

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)
)
METROPOLITAN EDISON COMPANY) Docket No. 50-289
) (Restart)
(Three Mile Island Nuclear Station,)
Unit No. 1))

TO: Ivan W. Smith, Esquire, Chairman
Dr. Walter H. Jordan
Dr. Linda W. Little
Atomic Safety and Licensing Board



MOTION TO STAY ALL PROCEEDINGS

Intervenor, Three Mile Island Alert, Inc., hereby moves that the captioned proceedings be stayed indefinitely, and sets forth the following reasons therefor:

1. On November 1, 1979, the Pennsylvania Public Utility Commission (PUC) issued an Order directing licensee, Metropolitan Edison Company (Met-Ed), to show cause within twenty (20) days why its license to operate as a utility in Pennsylvania should not be revoked. A copy of that Order is attached hereto as Exhibit "A".

2. The PUC's proceedings will consider the ability of Met-Ed to continue as a utility licensed to operate in Pennsylvania.

3. The proceedings of this Board cannot consider fully all the relevant aspects of the licensee's financial condition until the PUC has ruled on the Order referred to herein.

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4. Because of the uncertainty surrounding Met-Ed's ability to continue to function as a utility, it would be both cavalier and irresponsible for this Board to continue with the proceedings, thereby resulting in expenditures of taxpayers' dollars and the depletion of Intervenor's limited resources, until the PUC has ruled.

WHEREFORE, Intervenor, Three Mile Island Alert, Inc., requests that this Board stay all further proceedings until the PUC finally rules on the Rule To Show Cause referred to herein.

Respectfully submitted,

THREE MILE ISLAND ALERT, INC.

By: 

Theodore A. Adler, Esquire
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P. O. Box 1547
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Telephone: (717) 763-1383

Dated: November 2, 1979

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PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17120

Public Meeting held



Commissioners Present:

W. Wilson Goode, Chairman
Michael Johnson

Pennsylvania Public Utility Commission
v.
Metropolitan Edison Company,
Respondent

Docket No.
I-79040308

ORDER TO SHOW CAUSE

BY THE COMMISSION:

The Commission hereby takes official notice of the following matters:

1. The costs associated with Three Mile Island, Unit No. 2 ("TMI-2") which are being incurred by Metropolitan Edison Company ("Met Ed") but which are not recoverable through charges to ratepayers because of the Commission's order adopted June 15, 1979.
2. The recent, extensive short-term borrowings of Met Ed pursuant to a revolving credit agreement with several banks.
3. The statement of Met Ed in the proceedings at this docket that it will require two to four years to return TMI-2 to service.
4. The finding of the President's Commission on the Accident at Three Mile Island ("President's Commission") that:

"A. . . .

15. The cost of the accident, including this cleanup and a portion of the waste disposal, will be between \$1 billion and \$1.86 billion, if the plant can be refurbished. If it cannot be refurbished, the total cost will be significantly higher."

Exhibit "A"

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5. The status of Three Mile Island, Unit No. 1 ("TMI-1") in that it is (a) out of service, (b) subject to orders of the Nuclear Regulatory Commission ("NRC") which have suspended the license to operate the plant and required a hearing process prior to a restart of the plant which will extend well into 1980 or beyond, and (c) subject to the order to show cause of this Commission why the plant should be considered used and useful in the public service.

6. The recent action of the NRC in imposing civil penalties against Met Ed as the license for TMI-2 for violations of the NRC's regulations in the operation of TMI-2.

7. The finding of the President's Commission that:

"E. . . .

1. In a number of important cases, General Public Utilities Corporation ("GPU"), Met Ed, and B&W failed to acquire enough information about safety problems, failed to analyze adequately what information they did acquire, or failed to act on that information. Thus, there was a serious lack of communication about several critical safety matters within and among the companies involved in the building and operation of the TMI-2 plant. . . ."

8. The finding of the President's Commission that:

"A. . . .

14. The process of recovery, cleanup, and waste disposal [with respect to TMI-2] will be lengthy, costly, and presents its own health dangers. . . ."

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9. The recommendation of the President's Commission that:

"B. . . .

1. To the extent that the industrial institutions we have examined are representative of the nuclear industry, the nuclear industry must dramatically change its attitudes toward safety and regulations. The Commission has recommended that the new regulatory agency prescribe strict standards. At the same time, the Commission recognizes that merely meeting the requirements of a government regulation does not guarantee safety. Therefore, the industry must also set and police its own standards of excellence to ensure the effective management and safe operation of nuclear power plants."

10. The recommendation of the President's Commission that:

"B. . . .

6. Utility rate-making agencies should recognize that implementation of new safety measures can be inhibited by delay or failure to include the costs of such measures in the utility rate base. The Commission, therefore, recommends that state rate-making agencies give explicit attention to the safety implications of rate-making when they consider costs based on "safety-related" changes."

11. The recent 2-2 vote of the NRC on whether to revoke the license of Met Ed to operate TMI-2.

Recognition of the listed matters raises serious questions about the continued ability of Met Ed to provide safe, adequate, and reliable electric service at just and reasonable rates. The Commission therefore finds it in the public interest to put at issue in these proceedings the continued viability of Met Ed as a public utility.

No one -- either utility, investor or ratepayer -- should view this action as implying a determination by this Commission of the ability or desirability of Met Ed continuing to provide public utility service in Pennsylvania. Rather our action represents a conscious, unflinching effort to address the difficult issues before this Commission. Protection of the broader interest requires that we candidly address the financial, technical and legal problems now facing Met Ed.

THEREFORE, the Commission hereby orders Metropolitan Edison Company to show cause why its certificate of public convenience should not be revoked.

And THEREFORE:

IT IS FURTHER ORDERED:

1. That Metropolitan Edison Company shall answer this order to show cause as provided in 1 Pa. Code §35.37 within twenty (20) days after the date of entry.

2. That interested persons may respond to this order to show cause within twenty (20) days after the date of entry.

3. That a copy of this order to show cause shall be served on respondent and all parties of record at Docket No. I-79040308.

BY THE COMMISSION,

William P. Thierfelder
Secretary

(SEAL)

ORDER ADOPTED:

ORDER ENTERED:

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CERTIFICATE OF SERVICE

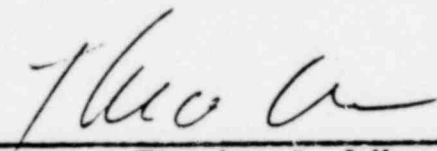
I hereby certify that I caused a true and correct copy of the foregoing Motion To Stay All Proceedings to be placed in the United States mail, first class, postage prepaid, to the following:

Ivan W. Smith, Esquire
Chairman
Atomic Safety & Licensing Board Panel
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Chief
Docketing and Service Section
Office of the Secretary
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Marcia E. Mulkey
Office of the Executive Legal Director
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1800 M Street, N.W.
Washington, DC 20006



Theodore A. Adler

Dated: November 2, 1979



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