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ENGINEERING EVALUATION REPORT

ON

INDIAN POINT

NUCLEAR GENERATING UNIT NO. 3

FOR

POWER AUTHORITY OF THE STATE OF NEW YORK

STATEMENT SUPPLEMENTING
ENGINEERING EVALUATION REPORT
OF SEPTEMBER 1974

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Mr. George T. Berry
General Manager and Chief Engineer
Power Authority of the State of New York
10 Columbus Circle
New York, New York 10019

May 1, 1975

Dear Mr. Berry:

STATEMENT SUPPLEMENTING
ENGINEERING EVALUATION REPORT
INDIAN POINT NUCLEAR GENERATING UNIT NO. 3
POWER AUTHORITY OF THE STATE OF NEW YORK

At your request we have examined our Engineering Evaluation Report on Indian Point Nuclear Generating Unit No. 3 submitted September 10, 1974 and supplement it with the following additional comments:

We have continued to monitor the construction on a daily basis, and in our judgment, this Unit will operate successfully and as intended.

Construction of the basic plant is essentially complete and issuance of a limited operating license by the Director of Nuclear Reactor Regulation (of the Nuclear Regulatory Commission) has been authorized pursuant to an Order of the Atomic Safety and Licensing Board dated April 18, 1975 upon the making of a determination by the Director that Unit No. 3 has been completed in accordance with the application and regulations of the Commission.

We call your attention to the fact that in the Summary and Conclusions portion of the September 1974 Summary Report we projected a commercial operation date of December 1975 on the assumption that fuel loading would be completed by mid-1975. It is our opinion that those dates can be met.

The total cost of the Project as shown in the September 1974 Report was developed using the premises stated in that Report. Among these was that the average cost of interest during construction would be $6\frac{1}{2}$ percent for the period subsequent to transfer of ownership to the Authority on March 15, 1975. You have now asked us to assume an average rate of 7 percent in this Supplement and that transfer of ownership will occur on July 1, 1975. Other revised premises are that \$15,000,000 required for an expanded radwaste facility and \$41,000,000 for bond reserve should be included in the Total Capital Requirements.

In the interim since our initial report, additional information has become available which makes it desirable to reclassify the costs into categories somewhat different from those in the original report without substantially affecting the total cost.

May 1, 1975

The following tabulation provides an updated Capital Requirements Summary:

CAPITAL REQUIREMENTS SUMMARY
INDIAN POINT NO. 3

Summary of recorded costs through December 31, 1974.....(1)	\$330,000,000
Estimated Costs of remaining contract work (Westinghouse).....(1)	23,698,000
Other Estimated Costs, including G & A, etc.....(1)	25,568,000
(from December 31, 1974 to Completion)	
Allowance for funds used during construction.....	15,000,000
(from December 31, 1974 to July 1, 1975)	
Allowance for revenues during construction.....(2)	(3,000,000)
PASNY administrative costs.....(2)	1,225,000
Allowance for future environmental studies.....(2)	6,000,000
Spare Parts allowance and working capital.....(2)	7,000,000
Insurance (from July 1, 1975 through June 30, 1976).....(2)	2,132,000
Additional facilities required for independent operation.....	38,700,000
Other consultants charges.....(2)	2,875,000
Nuclear fuel costs (includes initial core plus one reload)....(2)	68,000,000
Contingencies, including claims.....	8,752,000
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Total estimated capital costs before interest during construction, financing cost and bond reserve requirements.....	\$525,950,000
 Net interest during construction (from July 1, 1975 to December 1975).....(2)	
Financing.....(2)	12,350,000
Bond reserve requirement.....(2)	11,700,000
	41,000,000
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Total Capital Requirements.....(3)	\$591,000,000
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(1) Subject to further evaluation by the Authority.

(2) Calculated by the Authority.

(3) The Total Capital Requirements do not include the costs for a cooling tower which, if required, would amount to about \$70,000,000 nor the cost of several plant modifications to improve the operating convenience and plant availability which in the aggregate, if implemented, may cost about \$10,000,000.

Based on these Total Capital Requirements and allowing for operating and maintenance and fuel costs and assuming a conservative Unit capacity factor of 65 percent, the cost per kilowatt hour will increase from 13.8 mills (as shown in our "Statement Supplementing Engineering Evaluation Report - Astoria Generating Station Unit No. 6 Power Authority of the State of New York" dated January 30, 1975) to 15.0 mills. The Astoria Unit No. 6 cost

Mr. George T. Berry

-3-

May 1, 1975

of generation is now calculated to be 32.6 mills per kilowatt hour.

Thus, the combined cost of power from Indian Point Unit No. 3 and Astoria Unit No. 6 will average about 23.3 mills per kilowatt hour.

If a cooling tower is required, the annual fixed charges will increase and the generating capability of the Unit will be reduced by 1.3 percent, thus increasing the cost of power generation at Indian Point Unit No. 3 by approximately 2 mills.

These increases, in our opinion, do not affect the marketability of power.

Very truly yours,

W. F. Allen, Jr.

W. F. Allen, Jr.
President

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6