

PDR



March 25, 1983
NCA83-0145

Mr. James R. Tourtellotte
Chairman, Nuclear Regulatory Reform Task Force
U. S. Nuclear Regulatory Commission
Washington, D.C. 20555

Dear Mr. Tourtellotte:

Subject: Estimated Backfitting Costs for CR#3

Enclosed is an analysis of estimated backfitting costs applicable to our Crystal River #3 plant as discussed in your letter of February 8, 1983. We have endeavored to follow the general format you presented and conclude that the data presented is consistent with that provided by other utilities.

The analysis reveals estimated total expenditures of some \$174 million for backfitting since Crystal River #3 began operations in 1977. When considered in the light of construction costs for the plant of some \$410 million, backfitting is indeed a significant item for Florida Power Corporation. Further, these expenditures will have averaged about 40% of annual expenditures for Crystal River #3 (excluding fuel) over the period 1977 through 1985. The impact on operations is a substantial increase in budgets, increased outage durations, and deferral of reliability and performance related projects that are key to performance objectives.

We recognize the need for many of these requirements and are committed to timely implementation of all required modifications. However, the magnitude of this effort versus the balance of our operations mandates that such requirements be carefully considered, and that the benefit versus cost be favorable in order to justify a modification. Given this careful consideration, we will do our part with effective management toward high quality modification projects.

We support your efforts and wish to be kept informed of your progress.

Sincerely,

A handwritten signature in dark ink, appearing to read "J. A. Hancock".

J. A. Hancock
Vice President
Nuclear Operations

Enclosure

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FLORIDA POWER CORPORATION

CRYSTAL RIVER #3 BACKFITTING COSTS

Crystal River #3 is a 875 MWe PWR nuclear unit located at Florida Power Corporation's generating complex in Crystal River, Florida, some 100 miles north of St. Petersburg. The total cost of the unit was \$410 million, and commercial operation began in March, 1977.

Backfitting costs for Crystal River #3 are estimated at \$174 million for the period 1977 through 1985 which covers all presently defined backfit requirements. The costs can be allocated as \$87 million for NRC imposed backfitting through 1982, and \$87 million in anticipated near-term backfitting costs to satisfy NRC requirements.

Costs were not accumulated on a modification by modification basis; however, an area by area analysis of backfitting costs was developed and is show below:

NRC BACKFIT ESTIMATE - 3/25/83 (\$ IN MILLIONS)

AREA	1977	1978	1979	1980	1981	1982	1983	1984	1985	TOTAL
LICENSING	1.07	1.67	2.21	2.60	2.46	2.90	2.63	2.84	3.07	21.44
ENGINEERING	0.80	1.25	1.57	2.19	3.97	5.01	3.40	3.67	3.97	25.83
CONSTRUCTION	2.54	3.97	4.82	7.64	10.32	10.31	17.45	14.28	14.78	86.13
OTHER	1.03	1.61	1.89	2.22	2.77	2.85	3.90	4.21	4.55	25.03
TOTAL EXPENDITURES	5.44	8.50	10.49	14.66	19.52	21.06	27.38	25.00	26.36	158.43
OVERHEAD	0.54	0.85	1.05	1.47	1.95	2.11	2.74	2.50	2.64	15.81
TOTAL	5.99	9.35	11.54	16.12	21.47	23.17	30.12	27.51	29.00	174.27

NOTE: The areas addressed above include:

- Licensing - Analytical studies, reporting, and coordination of requirements with the NRC.
- Engineering - Development of design drawings and specifications for changes and conduct of feasibility studies for alternative designs.
- Construction - Procurement of materials, field supervision and installation and test labor.
- Other - Support from Chem/Rad, plant engineering, scheduling, procurement, etc.
- Overhead - Corporate level support including legal, accounting, personnel, etc.

3/25/83