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Docket No.: 50-367

Mr. E. M. Shorb
 First Vice President
 Northern Indiana Public Service Company
 5265 Hohman Avenue
 Hammond, Indiana 46320

Dear Mr. Shorb:

Subject: Staff Evaluation of NIPSCO's Second Quarterly Report on the Bailly Site Restoration

We have received and evaluated your second quarterly report on the progress of the Bailly site restoration; our evaluation is contained in the enclosure. By copy of this letter, we are also forwarding our evaluation of your September 1, 1982 quarterly report to the parties in accordance with the Board Order of May 6, 1982.

Sincerely,

A. Schwencer, Chief
 Licensing Branch No. 2
 Division of Licensing

Enclosure:
 As stated

cc: See next page

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*SEE ATTACHED SHEET FOR OELD CONCURRENCE

OFFICE	DL:LB#2/PM	DL:LB#2/BC	*OELD				
SURNAME	DLynch:pt	ASchwencer	AHodgdon				
DATE	9/22/82	9/28/82	9/28/82				



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

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*9/28/82

OELD

ANN HODGSON

Ann Hodgson

Bailly

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NRC STAFF EVALUATION OF NIPSCO'S

SECOND QUARTERLY REPORT

ON THE PROGRESS OF THE BAILLY SITE RESTORATION

Introduction

The NRC staff received on September 8, 1982, Northern Indiana Public Service Company's (NIPSCO) second quarterly report, dated September 1st, on its progress in restoring the site of the Bailly facility. This report was filed in accordance with the Board Order of May 6, 1982, which terminated the proceeding on NIPSCO's application to extend the CP for the Bailly facility. The staff has reviewed this report and hereby provides its evaluation. Sections 1 through 4 contains a brief summary of the NIPSCO report and Section 5 contains the staff's present plans for an on-site inspection and its evaluation of NIPSCO's second quarterly report.

1. Description of All Work Done

A. Work Accomplished

NIPSCO indicates in its second quarterly report that it has physically removed the meteorological tower and instrumentation building. Additionally, NIPSCO indicates it has: (1) trimmed the H-piles; (2) abandoned the interior sheet piling; (3) abandoned the well points in the excavation; and (4) capped all wells.

B. Work Authorized But Not Completed

NIPSCO received authorization from the appropriate state and federal agencies to dredge about two-thirds of the required fill material from Lake Michigan for backfilling the excavation. As of the date of the second report, about 13 percent of the total material to be dredged had been placed in the excavation.

2. Description of All Remaining Site Work

NIPSCO indicates in its second quarterly report that only one item is not yet accomplished; i.e., backfilling of the excavation (Item 1:B).

3. Estimate of the Completion of Site Restoration

NIPSCO estimates that it has completed about 27 percent of the total work effort required to restore the Bailly site in accordance with the approved site restoration plan.

4. Estimated Completion Date

NIPSCO states in its second quarterly report that it will complete the Bailly site restoration by December 31, 1982.

5. Staff Evaluation

A. On-Site Staff Inspection

Due to the limited amount of backfilling accomplished to date, the staff has not made an on-site inspection. On the basis of the backfilling estimates in NIPSCO's second quarterly report, we are currently planning to conduct an on-site inspection in mid-October 1982.

B. Evaluation of NIPSCO's Report

NIPSCO has completed all work except the backfilling. NIPSCO awarded a contract to backfill the excavation on June 23, 1982. Based on normal weather conditions, it could be reasonably anticipated that this backfilling operation would be completed by September 30, 1982, which is the last date dredging operations in Lake Michigan are authorized. NIPSCO attributes the delay in completing the dredging portion of the backfilling operation to adverse weather conditions. Specifically, NIPSCO has indicated in a phone conversation with the staff that wind from the north along the north-south axis of Lake Michigan creates sufficient wave action to prevent dredging. While weather conditions creating wave action sufficient to prevent dredging are not unusual in Lake Michigan, the duration of the northerly winds is probably greater than could be reasonably anticipated. In this same telephone conversation, NIPSCO indicated that it has applied to the Indiana Department of Natural Resources for a 30-day extension of its dredging permit. NIPSCO has also stated in its second quarterly report that it will acquire fill material offsite if it is unable to obtain an extension of its dredging permit. On this basis, we conclude that NIPSCO has acted responsibly in attempting to backfill the excavation and that the delay attributable to the adverse weather conditions is beyond NIPSCO's control.

Accordingly, we find that NIPSCO is being responsive to the Board Order of May 6, 1982. Additionally, we find that NIPSCO's estimate of the amount of work accomplished to be reasonable. Finally, we find NIPSCO's estimate of the date by which it will complete restoration of the site to be reasonable, based upon its two-pronged approach for accomplishing the major work item in the restoration plan (i.e., backfilling).

In summary, the NRC staff finds that NIPSCO has made reasonable progress in restoring the Bailly site to date and has taken appropriate steps to ensure that it will comply with the Board Order within the schedule mandated by that Order.