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March 2, 1983

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

Dear Mr. Tourtellotte:

Thank you for your letter of December 21, 1982 and the enclosed documents expressing your views on the need for NRC regulatory reform. As has been previously stated in our letter of November 5, 1982, the Power Authority agrees with your basic philosophy which encourages a reasonable approach to the regulation of nuclear energy.

The Power Authority is an active participant in the Nuclear Utility Backfitting and Reform Group (NUBARG). This group (in cooperation with other industry groups such as AIF, EEI and ANEC) is working towards the implementation of a viable backfitting reform measure which embodies the very same principles outlined in your papers. As a responsible, public benefit utility, providing approximately one-third of the electrical energy consumed in New York State, the Authority is deeply concerned about rising operation costs for its facilities. Any such increases ultimately translate into increased rates charged to its customers, the people of the State of New York.

The Power Authority understands the need for modifications established as a result of industry and regulatory review and which have subsequently been issued in the form of a regulation. It is, however, greatly concerned about the continuing NRC Staff practice of issuing additional questions regarding established regulations, thus requiring an expenditure of unnecessary effort and cost on the part of the utilities. It is this concern that led to the Authority's affiliation with NUBARG.

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Formulation of the NUBARG rule would lead to significant regulatory reform in the backfitting process and would result in more cost effective operation of the nation's nuclear facilities. This is what the nation's utility commissions, shareholders and consumers desperately need and demand. The Power Authority would encourage and appreciate your consideration of the industry's approach to the formulation of a backfitting rule in line with the Regulatory Reform Task Force effort on this issue.

I hope that these views and observations will be helpful to you in your continued endeavors.

Very truly yours,

*John W. Lyson*