

International Generation and Transmission Co., Inc.

P. O. BOX 444

BERLIN, NEW HAMPSHIRE 33578

June 14, 1979

Mr. Daniel R. Muller
Assistant Director
for Environmental Projects
Division of Reactor Licensing (Your comments will be
Nuclear Regulatory Commission very much appreciated.)
Washington, D.C. 20555

We have been in Washington for the past two weeks for discussions with DOE reference the replacement of oil-fired generation in New England through the importation of power from Canada by 1983-84. This Canadian power would save a minimum of 50-million barrels of oil annually and remove approximately 175-thousand tons of contaminants from the air.

Discussions With DOE, principally Mr. Robert I. Hanfling's office (DOE Policy) and Mr. Jerry Pfeffer's Office of Utility Systems, can be summarized for determination of which policy should be followed in New England regarding imported oil in power generation during the 1980s.

Should New England's electric power consumers and economy continue to rely on the present DOE policy of dependence upon OPEC oil for 50-percent or more of power generation on the grounds that the status quo, without Canadian power, will protect the current licensing of alternative fuel power plants (nuclear, coal etc.) or, should New England be importing Canadian power to replace oil-fired generation by 1983 through 1990, saving one-billion dollars per year for consumers, relieving dependence on OPEC oil and preventing long-term power blackouts?

However, New England utilities must be actively in the process of building new power plants as Canadian utilities definitely will not and cannot be forced to supply power to replace or prevent new construction of U.S. power stations.

DOE agrees that there will be a "5 to 10 year gap" before new power stations can be constructed to replace costly oil-fired generation. In fact, DOE executives say that with Seabrook and Millstone-3 on-line and if five other scheduled plants were completed, New England would still be importing 40-million barrels of oil in the late 1980s without Canadian power imports.

Today, Jerry Pfeffer did state he could support the importation of 3,000 megawatts of Canadian power for oil replacement.

If DOE support for a minimum of 3000 megawatts of Canadian power is substantive, IG & T and its Canadian Engineering Group are prepared to make the necessary technical studies to provide a report covering basic designs and economic evaluations of its transmission plan by December, 1979.

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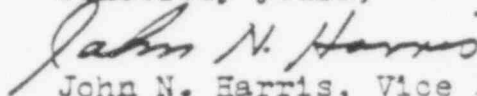
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We are certain from previous discussions that DOE is aware that formal customers arrangements are not completed and formal applications can not be submitted until DOE makes substantive commitments relative to Canadian power.

With such substantive commitment from DOE supporting 3000 megawatts (plus), the Canadian utilities will be prepared to complete their required commitments and studies for power export.

I am prepared to have preliminary discussions today to make arrangements for technical and executive meetings.

Sincerely yours,



John N. Harris, Vice President
& Project Director

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JNH:m

CC:

Mr. Robert I. Hanfling
Exec. Assistant to Deputy Secretary

Mr. David Bardin
Administrator of Economic Regulatory Administration

Mr. Jerry Pfeffer
Assistant Administrator
Office of Utility Systems, ERA

New England Congressional Delegation

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