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

OCT 10 1978

Docket No. 50-471

Mr. Robert V. Kline  
Department of Physics  
Lyman Laboratory of Physics  
Harvard University  
Cambridge, Massachusetts 02138

Dear Mr. Kline:

Your letter of September 15, 1978 to Chairman Hendrie concerning the licensing of Pilgrim Unit No. 2 has been referred to me for a reply. I want to thank you for expressing your concerns about the licensing process. I recognize that this proceeding has been pending for some time; however, I believe that the public interest has been served by the extensive review that this application has received.

I want to assure you the NRC Staff is moving as expeditiously as possible to complete the hearing process associated with licensing of Pilgrim Unit No. 2. Pursuant to the Atomic Energy Act of 1954, as amended, the National Environmental Policy Act, and the Energy Reorganization Act of 1974, this agency is required to carefully consider the public health and safety and environmental impacts associated with the licensing of a nuclear power plant. In the instant case, the review necessary to make all the findings required by the governing statutes, for various reasons, has been lengthy. However, I am confident that the end result will reflect the review contemplated by the Congress and desired by the public relying on this agency to protect it.

Your letter referred to the ongoing review of alternative sites. I would like to inform you that the NRC Staff is now in the process of completing its review of alternative sites which was ordered by the Atomic Safety and Licensing Appeal Board. This review should be completed by November, 1978.

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Mr. Robert V. Kline

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The NRC Staff is also currently reviewing the Applicants' financial qualifications. As you may know, the utility industry over the last few years has been experiencing financial constraints. The Staff is therefore carefully scrutinizing the financial plans submitted by the Applicants to determine if they are reasonable.

In your letter you expressed concern about the economic cost and environmental impact of alternative forms of power generation to meet the projected demand for electric power in the New England region. The Staff in its Final Environmental Statement and in testimony before the Atomic Safety and Licensing Board concluded that Pilgrim Unit No. 2 is needed in the mid-1980's and is the preferable economic and environmental alternative to a coal- or oil-fired power plant.

Again, I want to thank you for your letter. If my Staff may be of any assistance to you in the future, please do not hesitate to contact me.

Sincerely,



Howard K. Shapar  
Executive Legal Director

cc: Pilgrim Service List