



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

*Comm Cor*

December 7, 1979

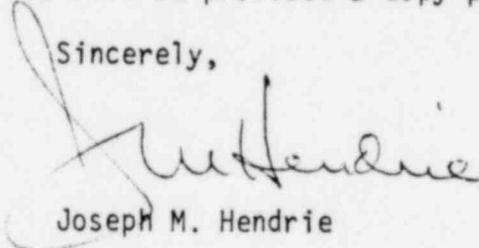
The Honorable James B. Hunt, Jr.  
Governor of North Carolina  
Raleigh, North Carolina 27611

Dear Governor Hunt:

Your November 8, 1979 letter to me expressed concern about delays in licensing the second North Anna facility in Louisa County, Virginia and the McGuire facility.

The Commission currently has before it for consideration a policy statement setting forth the course it intends to follow in adapting its licensing process to include implementation of recommendations of investigations of the Three Mile Island accident. I expect that, as finally issued, this policy statement will address the question of resumption of licensing of completed or nearly completed plants such as North Anna II, including requests to allow pre-operational testing in advance of implementing TMI-related recommendations. As the Commission is giving this matter the highest priority, this statement should be promulgated shortly. You will be provided a copy promptly.

Sincerely,



Joseph M. Hendrie

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STATE OF NORTH CAROLINA  
OFFICE OF THE GOVERNOR  
RALEIGH 27611

JAMES B. HUNT, JR.  
GOVERNOR

November 8, 1979

Dear Chairman Hendrie:

The purpose of this letter is to express our concern regarding the potential cost impact of the Nuclear Regulatory Commission's recently announced general moratorium on the licensing of new nuclear generating facilities.

We are concerned about the impact of this action on the start-up of Virginia Electric and Power Company's North Anna Unit No. 2 and potentially, on the start-up of Duke Power Company's McGuire Unit No. 1. These units are currently scheduled for service in January 1980 and August 1980, respectively. I understand that these schedules already reflect the Nuclear Regulatory Commission's required modifications resulting from the Three Mile Island accident.

Our concern is the economic impact on electric consumers of North Carolina. Any delay in the start-up of these units will result in substantial increases in the electric utility bills of our citizens.

With respect to Vepco's operations, we estimate that a delay in the operation of North Anna No. 2 will result in an increased capital cost of the facility of \$3.2 million and an increased cost for replacement energy of \$11 to \$14 million for each month of the delay. Vepco serves approximately 200,000 people in twenty-two counties in northeastern North Carolina. There is a great need for good jobs in this area and the State is giving special attention to industrial development in these counties. Unnecessarily high electric rates are a severe disadvantage to these efforts and to the citizens of this area.

Similarly, with respect to Duke Power Company's operations, we estimate that a delay in the operation of McGuire No. 1

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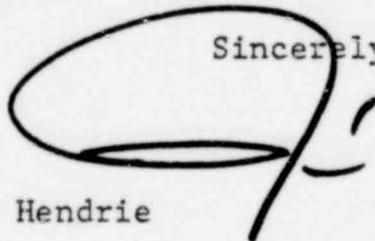
Joseph M. Hendrie, Chairman  
November 8, 1979  
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unit will result in an increased capital cost of the facility of \$4.7 million and an increased cost for replacement energy of \$5.8 million for each month of the delay. Duke serves nearly 3 million people in central North Carolina. With fuel loading anticipated for McGuire Unit No. 1 in May 1980, an extended moratorium will likely result in delays for this unit as well.

We recognize that it is the Nuclear Regulatory Commission's responsibility and duty to protect the health and safety of the public from potential radiation accidents or hazards. We too are concerned for the public's health and safety and feel they should not be exposed to unnecessary risk. We do, however, urge you to expedite your decisions relating to this subject to the maximum extent possible in order that the huge cost penalty of replacement power and increased facility cost that will be passed on to the ratepaying public be minimized. Expedient action will also aid our national energy situation because the majority of replacement power on the Vepco system will be from oil-fired generation.

My warmest personal regards.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to be 'J. Hendrie', written over the word 'Sincerely,'.

The Honorable Joseph M. Hendrie  
Chairman  
United States Nuclear Regulatory  
Commission  
1717 H Street, N. W.  
Washington, D. C. 20555

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