

JUL 02 1974

Docket No. 50-286

Mr. William J. Cahill, Jr.
Vice President
Consolidated Edison Company
of New York, Inc.
4 Irving Place
New York, New York 10003

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MBAycock
JLee
TR Branch Chiefs
LWR 1 & 2 Br. Chiefs
ACRS (16)

Dear Mr. Cahill:

As a result of our continuing review of your application to operate Indian Point Unit 3, we have identified certain outstanding items that must be resolved prior to arriving at a decision concerning the issuance of an operating license. These outstanding items have been discussed with Mr. R. Remshaw by telephone and we understand that a FSAR supplement is in preparation to respond to the majority of them.

Enclosure 1 delineates the specific information that we require to complete our evaluation of the outstanding items. The FSAR supplement presently in preparation should be expanded to include all of the information requested in Enclosure 1 before submittal to prevent the necessity for another iteration of questions and responses on these matters.

None of the information requested in Enclosure 1 deals specifically with the technical specifications, although our review of the technical specifications is not complete at this time. We plan to continue our review of the technical specifications in July.

To permit us to conclude our evaluation of these outstanding items on a schedule consistent with our current schedule for issuing a supplement to the Indian Point 3 Safety Evaluation Report, we request that you provide responses to the information requested in the form of a supplement to the FSAR by July 26, 1974.

If you have any questions on these matters, contact Mr. M. B. Aycock the Licensing Project Manager for the OC Review of Indian Point Unit 3.

Sincerely,

Original signed by
Alexander Dromerick *for*

D. E. Vassallo, Chief
Light Water Reactors Project Branch 1-1
Directorate of Licensing

Enclosure: As stated

cc: See page 2

OFFICE	LWR 1-1	LWR 1-1	8111120659 740702 PDR ADOCK 05000286 A PDR
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ENCLOSURE 1
REQUEST FOR ADDITIONAL INFORMATION
INDIAN POINT UNIT 3
DOCKET NO. 50-286

4.0 REACTOR COOLANT SYSTEM

4.33 We have reviewed your commitment submitted in Supplement 26 to the FSAR concerning installation of a loose parts monitoring system in Unit 3 and find it unacceptable. Our position is that a loose parts monitoring system must be installed at Indian Point Unit 3 prior to operation. Accordingly, provide a commitment to comply with this position and a description of the loose parts monitoring system to be installed at Unit 3.

5.0 CONTAINMENT

5.42 We require that an acceptable plan for the utilization of any seismic data acquired in the event of an earthquake be developed prior to operation of Unit 3. Accordingly, provide the criteria and procedures that will be used to compare measured responses of Seismic Category I structures and selected components in the event of an earthquake with the results of the system dynamic analyses.

9.0 AUXILIARY SYSTEMS

9.35 With regard to the adequacy of cooling water to the emergency diesels following a postulated loss-of-coolant accident, you have proposed to realign the nuclear service water system and the conventional service water system as part of the switch over of the ECCS from the injection phase to the recirculation phase. You have further indicated that the results of a computer analysis for various postulated break locations in the service water systems indicates that adequate cooling will be provided to the diesels with the proposed realignment. With regard to your proposal and the computer analysis performed, provide the following:

- (1) A presentation of the results of the computer analysis for the postulated breaks in the service water systems.
- (2) A brief description of the modifications to the switchover procedure to incorporate realignment of the service water systems.
- (3) A description of the tests to be conducted, including testing configurations, to verify the validity of the computer code used in the analysis of postulated breaks.

JUL 02 1974

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- (4) A presentation of the predicted test results using the computer code used in the analysis of postulated breaks.
- (5) A commitment to submit the actual test results for our review with a discussion of the validity of the computer code as determined by a comparison of the predicted and actual test results.

9.36 At Indian Point Unit 2 an incident occurred in which one of the refrigeration type dryers in the instrument air system became frozen causing a loss of instrument air. As a result of this incident certain modifications were made at Unit 2 to minimize the possibility of a recurrence of this type of incident. These modifications included the installation of an automatic bypass around the dryer and appropriate alarms in the control room to alert the operator that the dryer had been bypassed.

It is our understanding that you intend to make the same or similar modifications on Unit 3. Accordingly, describe the modifications to be made and discuss how the proposed modifications will minimize the possibility of a loss of instrument air. Also, provide your schedule for completion of this modification.

10.0 STEAM AND POWER CONVERSION SYSTEM

10.23 Consolidated Edison has indicated that, to protect against turbine overspeed, modifications will be made to the steam supply system to the low pressure turbine. The modifications will involve the installation of steam dump lines to extract steam from the moisture separators and to route this steam to the condenser through dump valves. Provide a description of the modifications to be made and the criteria to be used in the design of the low pressure steam dump lines and associated equipment. In addition, provide your schedule for the installation of the dump lines.

10.24 As a result of the feedwater line crack incident at Indian Point Unit 2 on November 13, 1973, certain modifications were made to Unit 2 including modifications to the feedwater line (Loop No. 22), the steam generator internals and the main feedwater regulating valves. In addition, additional restraints were installed on the four feedwater lines inside containment and bypass lines will be installed on each of the four feedwater regulating valves. It is our understanding that the same or similar modifications will be made to Indian Point Unit 3. Accordingly, provide a description of the physical and procedural modifications to be made to Unit 3 to prevent recurrence of the same type of incident at Unit 3. Also, provide a discussion of how the modifications will prevent recurrence of the waterhammer problem that initiated the incident at Unit 2 and provide a schedule for carrying out the necessary modifications.

JUL 02 1974

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10.25

Consolidated Edison has committed to construct a four foot high dike in the turbine building at the 15-foot elevation to prevent disabling the vital electrical switchgear in the adjoining control building in the event of flooding due to circulating water system line or expansion joint failure. Accordingly, provide a description of the dike to be constructed including a drawing to indicate its location and orientation. In addition, provide a discussion and results of the analysis performed to show that the dike as constructed will perform its function of preventing damage to the vital electrical equipment in the adjoining control building and your schedule for completion of the dike.

JUL 02 1974

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11.0 WASTE DISPOSAL AND RADIATION PROTECTION

11.14 In our letter to you of November 6, 1973, we indicated that the acceptability of the radioactive waste treatment system with regard to satisfying the "as low as practicable" guidelines was subject to the installation of monitors at the blowdown flash tank rooftop vents at Units 1 and 3. Accordingly, provide a commitment to install these monitors prior to the operation of Unit 3.

11.15 With regard to the fixed gaseous and air particulate monitors to be installed in the control room, fuel handling and storage area and radwaste area; provide a technical description of these monitors and a description of their locations in these areas.

JUL 02 1974

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13.0 INITIAL TESTS AND OPERATION

13.7 Your response to staff Question 13.5 as presented in Supplement 22 to the PSAR is not acceptable. We require that both the shutdown-from-outside the control room and loss-of-offsite power tests be performed from a power level of greater than or equal to 10%. Provide a commitment to perform these tests at the required power level.

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JUN 17 1974

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Docket	OGC - JMurray
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RCDeYoung	JLee
DBVassallo	LWR 1-1 Rdg.
KGoller	LWR 1-1 File

Docket Nos. 50-3
50-247
and 50-286✓

Mr. William J. Cahill, Jr.
Vice President
Consolidated Edison Company
of New York, Inc.
4 Irving Place
New York, New York 10003

Dear Mr. Cahill:

We have reviewed your response to our May request for financial information regarding the Indian Point facilities and have found that additional information is required to complete our evaluation. The specific information required is set forth in Enclosure 1 to this letter.

We request that you provide a complete and fully adequate response to the information requested within ten (10) days from receipt of this letter so that we may proceed in an expeditious manner with our evaluation of Consolidated Edison's financial qualifications with respect to the Indian Point facilities.

As soon as possible after receipt of your responses to the enclosed request for additional financial information, we would like to meet with you and your representatives to discuss the information contained in your responses and to seek any further clarification that we might need at that time.

We also request that at this planned meeting you be prepared to discuss one additional point. This is in regard to the one central assumption made in your response to our initial questions which is that the Power Authority of the State of New York will purchase Indian Point Unit 3 and Astoria No. 6. All indications to date substantiate the fact that this is a reasonable assumption. However, since the enabling New York State legislation requires certain approvals and a public hearing before the sales can be consummated, you should be prepared to discuss Consolidated Edison's prospective financial condition should either or both of the sales not be completed as assumed.

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Consistent with our letter of May 16, 1974 to Mr. Anthony Z. Roisman (Enclosure 2), we plan to invite Mr. Roisman to attend the meeting as an observer.

We will contact you by phone to set a specific date for the meeting. If you have any questions regarding this request or the proposed meeting, please contact us.

Sincerely,

A. Giambusso

A. Giambusso, Deputy Director
for Reactor Projects
Directorate of Licensing

Enclosures:

1. Request for Additional Financial Information
2. Ltr. to Anthony Z. Roisman dtd May 16, 1974

cc: See Page 3

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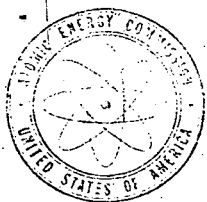
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ENCLOSURE 1

REQUEST FOR FINANCIAL INFORMATION TO EXPAND AND
SUPPLEMENT CONSOLIDATED EDISON COMPANY'S REPLY TO
STAFF'S FINANCIAL DATA REQUEST OF MAY 15, 1974
INDIAN POINT STATION, UNITS 1, 2, AND 3

9. Provide the dollar amount Consolidated Edison has invested in Indian Point Unit 3 and the estimated amount to complete the unit. Consolidated Edison's response to Questions 1 of our request of May 15, 1974 reported amounts applicable to both Astoria Unit 6 and Indian Point Unit 3.
10. Consolidated Edison's response to Question 4 of our May 15, 1974 request regarding sources of construction funds failed to provide sufficient detail for an evaluation of financial qualifications. Accordingly, identify and state the amount of each major system-wide source of construction funds for the 12 months' period beginning June 1, 1974 using as sources of construction funds the following: (a) security issues and other funds -- retained earnings (net income less preferred and common dividends), deferred taxes, investment tax credit, and depreciation and amortization. Any assumptions, for example those regarding cost of funds and the effect of requested rate increases, should be explained.
11. Consolidated Edison's response to Question 5 of our May 15, 1974 request stated that "in its recent grant of a temporary rate increase to Consolidated Edison, the New York Public Service Commission fixed such increase at an amount which was designed to produce an interest coverage ratio of 2.1:1 for the Company's next planned bond issue." Provide the following information regarding this statement: (a) the status of requests for rate increases still pending before regulatory agencies, and (b) the approximate date and amount of the next bond issue and the details of the interest coverage calculations supporting the target 2.1 coverage.
12. Consolidated Edison's response to Question 8 of our May 15, 1974 request was the submittal of the 1973 annual report to stockholders. More recent balance sheets, income statements, and sources and applications of funds statements are normally available as interim financial statements. Accordingly, provide the most recently prepared interim financial statements including balance sheets, income statements, and sources and applications of funds statements.



UNITED STATES
ATOMIC ENERGY COMMISSION
WASHINGTON, D.C. 20545

Docket Nos. 50-3
50-247
and 50-286

MAY 16 1974

Anthony Z Roisman, Esq.
Counsel for Citizens Committee
for Protection of the Environment
1712 N Street, N. W.
Washington, D. C. 20036

Dear Mr. Roisman:

Thank you for your letter of May 3, 1974. We have been following the situation relating to Consolidated Edison's apparent financial difficulties and have concluded that it is necessary for us to obtain further specific current information with respect to these reported financial difficulties.

We have sent the enclosed letter to Consolidated Edison requesting prompt answers to the questions set forth in the enclosure to the letter. We expect to meet with representatives of the Company shortly and we will notify you of such a meeting so that you may attend, if you wish. After receipt and assessment of this information, we will inform you of our determination with respect to whether any further action or information is required and whether a specific investigation or show cause order is warranted.

Sincerely,

(signed) L. Manning Muntzing

L. Manning Muntzing
Director of Regulation

Enclosure:

Ltr to Consolidated Edison
Re: fm A. Giambusso dtd May 16, 1974

cc: See page 2

Anthony Z. Roisman, Esq.

- 2 -

cc: Chairman Ray (w/incom.)
Commissioner Larson (w/incom.)
Commissioner Doub (w/incom.)
Commissioner Kriegsman (w/incom.)
Commissioner Anders (w/incom.)
E. J. Bauser, Joint Committee
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Atomic Safety & Licensing Appeal Board
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Docket Nos. 50-3
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and 50-286

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LWR 1-1 File

Mr. William J. Cahill, Jr.
Vice President
Consolidated Edison Company
of New York, Inc.
4 Irving Place
New York, New York 10003

Dear Mr. Cahill:

In recent weeks, through a number of reports in the press and through Consolidated Edison's own press release, we have become aware of Consolidated Edison's current financial difficulties. We have also become aware of the legislation presently before the New York State legislature that would authorize the purchase of Indian Point Unit 3 by the Power Authority of the State of New York (PASNY).

In view of these developments, we require current information on Consolidated Edison's financial conditions and financing plans so that we may ascertain the status of the Company's financial qualifications with respect to the Indian Point facilities.

The specific information we require is set forth in Enclosure 1 to this letter. We request that you respond within ten (10) days from receipt of this letter, so that we may determine as promptly as possible, whether any additional action or information is required.

Sincerely,

Original Signed By

A. Giambusso

A. Giambusso, Deputy Director
for Reactor Projects
Directorate of Licensing

Enclosure:
Request for Additional
Financial Information

cc: See page 2

OFFICE	LWR 1-1	LWR 1-1	AD:LWR 1	DD:RP		
SURNAME	MAycock:ms	DBVassallo	RCDeYoung	AGiambusso		
DATE	5/ /74	5/ /74	5/ /74	5/ /74		

APPL
Ry

Mr. William J. Cahill, Jr.

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Counsel for Citizens Committee
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1712 N Street, N. W.
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**bcc: Chairman Ray
Commissioner Larson
Commissioner Doub
Commissioner Kriegsman
Commissioner Anders
E. J. Bauser, Joint Committee
on Atomic Energy
Atomic Safety & Licensing Board
Atomic Safety & Licensing Appeal Board**

ENCLOSURE 1

REQUEST FOR ADDITIONAL FINANCIAL INFORMATION
CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

INDIAN POINT STATION, UNITS 1, 2, AND 3

DOCKET NOS. 50-3, 50-247 & 50-286

1. Describe the probable arrangements that would be allowed by the enabling State legislation under which Consolidated Edison would sell Indian Point 3 to the Power Authority of the State of New York (PASNY).
2. Indicate the sources of funds for completion of the construction of Indian Point Unit 3.
3. Identify and state the amount of each major system-wide source of construction funds which will be realized during the twelve months' period beginning June 1, 1974 assuming all of the following:
 - a) Indian Point Unit 3 is not sold to PASNY.
 - b) Indian Point Unit 3 will be completed and on-line on schedule.
 - c) Fuel costs and interest rates remain at their present levels.

If the aggregate amount of the estimated construction funds is less than the construction budget without adjustment for the sale of the units and completion of their construction by PASNY, indicate whether or not certain construction projects (describe and state the dollars involved) could be delayed to bring about a parity between estimated construction funds and the construction budget.

4. Identify and state the amount of each major system-wide source of construction funds for the twelve months' period beginning June 1, 1974, assuming all of the following:
 - a) Indian Point Unit 3 is sold to PASNY at the earliest probable date.
 - b) The sales price that would be received by Consolidated Edison at the date of sale assumed in (a) above.
 - c) The earliest probable date for initial operation of Indian Point Unit 3 by Consolidated Edison as lessee and PASNY as lessor.
 - d) Fuel costs and interest rates remain at their present levels.

MAY 15 1974

5. Indicate the "net earnings available for interest" and the "aggregate amount of annual interest charges" as defined in Section 4.01 of the Mortgage Trust Indenture dated as of April 1, 1946 for the most recent twelve months' period. Also, provide projections of such amounts for the twelve months' period beginning June 1, 1974 using (a) the assumptions described in item 3 above and (b) the assumptions in item 4 above.
6. Provide copies of the most recent "Net Earnings Available for Interest Certificate" prepared in connection with the issuance of mortgage bonds under the indenture noted above in item 5.
7. Indicate the average age of accounts receivable applicable to the following classes of electric service: (a) residential, (b) commercial-industrial, (c) railroads and railways, (d) public authorities, and (e) other electric utilities as of the latest available date and the corresponding date of the previous year.
8. Provide copies of Consolidated Edison's most recent balance sheet, income statement, and statement of sources and applications of funds with corresponding data for the prior twelve months' period.

MAY 15 1974