



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

JUN 2 1980

Docket Nos.: 50-329/330

MEMORANDUM FOR: A. Schwencer, Acting Chief, Licensing Branch No. 3,
Division of Licensing

FROM: D. S. Hood, Project Manager, Licensing Branch No. 3,
Division of Licensing

SUBJECT: MEETING NOTICE - MIDLAND, UNITS 1 AND 2
REVISED COST AND SCHEDULE AND TMI-2 INFLUENCES

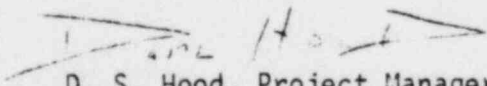
DATE & TIME: Friday, June 13, 1980
9:00 A.M.

LOCATION: Room P-118
Phillips Building
Bethesda, Maryland

PURPOSE: To discuss matters associated with resumption of and
schedules for the Midland licensing review.

PARTICIPANTS: Consumers Power Company NRC

S. Howell, et al	R. Purple
J. Cook	R. Tedesco
G. Keeley	R. Mattson
T. Sullivan	R. Shoemaker
	F. Miraglia
	W. Lovelace
	W. Haass


D. S. Hood, Project Manager
Licensing Branch No. 3
Division of Licensing

Enclosures:
1. Agenda
2. Background

AGENDA

1. Introduction - (10 minutes)
 - a. Background and Midland Plant status
 - b. Post-TMI efforts
2. Applicant's latest detailed construction schedule and cost estimates (1 hour)
3. Midland licensing schedule assessment and resumption of docket review (30 minutes)

(Coffee Break)
4. Impact and administration aspects of special issues (10 CFR 50.54(f) matters) (30 minutes)
 - a. Soils settlement
 - b. Design adequacy (sensitivity) of B&W systems
5. Applicant's re-organization for the Midland project (15 minutes)

BACKGROUND

In February, 1980 Consumers Power Company announced^{/1} that it is reviewing a revised cost estimate by Bechtel of \$3.1 billion, (nearly double the previous \$1.67 billion estimate at completion of construction) and significant plant delays primarily due to TMI-2 changes and high interest charges. Bechtel's projected fuel load date for Unit 2 is now April, 1984, and for Unit 1 is September, 1984. These correspond to commercial operation dates of September 1984 for Unit 2, March 1985 for Unit 1 electrical output and May 1985 for Unit 1 process steam to Dow. The previous fuel load projection was June 81 for Unit 2 and November 81 for Unit 1. The applicant has decided^{/2} to continue construction of both units, even though the terms of the Dow Chemical contract may not be met if the Bechtel estimate is correct. The Dow contract calls for commercial operation of both units by the end of 1984. Dow's intentions as a result of the increase in cost of process steam and delay have not been announced. The applicant will complete its schedule and cost review and provide its results to its Board of Directors in July, 1980.

The plant was the subject of two inquiries under 10 CFR 50.54(f). One matter relates to settlement of the backfill at the site for which a December 6, 1979 order from NRC would require amendment of the CP for the proposed remedial actions and for which amended notice of hearing was issued on May 20, 1980. The second 50.54(f) matter concerns whether B&W plants with their OTSG designs are too sensitive to secondary system perturbations. The 50.54(f) decision for the second matter is still pending and NRC and ACRS have concluded that construction may continue during this interim decision period.

At the time of the TMI-2 accident, the staff's safety review had reached the scheduled SER preparation phase. However, it had been determined that an excessive number of outstanding items existed. Except for the 10 CFR 50.54(f) the staff's review has been suspended since the TMI-2 accident due to manpower limitations.

The last visit by the staff's Caseload Forecast Panel occurred on September 18-19, 1979.

A special prehearing conference order dated February 26, 1979 establishes the issues for the OL hearing.

^{/1} M. Gibbs letter to ASLB dated February 8, 1980. Also see the Wall Street Journal, March 4, 1980.

^{/2} The Wall Street Journal, March 7, 1980.

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Mr. S. H. Howell

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MEETING NOTICE DISTRIBUTION

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OIE (3)
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Project Manager D. S. Hood
Licensing Assistant J. Lee
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TERA ←
J. LeDoux, I&E

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NRC Participants:
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W. Lovelace
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bcc: Applicant & Service List