

SEABROOK STATION
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March 14, 1984

SBN- 637
T.F. E1.2.1

United States Nuclear Regulatory Commission
Washington, D. C. 20555

Attention: Mr. George W. Knighton, Chief
Licensing Branch No. 3
Division of Licensing

References: (a) Construction Permits CPPR-135 and CPPR-136, Docket
Nos. 50-443 and 50-444

Subject: March 1, 1984, Meeting of The Seabrook Joint Owners

Dear Sir:

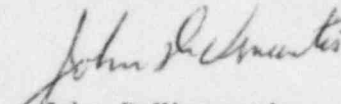
As has been our practice in the past, we have enclosed a copy of the news release regarding the March 1, 1984 meeting of the Seabrook Joint Owners.

We have also enclosed a copy of the notification that was made to the Atomic Safety and Licensing Board and Service List for the Seabrook proceeding.

The news release delineates revised cost estimates and completion schedules which were presented to the Joint Owners.

Very truly yours,

YANKEE ATOMIC ELECTRIC COMPANY


John DeVincertis
Project Manager

cc: Atomic Safety and Licensing Board Service List

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Release: #84-31

March 1, 1984

For Immediate Release

Seabrook Station owners do not adopt new estimates,
vote against cancelling Unit Two.

The Seabrook Station owners, following the advice of a consultant hired to oversee construction of the nuclear plant, did not adopt recently revised cost and schedule estimates for the project at a meeting in Manchester, N.H., March 1. In addition, the owners voted down a resolution to cancel Seabrook Unit Two.

The new estimates, presented to the owners at the meeting, indicate that Seabrook's first unit will begin operating in July 1986 at a cost of about \$4.4 billion. If the reduced construction level on Unit Two is maintained as planned until fuel is loaded in Unit One, the new estimates indicate a similar cost of \$4.4 billion for Unit Two, and a completion date of December 1990. The estimate also adds a management reserve of \$200 million.

(MORE)

At a news conference following the owners meeting Robert J. Harrison, president of lead Seabrook owner Public Service of New Hampshire, said that there is substantial reason to consider the new cost estimates "unrealistically high," an assessment, he said, which is also shared by the company's newly hired Seabrook construction chief, William B. Derrickson.

"The new estimates assume a continuation of past practices at the site," Harrison said. "They do not take into account significant changes in management structure and technique which have and will continue to be implemented at the project. As a result, Management Analysis Company (MAC) recommended that no cost and schedule revision be adopted until the new management improvements are taken into account," he said.

"If we proceeded in a 'business-as-usual' manner, these estimates might prove accurate," Harrison said. "But we have already made adjustments, such as the restructuring of management at the site and, most important, the hiring of Bill Derrickson, which are not taken into account in these estimates and which we are convinced will improve them. And there will be more changes to come," he said.

Derrickson, who joined PSNH on March 1, is considered an expert in nuclear power plant construction and was recently honored as "Man of the Year" by an engineering magazine for building a Florida nuclear power plant in six years, an industry benchmark.

"In the following months we will be refining the Seabrook cost and schedule estimates with the input of Bill Derrickson," Harrison said. In the meantime, these new estimates will serve as a guideline of Seabrook's cost and schedule."

The new estimates were compiled under the direction of employees of PSNH, aided by the project architect/engineer United Engineers and Constructors, and Yankee Atomic Electric Company.

(MORE)

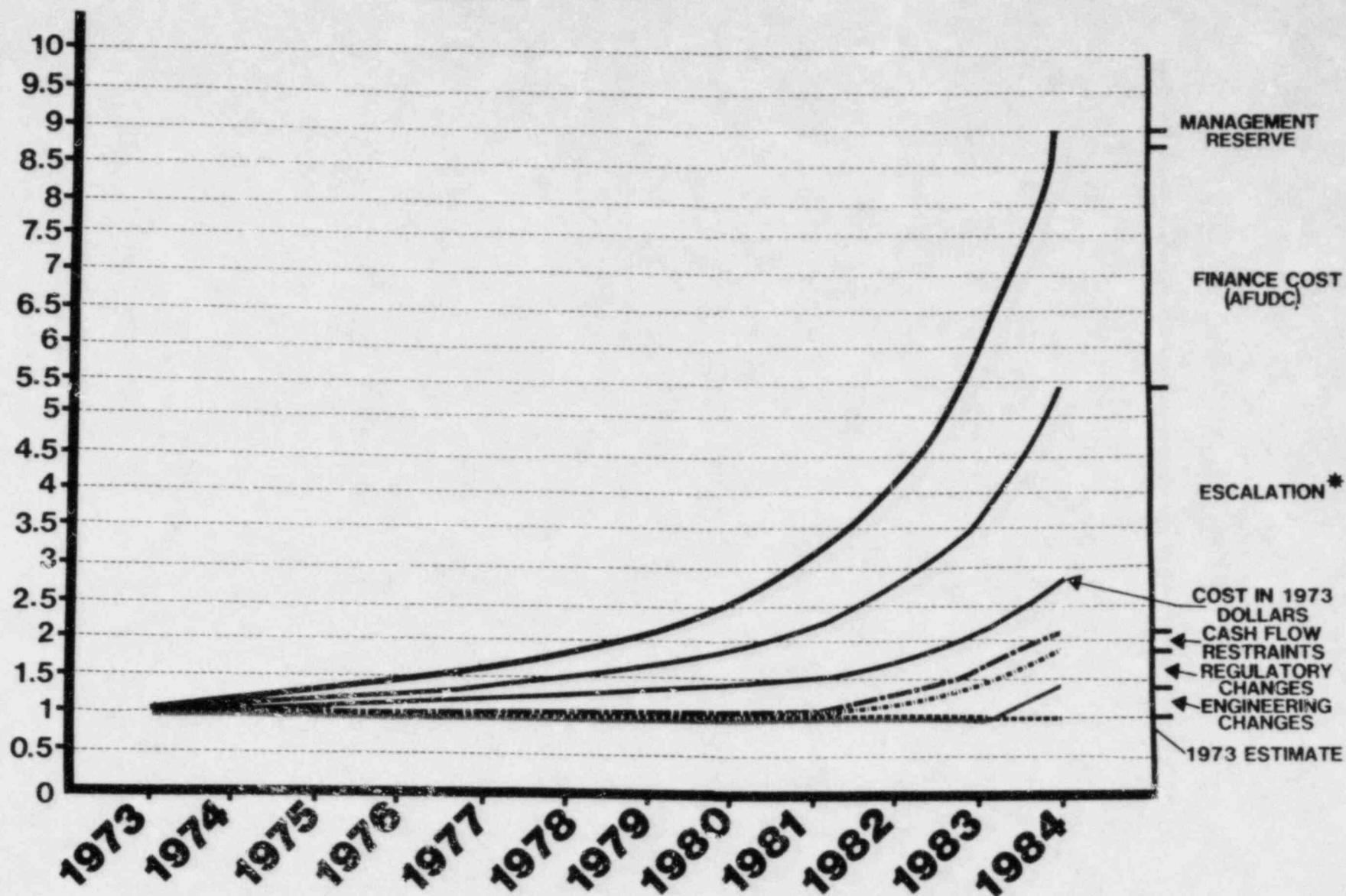
The last official estimate of Seabrook's cost and schedule, released in November 1982, indicated Seabrook's two units would begin operating in December 1984 and July 1987 at a cost of \$5.24 billion.

Four Seabrook owners, Central Maine Power Co., United Illuminating Co., Connecticut Light & Power Co., and New England Power Co., sponsored a resolution to cancel Seabrook's second unit. Seabrook participants holding 39.86 percent of plant ownership voted in favor of the resolution while owners holding 44.83 percent voted against cancellation and 18.24 percent of the ownership abstained. An affirmative vote of 80 percent of the ownership interest is required to cancel the unit.

Voting to cancel Seabrook Unit Two were: The United Illuminating Co., New England Power Co., Central Maine Power Co., Connecticut Light and Power Company, Maine Public Service Company, and Fitchburg Gas and Electric Light Company. Voting against cancellation were: PSNH, Canal Electric Company, New Hampshire Electric Cooperative, Vermont Electric Cooperative, Taunton (Mass.) Municipal Lighting Plant Commission, and Hudson (Mass.) Light and Power Dept. Abstaining were: Massachusetts Municipal Wholesale Electric Co., Montaup Electric Co., Bangor Hydro-Electric Co., and Central Vermont Public Service Corp.

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SEABROOK STATION APPROXIMATION OF PROJECT COST TRENDS 1973 - 1984

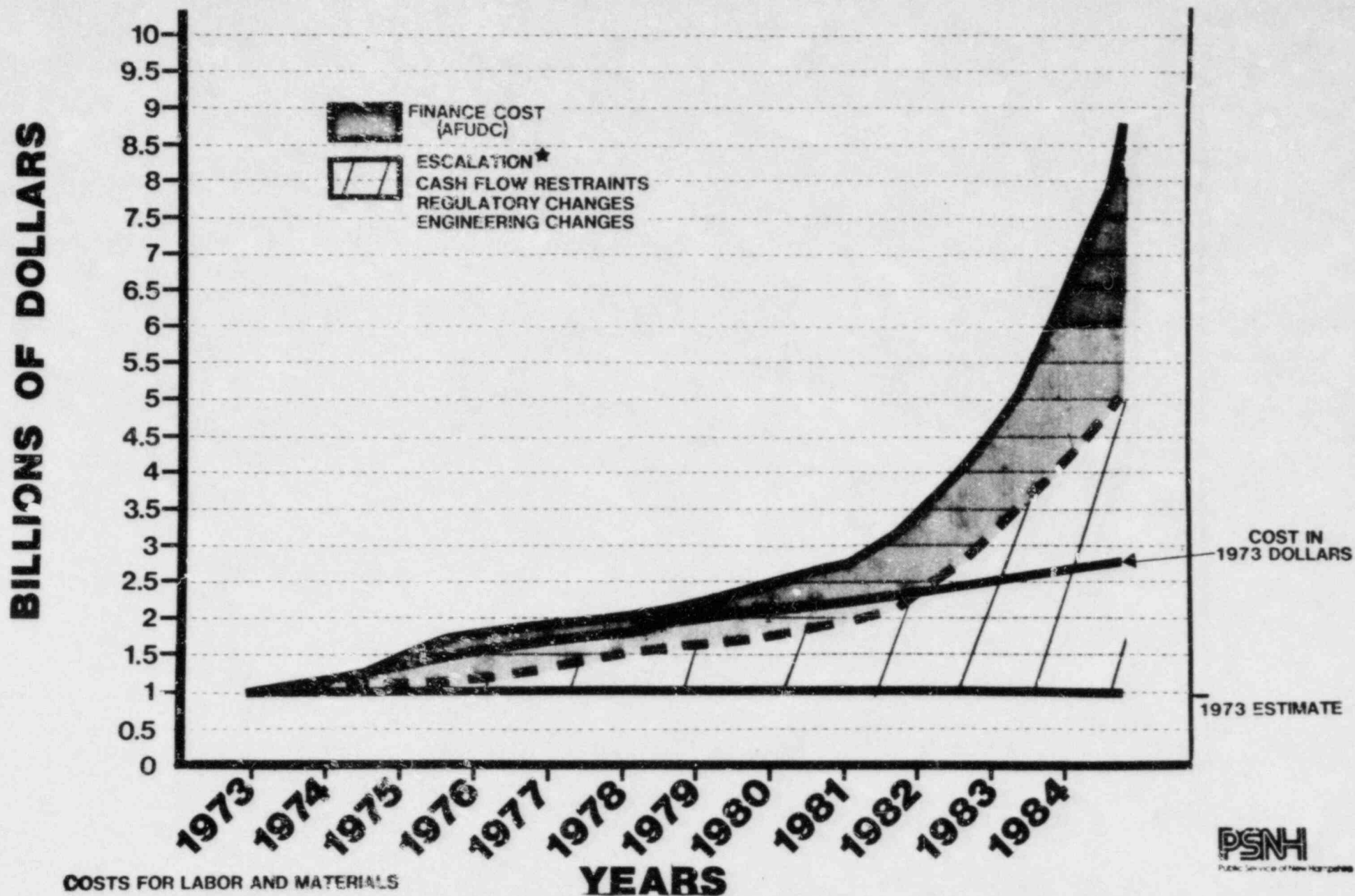


BASE CASE

* INFLATION IN COSTS FOR LABOR AND MATERIALS

YEARS

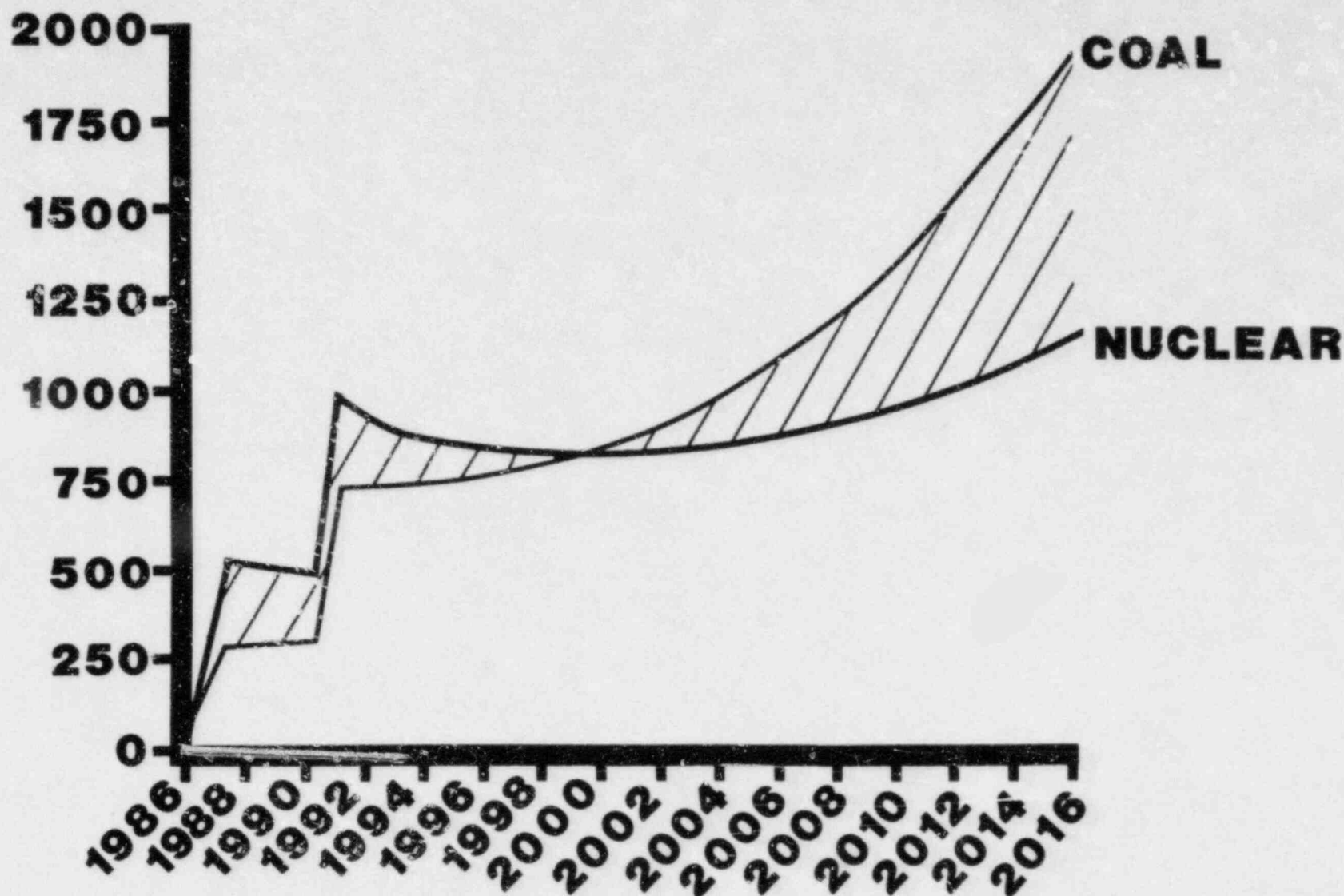
SEABROOK STATION APPROXIMATION OF PROJECT COST TRENDS 1973 - 1984



COMPARISON OF COAL VERSUS NUCLEAR

ANNUAL REVENUE REQUIREMENTS

MILLIONS OF DOLLARS



ACTUAL AND PROJECTED NUMBER OF PSNH CUSTOMERS

