

DEC 11 1978

Docket Nos. 50-387A  
50-388A ✓

Mr. N. W. Curtis  
Vice President  
Engineering and Construction  
Pennsylvania Power & Light Company  
Two North Ninth Street  
Allentown, PA 18101

Dear Mr. Curtis:

SUSQUEHANNA STEAM ELECTRIC STATION, UNIT NOS. 1 AND 2

In accordance with Regulatory Guide 9.3, the Pennsylvania Power & Light Company (PP&L) submitted antitrust information (dated August, 1978) in connection with the operating license application for the above captioned units. The information provided was on behalf of the PP&L and the Allegheny Electric Cooperative (AE), coapplicants of the Susquehanna SES.

In reviewing the information provided, certain questions arose in reference to PP&L's response to Item 1f.4 regarding "acquisitions or mergers" occurring subsequent to the construction permit antitrust review. PP&L indicated that, on December 31, 1976, it had acquired the outstanding stock of the Hershey Electric Company (HEC). Further, PP&L states that HEC "continues to purchase all of its requirements for electric power from the Metropolitan Edison Company, ...." (Prior to the acquisition of HEC's stock by PP&L, HEC was a full requirements customer of the Metropolitan Edison Company.) PP&L states that it eventually plans to merge HEC's electric facilities into PP&L. Along these line, we would appreciate it if PP&L could provide a response to the following questions:

1. Who initiated the purchase of the electric properties of HEC? Why?
2. We have already reviewed the Security and Exchange Commission records concerning the protest of the Metropolitan Edison Company (File No. 703839) to this acquisition. Therefore, additional information concerning this intervention is not

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1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

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needed. However, we would appreciate information describing any other opposition to this acquisition.

3. Did HEC request any type of power supply coordination or electric service from PP&L within the year preceding its acquisition by PP&L? If so, please describe the nature of the request, including PP&L's response?
4. To the best of PP&L's knowledge, did HEC request any type of electric service from other bulk power suppliers within the year preceding its acquisition by PP&L? If so, please describe (to the best of PP&L's knowledge) the nature of the request and the responses to these requests.
5. When is PP&L planning to integrate the HEC electric facilities with the rest of PP&L's electrical system?

We also would appreciate additional information concerning PP&L's and AE's response to Item 1(h) of Regulatory Guide 9.3.

6. What were the reasons cited by the Borough of Lansdale and the Borough of Kutztown as to why they did not accept PP&L's offer to provide them with electrical service?
7. Please describe the status of the negotiations between PP&L and:
  - (a) the Borough of Lansdale (for wheeling)
  - (b) the City of Vineland (for ownership and/or purchase of capacity and energy from the above captioned units and/or other generating facilities)
  - (c) the Atlantic City Electric Company (for ownership and or firm purchase of capacity and energy from the above captioned units and/or other generating facilities)
8. Please advise us of the status of the negotiations between AE and the Southern Maryland Electric Cooperative, Inc., concerning joint ownership in future generating facilities.
9. When the negotiations, referred to in questions 7 and 8, are completed, please furnish us with a description of the results.

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The NRC staff has made an inquiry as to the applicants activities in front of the Federal Power Commission (FPC) and/or the Federal Energy Regulatory Commission (FERC) since the CP review stage of Susquehanna SES. As a result of that inquiry NRC staff now requests that PP&L provide a response to the following questions:

10. a. List the electric facilities acquired in 1974 by PP&L from the Borough of Steelton and the Townships of Swatara, Lower Swatara and Derry, Dauphin County, Pennsylvania.
- b. Describe the circumstances under which these facilities were acquired.
- c. Was there any organized opposition to these acquisitions? If so, describe who was the opposition and what were the issues involved.

If you have provided information containing the answers to the above questions in official filings before other regulatory bodies, such filings may be furnished in lieu of specific answers to such questions.

In order to expedite our antitrust evaluation, NRC staff would appreciate the answers within 60 days. Your response should be addressed to this office.

Sincerely,

*S/* WILLIAM ZELINSKY

William M. Zelinsky  
Electrical Engineer  
Power Supply Analysis Section  
Office of Nuclear Reactor Regulation

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| DATED    | 12/11/78                  | 12/11/78               | 12/11/78               | 12/11/78         |                                  |

EXHIBIT 100-100000