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 FACIL: 50-270 Oconee Nuclear Station, Unit 2, Duke Power Co. 05000270
 50-287 Oconee Nuclear Station, Unit 3, Duke Power Co. 05000287
 AUTH. NAME AUTHOR AFFILIATION
 YONCE, H.G. South Carolina, State of
 RECIP. NAME RECIPIENT AFFILIATION
 DENTON, H.R. Office of Nuclear Reactor Regulation

SUBJECT: Discusses effects of NRC 800102 show cause order.
 Simultaneous multi-unit shutdown will seriously jeopardize
 power reliability within state. Recommends that facilities
 be sequentially removed from svc.

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STATE OF SOUTH CAROLINA
THE PUBLIC SERVICE COMMISSION

P. O. DRAWER 11649
COLUMBIA, SOUTH CAROLINA 29211

January 17, 1980

Mr. Harold R. Denton, Director
Office of Nuclear Reactor Regulation
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

RE: Duke Power Company
(NRC Docket Nos. 50-270
and 50-287.)

Dear Mr. Denton:

I am writing in regard to the Order to Show Cause issued by the Nuclear Regulatory Commission (hereinafter "the NRC") to Duke Power Company in the above referenced proceedings on January 2, 1980. As the regulatory agency with the statutory responsibility to assure that its jurisdictional electrical utilities provide an adequate supply of energy to their customers, the South Carolina Public Service Commission (hereinafter "the Commission") herein expresses its concern for the potential effect of that Order upon the load reliability for the customers of Duke Power Company in South Carolina.

The Commission has reviewed the response of Duke Power Company to the Order to Show Cause and the information supplied to the Department of Energy by Duke Power Company on January 15, 1980. Such information is consistent with our evaluation and determination of Duke Power Company's prospective reserve levels.

In light of our available information in regard to the system loads and characteristics of Duke Power Company and the other jurisdictional electrical utilities in South Carolina, the unavailability of Duke Power Company's Oconee Units at this time of the year seriously jeopardizes power reliability within the State. If the Order to Show Cause is implemented as proposed, reserve levels within the system operated by Duke Power Company for February and March, 1980 will reach only 1.8% and 5.0%, respectively. If Oconee Units II and III are removed from service prior to the operation of Unit I, a reserve deficiency of approximately 7.1% will exist. The Commission must express its grave concern for the severity of the impact upon load reliability associated with such reserve levels.

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Mr. Harold R. Denton
January 17, 1980
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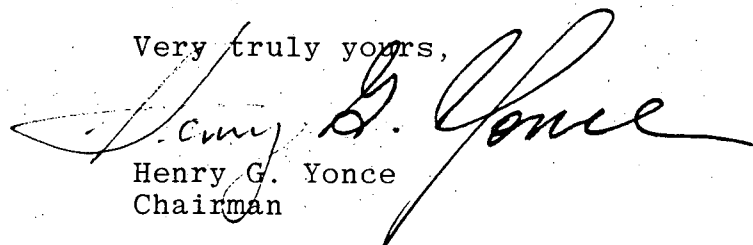
This Commission's evaluation of the reserve levels and potential effect leads us to the conclusion that a sequential removal from service of the Oconee Units is preferable to a simultaneous and multiple unit shutdown of the Oconee facilities which we must conclude is presently unwarranted.

A simultaneous multi-unit shutdown of the Oconee Units will most likely require Duke Power Company to engage its combustion turbines to account for its energy deficiencies. The cost differential of energy produced from turbines consuming No. 2 fuel oil in contrast to the cost of energy generation by nuclear units is drastic. We have reviewed the cost data which appears on Page 17 of Duke Power Company's Response to the Order to Show Cause which demonstrates that the replacement energy for one unit of the Oconee Station will range from \$250,000 per day to \$1,500,000 per day. At this time we do not consider that the public interest is best served by requiring the affected South Carolina customers to incur additional expenses of such magnitude nor do we consider that the national interest would best be promoted by the consumption of fuel oil in substitution of nuclear fuel.

This Commission, like the NRC, must continually engage in a process of balancing diverse interests. Our mutual concerns for the safety of the customers of Duke Power Company and for an adequate and reliable supply of energy to those customers must be examined with great care. This Commission considers that the sequential removal from service of the Oconee Units, rather than a simultaneous removal from service, will best address those concerns.

If I may be of further assistance in this matter, please do not hesitate to contact me.

Very truly yours,



Henry G. Yonce
Chairman

HGY:jh

cc: Mr. Richard Weiner, Director
U. S. Department of Energy
Washington, D. C. 20461

Mr. Steve C. Griffith, Jr.
Vice President & General Counsel
Duke Power Company
Charlotte, N. C. 28242