



**Entergy
Operations**

Entergy Operations, Inc.

P.O. Box 756
Patterson, MS 38150
Tel. 601-437-6408

December 14, 1990

W. T. Cottle

Vice President
Operations
Grand Gulf Nuclear Station

U.S. Nuclear Regulatory Commission
Mail Station P1-137
Washington, D.C. 20555

Attention: Document Control Desk

Gentlemen:

SUBJECT: Grand Gulf Nuclear Station
Unit 1
Docket No. 50-416
License No. NPF-29
Construction Permit No. CPPR-119
Cancellation of Unit 2
Construction Permit
AECM-90/2-0004

On September 4, 1974, the Atomic Energy Commission issued Construction Permit No CPPR-119 for the Grand Gulf Nuclear Station, Unit No. 2 (Grand Gulf 2). Entergy Operations, Inc. (Entergy Operations), System Energy Resources, Inc. (System Energy), Mississippi Power & Light Company and South Mississippi Electric Power Association (SMEPA) are licensees under the Permit. For the reasons discussed below, Entergy Operations, on behalf of itself and the other licensees of Grand Gulf 2, hereby requests the NRC to terminate the Construction Permit for the Unit.

The Latest Completion Date for construction of Grand Gulf 2 in the Construction Permit is October 1, 1984. However, an application requesting an extension of the Latest Completion Date to January 1, 1997 was submitted to the Staff in a letter dated April 23, 1987 (AECM-87/2-0002). The NRC has not yet acted upon that request. Under NRC regulations, 10CFR2.109, the Construction Permit is still in full force and effect until the NRC acts on the application.

Primarily because of financial limitations, the construction schedule for Grand Gulf 2 was delayed several times in the latter part of the 1970's, and from late 1979 until September 1985, only a limited amount of construction was performed on the Unit. Effective September 18, 1985, all construction activities on the Unit were suspended. A decision was made shortly thereafter to continue with full suspension of construction until further evaluations were made regarding the future of the Unit. Expenditures were limited to those activities that were only absolutely necessary for demobilization and suspension. As of March 1989, Grand Gulf was approximately 29% complete based on the estimated man-hours needed to complete the Unit.

9012180046 901214
PDR ADOCK 05000417
A PDR

A9012041/SNLICFLR - 1

1750.3

1/0
AD01

In the Spring of 1989, a comprehensive report on alternatives regarding the future of Grand Gulf 2 was prepared. Based on this report and as part of a comprehensive settlement with federal, state and local regulators of outstanding issues and litigation surrounding System Energy and the Grand Gulf Nuclear Station, the Board of Directors of System Energy decided on June 1, 1989, to cancel and write off its investment in Grand Gulf 2. It was also decided at that time to allow the Construction Permit for Grand Gulf 2 to continue in effect for a period of time in order to allow Grand Gulf 2 to sell as much equipment and materials from the Unit as possible while the NRC approved Quality Assurance Program was still in effect in accordance with the terms of the Construction Permit. This activity has now been completed as well as all other quality related Grand Gulf 2 demobilization activities. Therefore, it is no longer necessary or desirable for the licensees of Grand Gulf 2 to continue the Construction Permit in effect.

Cancellation of the Construction Permit for Grand Gulf 2 will not adversely impact the safe operation of Grand Gulf 1. Systems and equipment that were originally to be shared by both units, but are now used to support Grand Gulf 1 operations, will continue under the full control of Grand Gulf 1. Also, activities at the Grand Gulf Nuclear Station site which would have been conducted under the authority of the Grand Gulf 2 Construction Permit are being addressed, as appropriate, in Grand Gulf 1 programs such as Physical Security Plan, QA Program, Ground Water Monitoring Program and the Hazardous Chemical Control Program.

All open and closed licensing commitments related to Grand Gulf 2 have been reviewed to confirm that cancellation of Grand Gulf 2 will in no way impact the safe operation of Grand Gulf 1. For commitments that were applicable to both units, the commitment was retained for Grand Gulf 1 to the extent it was still applicable. Any commitments unique to Grand Gulf 2 and which in no way affect Grand Gulf 1 will be closed following cancellation of the Construction Permit. Commitments that were characterized as site related will be retained by Grand Gulf 1 to the extent applicable. Closed commitments were reviewed to ensure that cancellation of Grand Gulf 2 did not reopen a previously closed commitment and thus potentially impact Grand Gulf 1.

A review of Grand Gulf 1 Operating License Conditions was also done to assess any potential impact due to cancellation of Grand Gulf 2. Two license conditions of particular interest were noted: License Condition 2.c(27) and 2.c(38).

License Condition 2.c(27) was imposed to ensure that the construction and thus the filling of Grand Gulf 2 circulating water system would not present a potential flooding concern in Grand Gulf 1. The protection License Condition 2.c(27) provides will remain unchanged following cancellation of Grand Gulf 2 since there exist no plans to either complete or fill the Grand Gulf 2 circulating water system.

License Condition 2.c(38) was provided to allow control room boundary penetrations to be open during construction of Grand Gulf 2 provided the inleakage did not exceed 760 CFM. At all other times, inleakage is limited to 590 CFM. The intent and requirement of this license condition will remain unchanged following cancellation of Grand Gulf 2. The applicable control room leakage will remain 590 cfm in accordance with present requirements.

Following cancellation of Grand Gulf 2, Entergy Operations plans to discuss further with the staff the need for revision of License Conditions 2.c(27) and 2.c(38).

The Grand Gulf 2 site has been stabilized in accordance with all Construction Permit and UFSAR requirements. This includes the backfill of Grand Gulf 2 excavation site and the reseeded and turnover of formerly used construction sites to Grand Gulf 1 operations. Following complete turnover, which will occur by the end of 1990, Grand Gulf 1 operations will assume responsibility for maintenance and upkeep of the entire site. Final reclamation and restoration of the Grand Gulf Nuclear Station site will be addressed upon the decommissioning of Grand Gulf 1.

If you have any questions or would like further information, please let us know.

Yours truly,

W T C

WTC/WKH:ams

cc: Mr. D. C. Hintz
Mr. R. B. McGehee
Mr. N. S. Reynolds
Mr. H. L. Thomas
Mr. J. Mathis

Mr. Stewart D. Ebner
Regional Administrator
U.S. Nuclear Regulatory Commission
Region II
101 Marietta St., N.W., Suite 2900
Atlanta, Georgia 30323

Mr. L. L. Kintner, Project Manager
Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
Mail Stop 11D21
Washington, D.C. 20555