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File: 2415.6  
2421.1.1

July 30, 1979

Robert Baer, Branch Chief  
Light Water Reactors Branch No. 4  
Nuclear Regulatory Commission  
Washington, DC 20555

**POOR ORIGINAL**

SUBJECT: Forked River Nuclear Station  
Docket Number 50-363  
Construction Permit No. CPFR-96

Dear Mr. Baer:

This will confirm our June 20, 1979 meeting to discuss the status of the construction program for Jersey Central Power & Light Company's (JCP&L) Forked River Nuclear Station. Specifically, we discussed the status of the construction program for the Station immediately prior to the TMI-2 accident and the effects of the accident on the cash resources available to General Public Utilities Corporation (GPU) and its subsidiaries, including JCP&L, and their relationship to the Forked River construction program. As a result, we requested that the NRC defer temporarily any action on our August 31, 1978 request for an extension of the completion dates for the Station.

As we had discussed, a construction permit was issued for the Forked River Station on July 10, 1973 and construction commenced immediately. However, shortly thereafter construction work at the site was slowed down until early 1977. The reasons for such delay and the rationale for re-scheduling the in-service date to December, 1983, were described in my August 31, 1978 letter to Mr. S. A. Varga, as part of a request for an extension of the earliest and latest completion dates for the Station (Attachment 1, hereto.)

As of the date of the TMI-2 accident (March 28, 1979), engineering and construction work for the Forked River Station was proceeding on a schedule consistent with the December, 1983, in-service date. Construction was 5.6% complete, engineering was 47.27% complete and the major equipment connected with the nuclear steam supply system had been delivered to the site. JCP&L's total investment in the Station was approximately \$350 million.

Following the TMI-2 accident, and because of the enormous costs imposed on the companies in the GPU system, on April 3, 1979, GPU announced the suspension of work on major construction projects as well as other measures to reduce cash outlays. As a result, most engineering and all construction work on the Forked River Station has been deferred and all on-site equipment placed in storage.

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Mr. Robert Baer  
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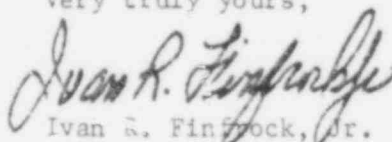
As we discussed at our June 20, 1979 meeting, JCP&L needs additional generating capacity presently to meet its base load requirements; by 1981 JCP&L will need additional capacity to meet its peak load requirements. Nevertheless, it is clear that the GPU and JCP&L financial situation will preclude recommencement of construction at the Forked River Station for some time. And, as we had explained during our meeting, GPU and JCP&L have not had sufficient time either to evaluate fully the financial implications of the New Jersey Board of Public Utilities' recent rate decision, or to determine what further rate relief will be necessary to support the resumption of construction activities at the Forked River site. In any event, we did indicate that recommencement of construction probably would not occur for at least two years.

In the interim, JCP&L will explore other alternatives for meeting its near-term capacity requirements including the possibility of purchasing additional capacity from sources located outside the GPU system. JCP&L also will investigate the feasibility of sharing with others the costs and ownership of the Forked River Station.

Importantly, we plan to continue the program implemented during the period of the initial delay in commencement of construction; that is, JCP&L will evaluate new NRC regulatory criteria and apply such criteria, where practicable and applicable, to the design of the Forked River Station. Additionally, we plan to advise the NRC of any decision to recommence engineering and construction activities at the Forked River site and will at that time propose any new completion dates and provide supplemental justification for extension of such dates.

In view of the foregoing, we believe that it would be appropriate for the NRC to defer at this time any action on our August 31, 1978, request for an extension of the completion dates for the Station.

Very truly yours,

  
Ivan R. Finstock, Jr.  
Vice President

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