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October 23, 1981

Peter B. Bloch, Chairman
Administrative Judge
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Board Panel
U.S. Nuclear Regulatory
Commission
Washington, D.C. 20555

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Atomic Safety and Licensing
Board Panel
1229 41st Street
Los Alamos, New Mexico 87544

In the Matter of
Wisconsin Electric Power Company
(Point Beach Nuclear Plant, Units 1 and 2)

Dear Administrative Judges:

We are today notifying the Public Service Commission of Wisconsin that the Wisconsin Electric Power Company ("Licensee") has decided to defer the scheduled full-scale steam generator tube sleeving program for Unit 2 of the Point Beach Nuclear Plant until the 1983 spring refueling outage. A copy of the letter to the PSCW is enclosed.

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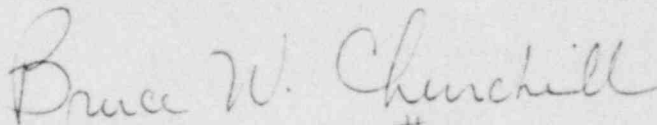
The Unit 2 sleeving program was originally scheduled for the 1982 spring outage, and this was the basis for Licensee's proposed

Atomic Safety and Licensing Board Panel
October 23, 1981
Page Two

hearing schedule which was filed on September 18, 1981. In reviewing that schedule in light of the Unit 2 deferral, we note that, now that Wisconsin's Environmental Decade has been admitted as a party and the contentions to be decided have been identified, the proposed hearing schedule still represents a reasonable goal for the conduct of this proceeding. Moreover, while we fully expect Unit 1 to be able to operate successfully within the current licensing restraints related to the steam generator tube experience, it would be well to rapidly obtain the necessary authorization to conduct full-scale sleeving of Unit 1 if that should be required prior to the next refueling outage in the fall of 1982.

We are proceeding with the demonstration program to obtain the necessary information to provide a basis for any decision to conduct a full-scale sleeving program when and if it should be required. It is necessary to conduct the demonstration program this fall in order to begin the full-scale program next fall on Unit 1, and therefore none of the hearing activities now scheduled with respect to the demonstration program are in any way affected.

Sincerely yours,


Bruce W. Churchill #

Enclosure

cc: Atomic Safety and Licensing Board Panel
Atomic Safety and Licensing Appeal Board Panel
Charles A. Barth, Esq.
Kathleen M. Falk, Esq.
Stuart A. Treby, Esq.
Docketing and Service Section



Wisconsin Electric POWER COMPANY
231 W. MICHIGAN, P.O. BOX 7046, MILWAUKEE, WI 53201

October 23, 1981

Mr. C. F. Riederer, Director
Engineering Division
Electric and Water Bureau
PUBLIC SERVICE COMMISSION OF WISCONSIN
Hill Farms State Office Building
Post Office Box 7854
Madison, Wisconsin 53707

Dear Mr. Riederer:

STEAM GENERATOR REPAIR PLANS
POINT BEACH NUCLEAR PLANT

Since the completion of hearings held by the Public Service Commission of Wisconsin (PSCW) with respect to repair of the Point Beach Nuclear Plant steam generators in Dockets 6630-IE-20 and 6630-UI-2, we have encountered delays which have affected our original schedule for sleeving work.

In June 1981, Mr. J. P. Cummings testified in Docket 6630-ER-12 that Westinghouse Electric Corporation would perform the Unit 1 sleeving demonstration program during the 1981 fall refueling outage, and that the full-scale sleeving program of Unit 1 would be scheduled in 1982. On July 2, 1981, Wisconsin Electric filed an application with the NRC for a change to the Point Beach Technical Specifications to permit sleeving as an alternative to tube plugging for steam generator tubes which exceed the present 40% plugging limit. Wisconsin's Environmental Decade (WED) has requested and is receiving a hearing before an NRC Atomic Safety and Licensing Board (ASLB) with respect to that application. In August 1981, the PSCW authorized the purchase of two steam generator lower assemblies for use at Point Beach Unit 1, should steam generator replacement eventually be necessary, and subject to certain conditions, also approved the installation of sleeves in the present steam generators at Point Beach.

Our present plans are to go forward with the sleeving demonstration program at Point Beach Unit 1 during the current refueling outage, which began on October 9, 1981. The results

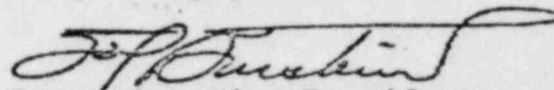
October 23, 1981

of the demonstration program will in large part help determine our future plans regarding full-scale sleeving. The ASLB has scheduled hearings in Milwaukee on October 29 and 30, 1981, if necessary, to decide, among other things, whether up to six tubes with defects exceeding the plugging limit may be returned to service with sleeves, rather than be plugged in accordance with the present Technical Specifications. Further hearings with respect to full-scale sleeving may also be conducted by the ASLB. These hearings could extend well-into 1982, although we have requested a decision by March 26, 1982. If the sleeving demonstration is successful and if after the ASLB hearing and decision, the NRC determines sleeving to be an acceptable repair process, we would plan to begin full-scale sleeving of Unit 1 during the scheduled refueling outage in the fall of 1982. If the sleeving demonstration is not successful, we would, of course, proceed with planning for installation of the replacement steam generators. This replacement could occur no earlier than the fall of 1983.

In view of the foregoing scheduling considerations, we believe it appropriate to defer consideration of sleeving of Point Beach Unit 2 until the spring of 1983.

We will, of course, continue to keep you informed of the results of the demonstration program at Point Beach Unit 1 and of the progress of the hearings before the ASLB with respect to sleeving.

Very truly yours,



Executive Vice President

Sol Burstein