



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

NAAR 03RA
50-330

JUL 11 1979

Mr. Daniel J. Demlow, Chairman
Public Service Commission
State of Michigan
P. O. Box 30221
Lansing, MI 48909

Dear Mr. Demlow:

This is in response to your telegram to Chairman Hendrie of May 29, 1979 concerning operating licenses for Midland Plants, Units Nos. 1 and 2.

The accident at Three Mile Island, Unit No. 2 on March 28, 1979 is diverting significant managerial and technical resources of the Office of Nuclear Reactor Regulation from its previous work. It is clear that certain activities related to that accident require higher priority. The Midland Plant is directly affected since its design is similar to that of Three Mile Island, Unit 2 in most significant respects.

As a result of the realignment of resources and priorities, the expected accomplishments on casework related to the issuance of construction permits (CPs) and operating licenses (OLs) will be severely limited. Within this casework category, priority of reviews will be: (1) near-term OLs, (2) completion of CPs in the hearing stage, (3) other OLs where completion of construction is anticipated by NRC staff to occur by January 1981, and (4) CPs and OLs having special review considerations (including work on structural and foundation problems for Midland).

Before issues arose relating to soil settlement at Midland and the accident at Three Mile Island, Unit No. 2, the NRC staff had tentatively estimated that the date of completion of construction of the first unit at Midland (Unit No. 2) would be November 1981. A better estimate cannot be made until the impact of those issues on the construction schedule is determined, perhaps within six months.

Since the Midland case does not qualify under any of the above four priorities, except for work on structural and foundation problems, the remainder of the OL reviews are to be suspended until January 1980. The issuance of operating licenses for Midland will not necessarily be delayed on this account, since the OL reviews will resume 22 months before the date estimated by the NRC staff for completion of construction of the first unit. This will depend in part, however, upon the applicant's ability to resolve in a timely manner a large number of open items identified in our letter to them dated March 30, 1979, once the reviews of Midland are resumed. It will also depend on the time needed to complete the public hearing to be held regarding issuance of the operating licenses.

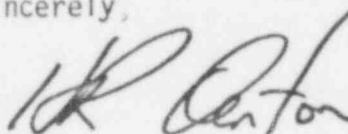
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Meanwhile, both the Congress and the Commission are pursuing ways to provide additional resources to the Office of Nuclear Reactor Regulation so that this and other suspended reviews will be restarted as promptly as possible. The Commission has approved the use of some personnel from other Offices of the NRC in the licensing process for nuclear power plants. Also, the Office of Management and Budget in the Executive Office of the President has written to the Secretaries of the Department of Energy, Department of the Army, and Department of Interior expressing the hope that they will do all they can to assist NRC in locating technical experts from within the resources of their agencies for use by the NRC on a temporary basis. In particular, personnel from the National Laboratories of the Department of Energy and from the Army Corps of Engineers and the Geological Survey could be useful.

We are mindful of the economic hardships that can occur as a result of delays in the operation of electric power plants and are working as hard as we can to avoid any unnecessary delays while giving priority to our responsibilities to ensure continued protection of the health and safety of the public at all nuclear power plants.

Sincerely,



Harold R. Denton, Director
Office of Nuclear Reactor Regulation

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