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January 29, 1980

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*NOT ADMITTED IN D. C.

Mr. Samuel J. Chilk
Secretary
U.S. Nuclear Regulatory
Commission
Washington, D. C. 20555

Re: The Toledo Edison Company and
The Cleveland Electric Illuminating Company
(Davis-Besse Nuclear Power Station, Unit 1)
NRC Docket No. 50-346A;
The Cleveland Electric Illuminating Company, et al.
(Perry Nuclear Power Plant, Units 1 and 2)
NRC Docket Nos. 50-440A and 50-441A;
The Toledo Edison Company, et al.
(Davis-Besse Power Station, Units 2 and 3)
NRC Docket Nos. 50-500A and 50-501A

Dear Mr. Chilk:

Enclosed for your information are copies of the news releases issued on January 23, 1980, by The Toledo Edison Company and by Ohio Edison Company announcing their respective decisions, as co-owners of the Davis-Besse Nuclear Power Station, Units 2 and 3, and of the Erie Nuclear Plant, Units 1 and 2, to terminate plans for those units.

Very truly yours,

Wm. Bradford Reynolds
Counsel for the Applicants

WBR:ats
Enclosures

cc: Chairman John F. Ahearne)
Commissioner Joseph M. Hendrie)
Commissioner Victor Gilinsky)
Commissioner Richard T. Kennedy) w/encls.
Commissioner Peter A. Bradford)
Service List)

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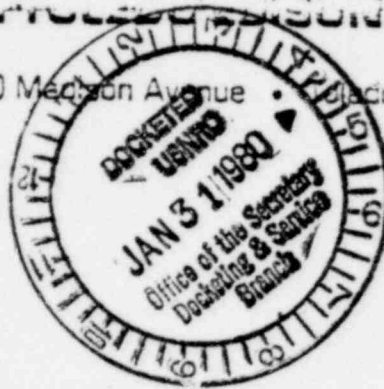
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Public Information Department • 300 Madison Avenue • Toledo, Ohio 43652

Contact: Roger Buehrer
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For Release: Wednesday,

Date: January 23, 1980



TOLEDC EDISON TERMINATES PLANS FOR DAVIS-BESSE UNITS

TOLEDO, O., January 23 - Toledo Edison said today that proposed second and third units at Davis-Besse Nuclear Power Station are among four generating units which have been terminated by the Central Area Power Coordinating Group (CAPCO). Stretched out schedules were announced for three units under construction in which Toledo Edison has a 20 per cent ownership.

John P. Williamson, Toledo Edison chairman and chief executive officer, said the two nuclear units were to be built and operated by Toledo Edison. The Company would have owned about 20 per cent of the units as well as the same percentage of two units Ohio Edison Company was to build and operate in Erie County near Berlin Heights which were also terminated.

"We remain convinced that nuclear power is a safe, clean and efficient form of energy," he said. "However, we were committed to a very heavy nuclear program--one of the heaviest in the country. In view of reduced load growth projections, financial constraints and today's climate of over-regulation, we do not believe it is feasible to proceed with future units at this time."

Toledo Edison remains committed to nuclear power, he said, through its investment in about half of the Davis-Besse Unit One plus about 20 per cent ownership in capacity of the three CAPCO nuclear units under construction, two at North Perry, Ohio and another at Shippingport, Pennsylvania.

"When the committed nuclear capacity is available to us by late 1980's we will have a favorable generation mix of 50 per cent coal, 45 per cent nuclear and 5 per cent in oil," he said.

"For these next few years, as the country's energy situation continues unresolved, customers will be asked to develop more of a conservation ethic than they have evidenced in previous years. Careful and wise use of energy has always been a good idea. Good control of electricity use during peak hours will help us postpone adding new capacity. Perhaps this period will be long enough that the political and regulatory climate can change in ways that will recognize the really extreme difficulties imposed on the only viable fuel resources available on a large scale through 2,000--coal and nuclear," he said.

The estimated original cost of the Davis-Besse units was about \$1 billion each. By 1979, increased regulation and the impact of inflation had increased those estimates to about \$3.4 billion combined cost.

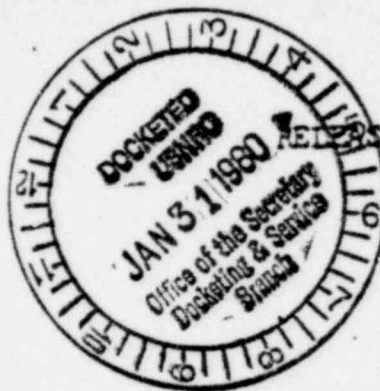
"Even with the termination of the four units, Toledo Edison's installed reserve capacity should be adequate through the 1980's to meet the currently forecasted load growth," Mr. Williamson said.

"The first additional capacity will come later this year when the third unit at the Bruce Mansfield coal-fired station on the Ohio River is put into operation. Toledo Edison has about a 20 per cent ownership

Plans for the Davis-Besse units were announced in 1973 with the original in-service date set for the early 1980's. Since then there have been four announced delays amounting to about seven years. The last delay was announced in November 1978, when the four units were delayed three years.

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Director, Public Information
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The Companies in the Central Area Power Coordinating Group (CAPCO) today announced the termination of plans to build four additional nuclear units presently in the design stage. The estimated cost to build those units was \$7.3 billion. However, construction will continue under an extended schedule on two nuclear units near North Perry, Ohio, and another at Shippingport, Pennsylvania.

"We remain convinced after considering all of the options, that nuclear power is a safe, economical and environmentally superior method of generating electricity" said the statement issued by Robert M. Ginn, President of the Cleveland Electric Illuminating Company, Justin T. Rogers, President of Ohio Edison, John P. Williamson, Chairman of Toledo Edison, and John M. Arthur, Chairman of Duquesne Light Company. "Accordingly, we are completing three nuclear units already well along in construction."

According to the CAPCO chief executives, the estimated dates for completing the three CAPCO nuclear units now under construction have been extended between 12 and 36 months. Unit 1 at the Perry Nuclear Power Plant near North Perry, Ohio has been rescheduled from May 1983 to May 1984; Unit 2 at the Beaver Valley Power Station at Shippingport, Pennsylvania from May 1984 to May 1986; and Unit 2 at the Perry Plant from May 1985 to May 1988. Construction of these units range from 32 to 52 percent complete. The new target dates reflect a more realistic time frame for the construction and licensing of nuclear plants.

The companies explained, "The political and regulatory uncertainties affecting the future construction of nuclear plants has intensified following the accident at Three Mile Island. Nuclear construction scheduled further in the future carries greater uncertainty of eventual cost. In spite of our convictions regarding nuclear power, this uncertainty has compelled the CAPCO Companies to terminate those nuclear units not yet under actual construction in order to reduce the future costs to our customers and share-owners," they said.

"These decisions are not without risk," the joint statement said. "Decisions made today will affect adequacy of electrical supply in the future. The companies are concerned about the reliability of electric service to their customers in the mid-1980's - particularly by the 1990's. These concerns are being continually addressed as each company monitors the growth in customer demand in relation to capacity," the executives continued.

The CAPCO Companies' plans for 906 MW each of the Units 2 and 3 at the Davis-Besse Nuclear Power Station near Port Clinton, and the 1260 MW each of the Erie Nuclear Plant Units 1 and 2 at a site north of Berlin Heights, all presently in the design stage, were terminated.

The CAPCO Companies--Cleveland Electric Illuminating, Duquesne Light, Ohio Edison, Pennsylvania Power, and Toledo Edison--serve some 2.5 million customers in an industrial crescent in northern and central Ohio and western Pennsylvania. The revised projected rate of growth in customer demand for electricity for the CAPCO Companies in the 1980's is in the range of two to four percent each year.

The statement also announced another decision reached by members of the CAPCO Group. The Cleveland Electric Illuminating Company (CEI) will increase its ownership share in the Perry Plant, now well along in construction. CEI, which will build and operate the plant, will increase its ownership of Perry 1 and 2 by 80 megawatts per unit. Ohio Edison ownership of each unit will be reduced by 80 megawatts.

CEI will increase its ownership in each of the two 1205 MW Perry Units from 295 MW (24.47%) to 375 MW (31.11%), Ohio Edison (and Penn Power) will reduce their ownership from 505 MW (41.88%) to 425 MW (35.24%). There will be no change in the Duquesne Light ownership of 165 MW (13.74%), or in Toledo Edison ownership of 240 MW (19.91%) in each unit.

The percentages of ownership in the 833 MW Beaver Valley Nuclear Unit 2, under construction at Shippingport, Pennsylvania, is as follows: CEI, 24.47%, Duquesne Light 13.74%, Ohio Edison 41.88%, and Toledo Edison 19.91%.

The construction schedule and percentages of ownership of the 825 MW Bruce Mansfield Unit 3, also at Shippingport, Pennsylvania, a coal-fired CAPCO unit to be completed later this year, are unchanged.