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February 5, 1991

Document Control Desk
U. S. NUCLEAR REGULATORY COMMISSION
Mail Station P1-137
Washington, DC 20555

Gentlemen:

DOCKETS 50-266 AND 50-301
10 CFR 50 DEDICATED SHUTDOWN CAPABILITY
POINT BEACH NUCLEAR PLANT, UNITS 1 AND 2

On December 21, 1990, Wisconsin Electric Power Company, licensee for the Point Beach Nuclear Plant, Units 1 and 2, submitted a request for a schedular exemption to regulation 10 CFR 50.48(d)(4) in accordance with the provisions of 10 CFR 50.12.

Paragraph (d)(4) of 10 CFR 50.48 specifies that "Those fire protection features involving dedicated shutdown capability requiring new buildings and systems shall be implemented within 30 months of NRC approval." On July 27, 1988, the NRC had provided a letter and Safety Evaluation Report (SER) which approved our final design for dedicated shutdown capability as required by 10 CFR 50 Appendix R, Section III.L. This design consisted of modifications to provide the capability to bypass the 4160 volt vital switchgear room for those systems necessary to achieve safe plant shutdown. Under the provisions of the regulations, these modifications were to have been completed by January 27, 1991.

For the reasons discussed in the attachment to our December 21, 1990 letter, we had identified that we would be unable to complete these modifications within the 30 months allowed by the regulation. Since we believed that we had conducted a good faith effort to meet this schedule, it appeared that a schedular exemption to the regulation would be appropriate. On January 23, 1991, we were contacted by Mr. John Hannon, Director of Project Directorate III-3, and advised that insufficient information had been provided to support our exemption request. A meeting was scheduled for January 31, 1991, at the Point Beach Nuclear Plant to permit us to explain in more detail the basis for our exemption request.

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At the January 31 meeting, attended by Mr. Hannon; Mr. Robert Samworth, the Point Beach NRC Project Manager; Mr. Vanderneit, Senior Resident Inspector; and several other Region III personnel, we provided a detailed presentation which covered the history of our installation of dedicated shutdown capability project, the measures we have taken to expedite the installation, the present status of the construction and our anticipated schedule to complete these modifications. The meeting was preceded by a tour of the facility to examine the project equipment and the status of the installation. During the presentation, it was noted that the project included provisions which went beyond the requirements of the Appendix R related to the provision of alternate power sources for accident management purpose. These additional provisions are being implemented in keeping with our long-term goal to further reduce the probability of significant core damage and fission product release during postulated accidents at Point Beach Nuclear Plant. In addition, certain features of the switchgear bypass portion of the project are designed to more stringent specifications than required by Appendix R. Mr. Hannon acknowledged this information and recognized the construction inefficiencies we had accepted in order to complete the Appendix R related portions of the modifications as soon as possible. We also discussed the compensatory measures mentioned in our December 21 letter and noted that these measures had already been implemented prior to January 27, 1991.

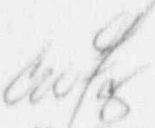
Upon the completion of our presentation and following a caucus by the NRC personnel, we were informed that our exemption request for a schedular delay would probably be denied. Mr. Hannon stated that the NRC considered that the compensatory measures we had adopted were adequate and that the NRC did not consider our schedular noncompliance with 10 CFR 50.48(d)(4) to be a plant operability concern. He said that we could continue to operate the plant during the completion and implementation of this project. He urged us to complete the modifications by our projected completion date of June 1, 1991, and to inform the NRC when the dedicated shutdown capability portion of the project was completed and implemented. We appreciated Mr. Hannon's comments that the additional provisions of this project, including the more stringent design requirements we had imposed, were commendable. Mr. Hannon stated, however, that these items would not be recognized in consideration of our schedule delay request.

We are, of course, disappointed that the NRC Staff is inclined to deny our exemption request. In light of our commitments to further reduce core damage probability and more stringent specifications for the Appendix R project, we had anticipated that the staff would

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grant the exemption. We are committed to complete this Appendix R project by the June 1, 1991 date we have identified. If any additional information is necessary for final resolution of this matter, we are available for any additional meetings or telephone conferences deemed necessary.

Very truly yours,



C. W. Fay
Vice President
Nuclear Power

Copies to: NRC Regional Administrator, Region III
NRC Resident Inspector