

Ted C. Feigenbaum President and Chief Executive Officer

NYN-92082

June 22, 1992

United States Nuclear Regulatory Commission Washington, D.C. 20555

Attention: Document Control Desk

References: (a) Facility Operating License No. NPF-86, Docket No. 50-443

(b) Letter dated May 29, 1992 from T. C. Feigenbaum (NHY) to the USNRC, regarding the Scabrook Station O&M Budget, NYN-92070

Subject: Correction to Scabrook Station O&M Budget Information

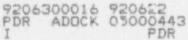
Gentlemen

On May 29, 1992 New Hampshire Yankee provided information [Refere e (a)] in response to oral notification of an allegation regarding he proposed license amendment authorizing the transfer of managing agent responsibilities for Seabrook Station. NHY provided an explanation of why certain budget information provided to the NRC and to the New Hampshire Public Utilities Commission (NHPUC) was not inconsistent. This letter serves to correct certain inadvertent errors contained in that letter.

In the first paragraph of page two of the letter, a budget figure of \$147.6 million is cited. This number is incorrect and should read \$146.7 million. The figure of \$146.7 million is correctly cited in two other locations in the letter.

In the third paragraph of page two of the letter the principal reasons are given for the \$5.5 million difference between the escalated affiliation budget and the 1992 budget developed in late 1991. The principal reasons cited are increased NRC as, delay in transition to a Massachusetts implemented plan and other miscellaneous effects. Upon further review, NHY has determined that it should not have attributed a portion of the variance to the NRC fee increase signed into law in November 1990. While the increase in NRC fees was not included in a \$113.1 million estimate of Seabrook Station O&M costs prepared by Northeast Utilit's' in early 1990, the \$113.6 million O&M budget from NHY's affiliation study did anticipate the higher fees.

NHY attributes the variance between the escalated affiliation budget and the 1992 budget to the delay in NAESCO transition, increased taxes and benefits, increased electric demand charge, delays in and increased costs associated with the transition to the Massachusetts implemented emergency plan, increased refueling outage costs and accounting for the cost of obsolete material.





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To should be noted that neither of these inadvertent errors affects the ultimest conclusion stated in the May 29, 1992 letter that there is no inconsistency between the budget information provided to the NRC and that provided to the NHPUC.

I trust that this information serves to slarify our research and regret and inconvenience this may have caused.

Very truly yours,

Ted Cheigenland

TCF:AMC/ss

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