

PHILADELPHIA ELECTRIC COMPANY

2301 MARKET STREET

PHILADELPHIA, PA. 19101

(215) 841-4221

J. L. EVERETT
PRESIDENT

March 8, 1978

Mr. Richard P. Denise
Assistant Director for Special Projects
Division of Project Management
Office of Nuclear Reactor Regulation
United States Nuclear Regulatory Commission
Washington, D. C. 20555

Re: Fulton Generating Station
NRC Docket Nos. 50-463 and 50-464

Dear Mr. Denise:

This is in response to your letter of January 30, 1978, in which you request information on our plans for the Fulton site. In addition, you indicate that, on the basis of certain stated facts and judgments, the Staff proposes to file soon a motion to terminate Philadelphia Electric Company's present construction permit application for the Fulton Generating Station,*/ and you have asked for our views on this proposal.

When we originally applied to construct two units on the Fulton site in 1973, we anticipated that they would consist of twin 1100-MWe HTGR's manufactured by the General Atomic Company (GAC). When it became clear, following the announcement by GAC in September, 1975, that it was suspending work on the project, that the Fulton site could not be utilized exactly as originally planned, we promptly requested the Licensing Board to be permitted to evaluate various available options for the

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*/ (This response is being submitted by March 8 rather than February 17, pursuant to your agreement.)

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site, including but not limited to the construction of replacement power reactors. At the Board's instruction, we have filed regular monthly status reports on the matter ever since. Until last month these letters reflected the fact that no concrete decisions about our future plans for the Fulton site had been made.

Philadelphia Electric Company's current system peak demand projections indicate that the first need for additional generation after Limerick Units 1 and 2 will occur in the early 1990's. Peak demands for the post-Limerick period could be substantially higher than are currently forecast because of changes in the regional economy, demography, and a desire to switch to electricity from alternate forms of energy. Should the high estimate peak loads occur, additional generation would be needed as early as 1987. The additional generation after Limerick would be base load generation, using either coal or uranium as fuel. The economic choice is a uranium fueled plant and the prime candidate site for such nuclear generation on the Philadelphia Electric Company system is the Fulton site.

In February, 1978, we notified the Commission, and the Hearing Board and parties to the Fulton proceeding, by letter (copies attached) that we had determined to amend the Fulton application so as to obtain an early site review. I had already intimated our interest in this option in my telephone conversation with you in December, 1977. Early site review, as you know, was not a course which had been available to us when the original H^{TR}GR arrangements were concluded in the winter of 1975-76; indeed, the Commission's regulations making early site reviews available (42 Fed. Reg. 22882 (1977)) did not become effective until June, 1977.

Of the two types of early site review available under the Commission's regulations, it is our view that the adjudicatory Early Site Review procedure, as contrasted with a Staff site review under 10 CFR Part 50, Appendix Q, is clearly the appropriate course of action in this case in view of the status of the record in the Fulton proceeding and our plans for the utilization of the Fulton site.

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The existing Fulton construction permit application, including its site suitability elements, has been reviewed from both safety and environmental standpoints and has received the approval of both the Staff and the ACRS in the form of a final EIS, a SER and an ACRS letter. In this context it is appropriate to take the next step toward a construction permit which is provided by an adjudicatory Early Site Review conducted within the framework of a construction permit docket and results in an adjudicatory decision resolving site suitability issues.

Accordingly, it is our intention to file with the Commission by the end of this year an amendment to the construction permit application for an adjudicatory Early Site Review for the Fulton site.

Major portions of an adjudicatory Early Site Review submission for Fulton -- those relating to the physical characteristics of the site and its environs -- remain as valid as when they were initially submitted by us and reviewed by the Staff in connection with the Fulton construction permit application. Certain other portions of the submission will need to be updated and basic plant parameters provided, and we would hope to meet with the Staff in the near future to discuss concretely any necessary revisions to the substance or format of information already in the record.

The adjudicatory Early Site Review procedure permits efficient use of the vast amount of still valid information already submitted to the Commission, and of the intense review already given it by the Staff and provides for a degree of certainty not otherwise available for planning nuclear capacity. Such certainty is a fundamental goal of the Early Site Review regulations and the present status of the record in the Fulton proceeding is ideally suited to the adjudicatory Early Site Review procedure as the next logical step in the licensing process. Thus, the public policy goals of not only the Commission but of the Administration as well -- restoring confidence in and efficacy to the licensing process -- would be served.

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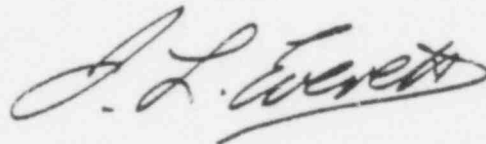
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We firmly believe that orderly, efficient amendment of the present Fulton application to obtain an adjudicatory Early Site Review is a course which is fully consistent with the Commission's new Early Site Review regulations and will resolve the concern expressed in your letter that a decision be made as to the utilization of the Fulton site. To simply terminate the Fulton proceedings as suggested in your letter would waste applicable work already done, unnecessarily burden future efforts, and would constitute a lost opportunity to make use of a potentially valuable means of helping to stabilize the licensing process.

I trust that this letter has been fully responsive to your January 30 request. If you have any questions about it, please do not hesitate to call me.

Sincerely,

A handwritten signature in cursive script, appearing to read "A. L. Everett". The signature is written in dark ink and is positioned below the word "Sincerely,".

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