TESTIMONY AT
MIDDLETOWN, PA., MAY 18, 1979
BY WALTER M. CREITZ, PRESIDENT
ON METROPOLITAN EDISON COMPANY ORGANIZATION
BEFORE
THE PRESIDENT'S COMMISSION ON THE ACCIDENT
AT THREE MILE ISLAND

Mr. Chairman and Members of the Commission:

I wish to thank you for this opportunity to appear here today.

I am Walter M. Creitz, President of Metropolitan Edison Co. (Met-Ed).

First, let me state that we at Met-Ed do regret the inconveniences and fears that were created as a result of the unique March 28 accident at TMI. We are comforted that no one was injured and that no property was damaged.

My primary purpose today is to describe the company, who we are and where we serve. After I briefly discuss some of the general aspects of the company and its operations, J. G. Herbein, the Vice President - Generation, will further describe the aspects of the operations of the Generation Division and more specifically the Three Mile Island (TMI) Nuclear Generation Station organization.

COMPANY BACKGROUND

The mission of Met-Ed Company is to supply the electric energy needs of its consumers reliably and at a fair cost. The charges are subject to the approval of the Pennsylvania Public Utility Commission for retail customers and the Federal Energy Regulatory Commission for wholesale customers.

Met-Ed, a wholly-owned subsidiary of General Public Utilities Corporation (GPU), is an electric public utility engaged in the generation, transmission and distribution of electricity. The present service area of the Company resulted from the merger through the years of some 300 small, local electric companies, the first of which was the Reading Electric Company formed in 1883. Met-Ed today serves more than 350,000 customers in 14 eastern and south-central Pennsylvania counties. A population of approximately 850,000 lives in Met-Ed's

3,274-square-mile service area which extends from near the New York line in eastern Pennsylvania to a few miles west of Gettysburg along the Mason-Dixon Line. Included in this service area are the cities of Easton, Lebanon, Reading and York, 159 townships and 97 boroughs.

The Met-Ed service area consistently has an unemployment record among the lowest in the nation. It includes a broad range of manufacturing industries, rich agricultural lands, and is noted for its recreation, tourism and vacation facilities. About 40% of the Met-Ed area work force is engaged in manufacturing and some 51% of the work force is in service-related and commercial activities.

Met-Ed, with Corporate headquarters near Reading, Pa., has 2,774 employees as of April 30 and is organized along functional lines. For operating purposes, other than generation, the company is broken into four divisions with headquarters at Reading, Easton, Lebanon and York. The divisions are further divided into 14 Districts.

ORGANIZATION

I report to the Met-Ed Board of Directors of which W. G. Kuhns is Chairman. He is also Chairman of the Boards of the other subsidiaries -- Jersey Central Power & Light Company, Pennsylvania Electric Co. and GPU Service Corporation. In addition, Mr. Kuhns is Chairman of the parent company, General Public Utilities Corporation.

Reporting to me as President are:

Vice President - Financial
Vice President - Engineering
Vice President - Generation
Vice President - Consumer Affairs
Vice President - Operations
Comptroller
Secretary and Staff Counsel
Treasurer
Operating Division Managers (Four)
Director - Human Resources
Director - Materials Management
Manager - Corporate Projects
Assistant to the President for Consumer Relations

The Vice President-Financial is also chief financial officer for all GPU subsidiaries as well as the parent Corporation.

So much for the Company and who operates it.

ENERGY USE & SUPPLY

Who uses the electric energy supplied by Met-Ed? Our residential customers use about 30%; commercial approximately 20% and industrial approximately 40%. Comparing 1978 and 1977, customer usage increased approximately 7%, yet the number of new customers only increased 2%. I should point out that this is a growth rate that, if continued, would double the use of electricity in a decade. This occurred despite conservation, load management and no promotional activities. More of the customer use and production figures are available in the attached 1978 Annual Report.

What did the electric energy cost the Met-Ed consumer? When expressed in the terms of the cost per kilowatt-hour for all Met-Ed customers, on the average in 1978, they paid 3.80¢, or over 4% less than the 3.97¢ paid in 1977. Focusing on residential customers, in 1978 the average cost per kilowatt-hour was 4.6¢ also over 4% less than the 4.8¢ in 1977. The 3.80¢ per kilowatt hour for all classes of customers is the third lowest among the 14 investor-owned electric utilities in the state. It is also the second lowest among the companies in the Pennsylvania-New Jersey-Maryland (PJM) Interconnection. The power pool covers most of Pennsylvania, all of New Jersey, Delaware, and Washington, D. C., plus parts of Maryland and Virginia. Met-Ed, as well as sister operating companies, is a member of the PJM Interconnection and as such benefits from the increased reliability and availability of power.

The Company's installed generating capacity at the end of 1978 was 2,031,000 kilowatts (summer ratings), about 26% over 1977 which reflects the addition of Met-Ed's 50% ownership of TMI-2.

Met-Ed owns the following generating facilities:

Station	Summer Capability	%	Energy Source
Portland	404,000 KW)		Coal
Titus	234,000 KW)	45	Coal
*Conemaugh	280,000 KW)		Coal
**York Haven	19,000 KW	1	Hydro
*Three Mile Island	828,000 KW	41	Nuclear
Combustion Turbines	266,000 KW	13	Oil
Total	2,031,000 KW	100	

*The ownership of these stations is shared by others. The capabilities shown are the Met-Ed portions.

**York Haven is owned by the York Haven Power Company, a wholly-owned subsidiary of Met-Ed.

The generation mix by energy type for 1978 was: 58% coal; 38% nuclear; 2% oil and 2% hydro.

TMI OVERVIEW

Directing my attention to TMI, I have three primary sources for overview. The first is through the Vice President-Generation who has the responsibility to keep me aware of his functions and the activities of our generating stations. The second one is the Nuclear Plant Management Review which Herman Dieckamp described in his testimony and of which I am a member. Finally I have reporting to me a group called the Three Mile Island General Office Review Board (GORB). I thought it would be helpful for me to tell you more about GORB.

The primary responsibility of GORB is to advise me of potentially significant nuclear and radiation safety problems of TMI. The Board is a senior management level review team, whose members represent various disciplines and areas of understanding of nuclear generation. Consultants are commonly and consistently utilized both as advisors and members to provide the Board with additional expertise. To assure objectivity, no more than a minority of the committee

is directly responsible for line management of the unit. The Board meets on a regular basis, a minimum of once each six months, and usually more frequently, to collectively review and discuss matters of importance to nuclear safety and radiation protection. They review company generated data such as changes to technical specifications and Licensee Event Reports. Further they have both the freedom and the obligation to initiate reviews of issues they deem to be pertinent to nuclear or radiation safety. The Board's initiations have range from staffing considerations to radiation protection practices during work on reactor internals. It is also the responsibility of GORB to periodically review the generation division audit report and assure that audits are being performed in accordance with the technical specifications.

Immediately following each meeting, the Chairman discusses with me the agenda items covered. Further, detailed minutes of each GORB meeting are prepared, reviewed by each member and submitted to me to provide a continuing update and to serve as a basis for specific actions as required. At each meeting the group determines whether anything discussed was of a nature serious enough to warrant a separate written report to the President.

PUBLIC COMMUNICATIONS

There is one other important, long-standing Company position I would like to emphasize, that is our communications practices.

It has always been the intent of the Company, starting with my office, to communicate openly and completely with our various publics.

On March 28, when the unprecendented accident occurred at TMI, we attempted to carry out that practice; but we could not be expected to have a staff capable of accommodating the crush of worldwide media queries. But, I assure you and everyone, in every instance, we tried to tell the public, as well as the state and NRC about significant events as they occurred. At first, we attempted to

tell and explain the events to the media. But, the fluidity of this type of developing accident changed facts a number of times, resulting in what was interpreted to be conflicting comments.

All the time, we were fully aware of the consequences to the public of either overstating or understating the seriousness of the accident. Like Gov. Thornburgh, we realized that it was critically important that the best evaluations of information be made available to minimize the impact on families surrounding the TMI area.

We told the facts as we saw them at the time. The final record should show the citizens of this Commonwealth and the nation that the Met-Ed people were straightforward.

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Next, Met-Ed's Vice President-Generation, J. G. Herbein, will describe to you in some detail the organization of the administration, engineering, maintenance, operations, quality assurance and support activities associated with the generating stations owned and operated by Met-Ed. He will provide special emphasis to the TMI organization and its related support groups including the Plant Operations Review Committee and the Generation Review Committee.