



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

July 26, 1979

Mr. Tong Volpe
12422 Schauer
Warren, Michigan 48093

Dear Mr. Volpe:

Your letter of June 14, 1979 to the Department of Energy was referred to us for response.

The most recent estimates performed by General Public Utilities Corporation (GPU) place the cost of decontaminating and returning the Three Mile Island Nuclear Generating Station Unit 2 (TMI-2) to service at approximately \$430 million. This figure includes an estimated \$60-85 million to replace the uranium core.

TMI-2 is insured to a \$300 million property damage limit by a group of approximately 30 insurance companies. In order to recover the uninsured excess of \$130 million GPU has stated it's intent to seek authority to charge higher electric rates to their customers and aid from the nuclear power industry and government. It should be noted that the Pennsylvania Public Utilities Commission has already authorized one rate increase in order to allow GPU to recover a portion of the TMI-2 cleanup costs.

I trust the above answers adequately respond to your specific questions.

Sincerely,

A handwritten signature in cursive script that reads "John T. Collins".

John T. Collins, Deputy Director
TMI-2 Support
Office of Nuclear Reactor Regulation

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