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'89 JUN -8 P5:00

June 7, 1989

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Samuel J. Chilk, Secretary
United States Nuclear
Regulatory Commission
Washington, D.C. 20555

In the Matter of
Philadelphia Electric Company
(Limerick Generating Station, Unit 2)
Docket No. 50-353

Dear Mr. Chilk:

Pursuant to our letter to you of June 5, 1989 in the above-captioned matter, we are enclosing the signed original Affidavit of Corbin A. McNeill, Jr., to be substituted for the telefax copy we attached to the "Applicant's Motion For Clarification Of The Commission's Delegation Of Authority And For Issuance Of An Operating License Or, Alternatively, For An Exemption From Any Procedural Requirement That A License For Limerick Unit 2 Cannot Issue Until The Contention Remanded By The Third Circuit Is Resolved."

Sincerely,

Troy B. Conner, Jr.

Trcy B. Conner, Jr.

TBC:sch
Enclosure

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

100-111-100

Before the Nuclear Regulatory Commission JUN -8 P5:00

In the Matter of)
Philadelphia Electric Company)
(Limerick Generating Station,)
Unit 2)

OFF
DOCK
Docket No. 50-353

Affidavit of Corbin A. McNeill, Jr.
Executive Vice President-Nuclear
Philadelphia Electric Company

Corbin A. McNeill, Jr., being first duly sworn, states
as follows:

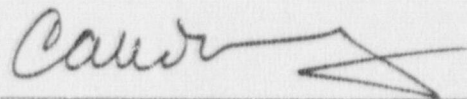
1. My name is Corbin A. McNeill. I am Executive Vice President-Nuclear of Philadelphia Electric Company, owner and operator of Limerick Generating Station, Units 1 and 2 (Limerick). I am responsible for the construction, licensing, and operation of Limerick and oversee the efforts of the Company in obtaining a license for Unit 2.
2. On February 28, 1989, the United States Court of Appeals for the Third Circuit issued its decision in Limerick Ecology Action, Inc. v. NRC, 869 F.2d 719 (3d Cir. 1989), affirming for the most part NRC action authorizing the licensing of Limerick. The Court remanded to the Nuclear Regulatory Commission the issue of whether severe accident mitigation design alternatives should be considered for Limerick pursuant to the National Environmental Policy Act (NEPA), 42 U.S.C. §4321 et seq.

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3. Despite the Third Circuit's explicit explanation that its decision should not impede the licensing of Limerick, the NRC Staff has nonetheless indicated that it will not issue a license for Unit 2 until completion of the proceeding on the remanded issue. Past experience suggests resolution of the remanded proceeding will take many months, if not years, to complete.
4. The schedule for completion of Unit 2 is such that the plant will be ready to proceed to load fuel in the period of June 16-30, 1989. It is anticipated that Unit 2 will be ready to exceed five percent power by about August 1, 1989 and enter commercial operation by the end of the year.
5. Delays in the issuance of approval for proceeding to full power will result in a delay in the commercial operation of Unit 2. Such delays will increase the costs of Unit 2 by \$35.7 million per month. This cost figure is made up of \$30.4 million per month AFUDC and \$5.3 million per month operational, security and maintenance costs. In addition, the fuel costs of the Company's customers will be increased by \$11.9 million a month for each month of delay.
6. Delays in the issuance of approval for proceeding to full power operation could impact the capacity available to the PJM Interconnection of which the Company is part during a crucial period of this

summer, i.e., August through late September. Any power generation from Limerick Unit 2 during this period is highly desirable and would help alleviate power shortages if they were to occur. The PJM Interconnection is currently experiencing power shortages due to weather and unavailability of many generating units.

7. Delays in the issuance of approval for proceeding to load fuel and to full power operation will impact the Company's ability to retain the highly qualified and experienced contractors who have been assembled to support start-up and power ascension testing activities.
8. PECO would agree that, for purposes of evaluation of SAMDA's, the cost/benefit analysis of alternatives for Unit 2 could be viewed as of the time of initial licensing. Hence, the evaluation would not be skewed by any incremental costs associated with adding a design alternative after operation has commenced. Based upon this evaluation, the fact that Unit 2 would be operated during the pendency of a hearing would not prejudice the addition of design alternatives.



Executive Vice President-Nuclear
Philadelphia Electric Company

Subscribed and sworn to before me

This 5th day of June 1989.

