



Wisconsin Electric POWER COMPANY
231 W. MICHIGAN, P.O. BOX 2046, MILWAUKEE, WI 53201

February 25, 1983

Mr. J. R. Tourtellotte, Chairman
Regulatory Reform Task Force
U. S. NUCLEAR REGULATORY COMMISSION
Washington, D. C. 20555

Dear Mr. Tourtellotte:

COSTS OF BACKFITTING AND REGULATION
POINT BEACH NUCLEAR PLANT

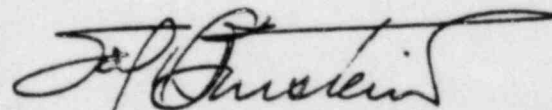
This is in response to your February 8, 1983 letters to Mr. R. W. Britt and Mr. C. S. McNeer in which you requested financial information regarding the costs of backfitting at our Point Beach Nuclear Plant.

In order to provide you with a reasonably prompt response, we have only included those items having a major cost impact, i.e., those approaching a million dollars or more. Effective dates and booked values are presented in Attachment A. Estimated regulatory costs are presented in Attachment B. You should be aware that these estimates are based on a variety of budgetary and financial sources and do not necessarily represent final booked costs.

The Point Beach Nuclear Plant consists of two Westinghouse PWR units with a combined capacity of 994 MWe. Commercial operation of the first unit was December 21, 1970; the second unit, October 1, 1972. The total cost of the plant was approximately \$160 million, or \$160 per kilowatt. The major escalation of regulatory impacts began in the mid-1970's with spent fuel rack changeout, extensive security modifications, and fire protection upgrading. Since TMI we have experienced an additional escalation of required activities in Lessons Learned requirements and a number of major bulletin requirements. Our anticipation of continued involvement in such major efforts has resulted in the expansion of our engineering and operating staffs.

We hope the attached information will be of some assistance in your current efforts. If you need any clarification of our estimates, please feel free to call.

Very truly yours,



Executive Vice President

8305230724 830225
PDR ADOCK 05000266
PDR

Sol Burstein

ATTACHMENT A

WISCONSIN ELECTRIC POWER COMPANY
POINT BEACH NUCLEAR PLANT

EFFECTIVE DATES

Operating Licenses

Unit 1: 10-5-70
Unit 2: 11-16-71

Commercial Operation

Unit 1: 12-21-70
Unit 2: 10-1-72

UNDEPRECIATED BOOKED VALUES
(\$ Million)

12/31/70	Unit 1	\$ 66.1
12/31/70	Common Facilities	17.6
12/31/70	Land	0.6
9/30/70	Unit 2	<u>74.0</u>

Total Initial Value \$158.3

6/30/82	Unit 1	\$ 66.4
6/30/82	Common Facilities	48.9
6/30/82	Land	0.3
6/30/82	Unit 2	<u>74.3</u>

Total Current Value \$189.9*

*Capital expenditures for current projects (TMI backfit, steam generator replacement, etc.) are not included.

ATTACHMENT B

WISCONSIN ELECTRIC POWER COMPANY
POINT BEACH NUCLEAR PLANT
ESTIMATED ANNUAL REGULATORY
AND NON-REGULATORY EXPENDITURES
(\$ Millions)

	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>
Major Items, Regulatory ^(a)	8.3	17.0	16.6	18.7	18.1
Major Items, Non-Regulatory ^(a)	3.2	15.3	21.3	36.8	16.0
Other, Regulatory ^(b)	3.6	6.0	4.8	5.4	5.7
Other, Non-Regulatory ^(c)	<u>6.9</u>	<u>11.0</u>	<u>8.8</u>	<u>10.1</u>	<u>10.5</u>
Totals ^(d)	22.0	49.3	51.5	71.0	50.3

Major Non-Regulatory Expenditures (Current)^(a)

1. Unit 1 Steam Generator Replacement (\$59.4 million)
2. Unit 2 Steam Generator Sleaving (\$10.0 million)
3. Units 1 and 2 Turbine Refurbishment (\$14.1 million)
4. Moisture Separator Reheater and Feedwater Heater Tube Bundle Replacement (\$4.1 million)

Major Regulatory Expenditures (Current and Recent)^(a)

1. Three Mile Island Lessons Learned (\$37.6 million)
2. Spent Fuel Pool Rerack and Cooling System Upgrade (\$1.8 million)
3. Security Upgrade (\$2.8 million)
4. Crane Replacement (\$7.4 million)
5. Fire Protection Modifications (\$4.6 million)
6. Block Wall Bulletin (80-11) (\$1.2 million)
7. Piping Support Bulletin (79-14) (\$7.3 million)
8. Environmental Qualification (\$0.7 million)
9. Polar Crane Upgrade (\$2.8 million)
10. Radioactive Waste Storage (\$1.1 million)

Major Regulatory Expenditures (Future)

1. Systematic Evaluation Program
2. Anchorage of Electrical Equipment
3. Pressurized Thermal Shock
4. Anticipated Transient Without Scram

NOTES:

- (a) Includes both capital and O&M.
- (b) "Other, Regulatory" is mostly O&M and is based on the estimate that 35% of routine operating expenses are regulatory related.
- (c) Mostly O&M with a minor amount of capital.
- (d) Totals reflect all nuclear expenditures except fuel.