been experienced by CEI, and CAPCO in general, in obtaining capital funds, primarily because of the high interest rate economic climate which has prevailed up until the last few months of 1982. This capital investment scenario has necessitated CEI to choose a course of budgetary constraint which had a direct effect on construction schedule activities. This factor is alleged to have delayed Unit 1 work by about one year and Unit 2 activities by about 4 years.

In addition to these factors, certain contingencies have been considered by CEI in making the requested CP schedule changes. Contingencies identified include the possibility of future new NRC requirements being imposed, delays in completing the Board hearing process, future labor problems, the need to continue to maintain budgetary constraints, and the possibility of further reduction in power demand. CEI estimates that these contingencies could further delay completion of Units 1 and 2 by one to two years.

Evaluation Findings

The project manager has evaluated the factors identified by CEI in its letter of July 21, 1982, in light of the additional information provided in CEI's supplemental letter of December 1, 1982, and has informally consulted other NRC staff involved in the Perry OL-Proceeding. Based on this coordinated assessment, it has been determined that:

1. The factors contributing to the extension request represent conditions beyond the control of CEI's ability to maintain initial schedule completion dates for Units 1 and 2; and that CEI has therefore shown good cause for the delays and contingencies identified in their letters of July 21 and December 1, 1982.
2. The CP change pertains solely to Unit 1 and 2 construction completion dates which will involve the presence of the work force for a longer period of time at the site. The presence of the construction work force at the site was considered by the staff to have minimal environmental impact during the CP-Licensing period review, which is documented in the CP-Final Environmental Statement. As a result of this review, and considering the nature of the delays, the NRC staff has identified no area of significant safety consideration in connection with the extension of the CP completion dates for Perry, Units 1 and 2. To reiterate, the only change proposed by CEI for the existing CP's is an extension of the latest construction completion dates. This extension will not allow any work to be performed involving new safety information of a type not considered by the previous Commission safety reviews of the facility; and that is not already allowed by the existing CP's.

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In summary, the staff therefore finds that (a) this action does not involve a significant hazards considerations, (b) 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 the requested extension of the construction completion dates, and (d) good cause exists for issuance of an Order extending the latest construction completion dates.

CONCLUSION

It is recommended that an Order be issued authorizing the changes requested in the Construction Permit (CPPR-148) to reflect a November 30, 1985 construction completion date for Unit 1, and the change requested in Construction Permit (CPPR-149) to reflect a November 30, 1991 construction completion date for Unit 2.

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John J. Stefano, Project Manager
Licensing Branch No. 1
Division of Licensing

B. J. Youngblood, Chief
Licensing Branch No. 1
Division of Licensing

Dated: DEC 29 1982

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DISTRIBUTION FOR ORDER EXTENDING CONSTRUCTION COMPLETION DATES FOR PERRY
NUCLEAR POWER PLANT, UNITS 1 AND 2

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