

REGULATORY ORCKET FILE COPY  
JUL 2 1980

The Honorable Harold S. Sawyer  
United States House of Representatives  
Washington, D. C. 20515

THIS DOCUMENT CONTAINS  
POOR QUALITY PAGES

Dear Congressman Sawyer:

I am pleased to respond to your note of May 21, 1980 requesting information for your reply to the May 2, 1980 letter of your constituent, Mr. Peter A. D'Archangel. Mr. D'Archangel's letter requests that the NRC expedite the licensing of the Midland plant, Units 1 and 2 located in Midland, Michigan. Mr. D'Archangel is obviously concerned that our review of the Midland plant has been suspended since the occurrence of the accident at Three Mile Island, Unit 2 (TMI-2) on March 28, 1979. The reactors and major reactor systems for Midland and TMI-2 were both provided by the Babcock & Wilcox Company and are quite similar in design.

The President has expressed concern about this nation's high dependence upon oil and has stated that nuclear power is an important contribution to the goal of achieving energy sufficiency without excessive dependence upon foreign sources of oil. In response to the Presidential (Kemeny) Commission Report, President Carter, on December 7, 1979, called the present Iranian crisis an example of the "clear, stark dangers" of excessive dependence on foreign oil and reaffirmed the nation's need for nuclear power. The President noted his opposition to a moratorium with proper emphasis on safety, stating that "Nuclear power has a future in the United States - it is an option that we must keep open". The President also set a six-month target for issuing operating licenses to completed plants. The President also announced that he would reorganize the NRC to emphasize safety and improve management.

The TMI-2 accident has, indeed, had a significant impact upon our present licensing efforts. As a result of the TMI-2 accident, the efforts of the staff were first concentrated on evaluating the accident and assessing the remedial measures to be required, i.e., immediate, near-term and long-term. In July 1979, we issued NUREG-0578, "TMI-2 Lessons Learned Task Force Status Report and Short-Term Recommendations". This early guidance by NRC was supplemented by the recommendations contained in the Kemeny Commission Report (October 1979) and the Rogovin Report (January 1980). Consistent with the President's position of December 7, 1979, and to provide further detailed guidance to the nuclear industry, the NRC staff developed its draft document in December 1979, NUREG-0660, "Action Plan for Implementing Recommendations of the President's Commission and Other Studies Related to the TMI-2 Accident". As finally issued, NUREG-0660 also takes into consideration the Rogovin work, comments from the Advisory Committee on Reactor Safeguards, and many sources of pertinent information. The Action Plan represents a major ongoing effort on the part of the NRC staff to define and implement all of the new requirements as a result of the

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TMI-2 accident. This plan was developed with special emphasis on requirements for operating reactors. The plan also contains requirements for plants not yet licensed. The plan takes into account the time required to prepare criteria for and to implement specific changes. To the extent practical the Action Plan assigns licensing action priorities consistent with the requirements for protection of the health and safety of the public.

The Commission, on February 28, 1980, approved authorization for a low power testing license at or below five percent of full power for the Sequoyah Nuclear Power Plant, subject to the resolution of certain specified license conditions. Similar licenses have also been issued for North Anna, Unit 2 and Salem, Unit 2.

As of March 1979, just prior to the TMI-2 accident, the NRC staff's operating license safety review of the Midland plant indicated that several items needed resolution prior to licensing. One of these items was deemed to be of special significance to the extent that reviews were initiated to determine whether the Construction Permits should be modified, suspended or revoked. The matter in question was quality of the backfill associated with safety related structures. We issued an order on December 6, 1979 requiring that the construction permits be amended before proceeding with remedial actions intended to correct the backfill deficiencies. The applicant has requested a hearing on this matter and an opportunity for participation in this hearing by other interested parties was recently noticed in the Federal Register and local newspapers.

Prior to the TMI-2 accident the NRC granted a petition for a public hearing on issuance of operating licenses for these plants. A special prehearing conference was held and an Atomic Safety and Licensing Board order dated February 26, 1979 established the issues for the hearing. The hearing must await completion of staff's licensing review which is now being reactivated.

In February, 1980 Consumers Power Company announced that it was reviewing a revised cost estimate by its architect engineer, Bechtel, (\$3.1 billion - up from a previous \$1.67 billion estimate) and significant plant delays primarily due to TMI-2 accident related 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. The previous fuel load projections were June 1981 for Unit 2 and November 1981 for Unit 1. The applicant intends to continue construction of both units (even though the terms of its Dow Chemical contract may not be met if the Bechtel estimate is correct). Dow's intentions as a result of the increase in cost of process steam and delay have not been announced. We met with the applicant in mid-June 1980 to discuss this matter as part of our scheduling effort. The applicant's preliminary estimates are that improvement in the fuel load schedule for Unit 2 to perhaps as early as late summer 1982 may be achievable, and that Bechtel's cost estimate of \$3.1 billion agrees with Consumers' own estimate with scheduled improvement. The applicant will complete its schedule and cost review and provide its results to its Board

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The Honorable Harold S. Sawyer

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of Directors in July, 1980. NRC staff estimates of construction schedules will be made later this year after the applicant's final estimates are available.

In summary, the staff is presently developing detailed schedules for the resumption and completion of the NRC's review of the Midland plant. These schedules will incorporate changes resulting from the lessons learned from the TMI-2 accident, as well as outstanding issues associated with earlier staff reviews and hearings to be held for the plant. To the extent permitted by our resources and other priorities, we will attempt to achieve a licensing review schedule consistent with the applicant's projected construction completion date.

I trust the above information provides a suitable basis for your reply to Mr. D'Archangel.

Sincerely,

(Signed) T. A. Rehm

William J. Dircks  
Acting Executive Director  
for Operations

Enclosure:  
Letter to  
Senator Harold R. Sawyer  
from Mr. D'Archangel  
dated May 2, 1980

\*See previous yellow

\*DL:D                      \*OELD                      OCA  
DGEisenhut              Olmstead  
6/22/80                    6/19/80                    6/                    /80

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*H. Lord*

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Ltr from Peter A. D'Archangel urging the Commission to give Consumers Power permission to complete and operate the Midland plant	Return incoming w/reply

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Incoming: Rep Harold Sawyer, Constituent Referral

From: Peter A. D'Archangel

Grand Rapids, Michigan

To: OCA Date 5/2/80

Subject: urges the NRC to give Consumer Power Co

permission to complete & operate the Midland

plant

- Prepare reply for signature of:
- Chairman \_\_\_\_\_
  - Commissioner \_\_\_\_\_
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- For direct reply\* Suspense: June 2
- For appropriate action \_\_\_\_\_
- For information \_\_\_\_\_

5/28/80

11/1/80

Remarks: OCA to Ack, docket

CK

For the Commission: billie

\*Send three (3) copies of reply to Secy Correspondence and Records Branch