



March 1, 1994

Docket Nos. 50-213  
50-245  
50-336  
50-423  
B14743

Mr. James M. Taylor  
Executive Director for Operations  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555

Dear Mr. Taylor:

Haddam Neck Plant  
Millstone Nuclear Power Station, Unit Nos. 1, 2, and 3  
Operations and Maintenance and Capital Budgets and Forecasts

By letters dated May 13, 1992,<sup>(1)</sup> June 4, 1992,<sup>(2)</sup> June 30, 1992,<sup>(3)</sup> and February 12, 1993,<sup>(4)</sup> Northeast Utilities (NU) provided you with financial and budgetary data for the Millstone Nuclear Power Station and Haddam Neck Plant, and committed to keep the NRC Staff apprised on a timely basis of any significant changes in the capital cost and operation and maintenance (O&M) budgets, actuals, and forecasts, through the 1995 calendar year, including an explanation of any such changes.

The purpose of this letter is to provide the NRC Staff with the actual O&M and capital expenditures for 1993 and the revised budget and forecast for the years 1994 and 1995. Enclosed herewith, as Attachment 1, are the revised O&M and capital budgets, actuals, and forecasts for Millstone Nuclear Power Station and the Haddam Neck Plant followed by an explanation for any significant changes. The method of presentation is consistent with our revised format contained in our February 12, 1993, letter.

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- (1) W. B. Ellis/B. M. Fox letter to J. M. Taylor, "Proposed Acquisition of Public Service Company of New Hampshire," dated May 13, 1992.
  - (2) J. F. Opeka letter to T. T. Martin, "Performance Enhancement Program," dated June 4, 1992.
  - (3) J. F. Opeka letter to J. M. Taylor, "Operations and Maintenance Budgets and Projections," dated June 30, 1992.
  - (4) J. F. Opeka letter to J. M. Taylor, "Operations and Maintenance and Capital Budgets and Forecasts," dated February 12, 1993.

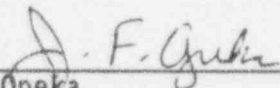
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As in the past, we shall continue to keep you apprised in a timely manner of significant changes to our capital and O&M expenditures, budgets, and forecasts. Should you require any additional information, please contact R. M. Kacich at (203) 665-3298.

Very truly yours,

CONNECTICUT YANKEE ATOMIC POWER COMPANY  
NORTHEAST NUCLEAR ENERGY COMPANY

  
\_\_\_\_\_  
J. F. Opeka  
Executive Vice President

cc: T. T. Martin, Region I Administrator  
A. B. Wang, NRC Project Manager, Haddam Neck Plant  
J. W. Andersen, NRC Acting Project Manager, Millstone Unit No. 1  
G. S. Vissing, NRC Project Manager, Millstone Unit No. 2  
V. L. Rooney, NRC Project Manager, Millstone Unit No. 3  
D. H. Jaffe, NRC Project Manager, Millstone Station  
W. J. Raymond, Senior Resident Inspector, Haddam Neck Plant  
P. D. Swetland, Senior Resident Inspector, Millstone Unit Nos. 1, 2,  
and 3  
U.S. Nuclear Regulatory Commission, Attn: Document Control Desk,  
Washington, DC 20555

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Attachment 1

Haddam Neck Plant  
Millstone Nuclear Power Station, Units 1, 2, and 3  
Operations and Maintenance and Capital Budgets and Forecasts

March 1994

TABLE 1

O&M EXPENDITURES  
 (Excluding Fuel and Administrative and General (A&G))  
 (\$ Millions)

Unit	Budget 1993	Actual 1993	Budget 1994	Forecast 1995
Haddam Neck	97.4 <sup>1</sup>	83.5	70.1 (67.0) <sup>1</sup>	85.2 (103.4) <sup>1</sup>
Millstone Unit No. 1	69.1 <sup>1</sup>	70.1	98.2 (100.1) <sup>1</sup>	66.3 (70.4) <sup>1</sup>
Millstone Unit No. 2	70.4 <sup>1</sup>	73.0	101.1 (106.9) <sup>1</sup>	65.5 (72.4) <sup>1</sup>
Millstone Unit No. 3	<u>118.5<sup>1</sup></u>	<u>130.1</u>	83.5 (86.0) <sup>1</sup>	127.9 (121.3) <sup>1</sup>
TOTAL	355.4 <sup>1</sup>	356.7	352.9 (360.0) <sup>1</sup>	344.9 (367.5) <sup>1</sup>

<sup>1</sup> Values in parenthesis are taken from our February 12, 1993, letter.

**TABLE 2**  
**CAPITAL EXPENDITURES**  
(\$ Millions)

<u>Unit</u>	<u>Budget 1993</u>	<u>Actual 1993</u>	<u>Budget 1994</u>	<u>Forecast 1995</u>
Haddam Neck	20.5 <sup>1</sup>	8.7	6.0 (11.0) <sup>1</sup>	5.2 (11.0) <sup>1</sup>
Millstone Unit No. 1	27.8 <sup>1</sup>	24.8	44.4 (41.0) <sup>1</sup>	12.8 (12.7) <sup>1</sup>
Millstone Unit No. 2	24.0 <sup>1</sup>	18.8	13.0 (9.5) <sup>1</sup>	12.9 (12.2) <sup>1</sup>
Millstone Unit No. 3	<u>25.4<sup>1</sup></u>	<u>22.1</u>	18.9 (9.3) <sup>1</sup>	30.4 (14.9) <sup>1</sup>
<b>TOTAL</b>	97.7 <sup>1</sup>	74.4	82.3 (70.8) <sup>1</sup>	61.3 (50.8) <sup>1</sup>

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<sup>1</sup> Values in parenthesis are taken from our February 12, 1993, letter.

## EXPLANATION OF CHANGES - ACTUALS, BUDGETS AND FORECASTS

### 1993 Haddam Neck and Millstone O&M

The 1993 year-end Millstone Station and Haddam Neck Plant O&M actuals were approximately 1.3 million dollars over the 1993 budget.

The 1993 year-end Haddam Neck Plant O&M actuals were approximately 13.9 million dollars under budget. The majority of this variance was caused by a decrease in the use of outside services (approximately 11 million dollars) and a savings in low-level radwaste disposal fees (approximately 1.1 million).

Millstone Unit Nos. 1 and 2 were slightly over budget in 1993. Millstone Unit No. 3 was 11.6 million dollars over budget, primarily due to the extension of the 1993 refueling outage. Approximately 6 million dollars is indirectly attributable to problems the unit experienced with reactor coolant pump internals and their replacement.

This is an example of our commitment to provide resources needed to ensure the continued safe operation of our plants, including expenditures for matters that were not anticipated or budgeted at all.

### 1994 and 1995 Haddam Neck and Millstone O&M

The Haddam Neck and Millstone O&M allocations for the years 1994 and 1995 have been adjusted from our February 12, 1993, letter to account for changes in the scope of scheduled refueling outages and the reduction of low-level radwaste disposal fees. The 1994 O&M budget for the Haddam Neck Plant has increased slightly from 67 million to 70.1 million. The decrease shown for the 1995 O&M budget is due to: the reduction in scope of the Haddam Neck refueling outage (approximately a 5 million dollar decrease); reallocation of resources to other organizations; efficiencies gained from recent reorganizations; and from reductions in hiring. These activities have all resulted in the decrease shown in the 1995 Haddam Neck O&M total.

The 1994 and 1995 O&M budgets for the Millstone Station totals 542.5 million dollars which, when compared to our February 12, 1993, letter, represents a decrease of 14.6 million dollars. This 14.6 million dollar decrease over two years, for the three units, is due primarily to three factors: lower estimated radwaste disposal fees; more efficient operation due to the recent reorganization of the nuclear organization; and the shifting of some work from the O&M budget to the capital budget.

### 1993 - 1995 Haddam Neck Capital

The Haddam Neck Plant underspent its 1993 capital budget by 11.8 million dollars. The main contributors to the decrease were: the elimination of two projects via the Integrated Safety Assessment Program (ISAP); the deferral and reduction in scope of the spent fuel pool expansion project; and the elimination of the 1993 capital program contingency fund.

The 1994 and 1995 capital budget and forecast at the Haddam Neck Plant have been reduced from 22 million to 11.2 million dollars, for a decrease of

10.8 million dollars. This reduction has been caused by the deferral, via the ISAP process, of the Haddam Neck safety related piping support project which has reduced the 1994 budget and 1995 forecast by 3.7 million dollars. The two ISAP topics which were cancelled, specifically the control room habitability project and portions of the tornado missile protection project resulted in a decrease of 2.1 million dollars in the 1994 and 1995 capital budget and forecast. The spent fuel re-rack project has been deferred and scaled back, resulting in a capital budget decrease of 2.6 million dollars in 1994. The remaining capital budget and forecast reduction was primarily in the reduction of capital program contingency funds.

#### 1993 - 1995 Millstone Capital

Millstone Station underspent its 1993 capital budget by 11.5 million dollars. This is offset by the 32.8 million dollar increase in the capital budget in 1994 and 1995. This increase is due principally to four projects: the relocation of the Millstone Unit No. 1 service water/emergency service water suction header (5.4 million); the Millstone Unit No. 3 moisture separator reheater tube bundle replacement project (14.7 million) and the outage work associated with erosion/corrosion (3.2 million); and the Millstone site warehouse consolidation (3.5 million). The remaining six million dollars is associated with various other capital projects.