

April 13, 1983

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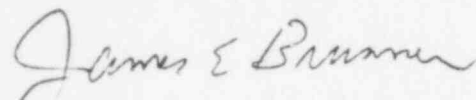
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Chairman C Bechhoefer  
Atomic Safety & Licensing Board Panel  
US Nuclear Regulatory Commission  
Washington, DC 20555

Dear Chairman Bechhoefer

Attached hereto is a copy of a press release by Consumers Power Company addressing the new construction schedule and related matters. The press release announces a schedule consistent with my letter of yesterday.

Very truly yours

  
J E Brunner

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**Consumers Power Company**



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FOR IMMEDIATE RELEASE

JACKSON, Mich., April 12, 1983 -- Officials of Consumers Power Company today announced new dates for the estimated completion of the Midland Nuclear Cogeneration Plant and a new cost estimate for the project.

Projected fuel loading for Unit 2, the first unit to go on line is October 1984, with commercial operation scheduled for February 1985. Fuel loading for Unit 1 is scheduled for February 1985, with commercial operation scheduled for August 1985.

The cost of the project is now estimated at \$4.430 billion.

The new cost and schedule were announced at the company's annual meeting today by John D. Selby, the utility's board chairman.

Previously, Unit 2 had been planned to go into commercial operation in December 1983 and Unit 1 in July 1984. The cost estimate based on that schedule had been \$3.39 billion.

Selby outlined the principal reasons for the changed schedule. He said the remedial work on the foundations of certain buildings at the Midland site is an important factor.

The foundation work, called underpinning, to resolve possible problems because of inadequately compacted soils in some areas of the site, had been delayed for many months because of technical and regulatory reviews.

Other elements responsible for the revised schedule are the remaining work to complete the plant and the implementation of revised quality

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control and quality assurance programs in order to satisfy concerns about those areas expressed by officials of the U.S. Nuclear Regulatory Commission. The plant is 83 percent complete.

Selby said the underpinning work has been changed from the program originally announced by the company in January 1982. As a result of the completed regulatory reviews the design has become more conservative and the work sequence has increased in complexity. As a result, the time needed to accomplish the underpinning program has expanded by 8 months.

Selby said the soils remedial work has been under way on the auxiliary building underpinning for four months and the work is progressing well.

The official said the project's construction completion program (CCP), announced last December, should be completely under way sometime this spring.

The CCP involves design and test engineers, quality assurance personnel and construction engineers joined into coordinated teams to inspect work done on certain systems at the plant, to determine what work is needed to complete the systems and to oversee that work. A major objective of the CCP is to improve the project's performance in meeting the regulations and expectations of the NRC, Selby said.

The major construction work still to be completed is the installation of pipe hangers which has traditionally been the most time-consuming aspect of completing a nuclear power plant project.

Selby described the major components of the increase in project cost. The foundation support work will add \$100 million. Remaining

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engineering, administrative and construction work will cost \$538 million. Additional financing costs and overhead are \$402 million.

The chairman noted that about one-third of the total plant cost, or about \$1.3 billion will cover the financing charges on the money raised to build the Midland facility.

The Midland plant will be the world's largest nuclear cogeneration energy producing facility. It will be capable of generating 1,345,000 kilowatts of electricity for Consumers Power's electric system and up to 4,000,000 pounds of process steam per hour for The Dow Chemical Company. The steam to be sold to Dow contains energy equivalent to approximately 250,000 kilowatts of electricity.

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April 12, 1983

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