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United States Senate

COMMITTEE ON
GOVERNMENTAL AFFAIRS
WASHINGTON, D.C. 20510

May 16, 1980

Mr. John F. Ahearne
Chairman
U. S. Nuclear Regulatory Commission
1717 "H" Street, N. W.
Washington, D. C. 20555

Dear Mr. Chairman:

We are writing you to express concern about the delays in the Nuclear Regulatory Commission's review of the operating license applications of two nuclear power plants being constructed in Missouri and Kansas: the Callaway Plant, Unit 1, owned by Union Electric Company, and the Wolf Creek Generating Station, Unit No. 1, owned by Kansas Gas and Electric Company, Kansas City Power and Light Company, and Kansas Electric Power Cooperative, Incorporated. These plants represent important assets to the more than 4.2 million consumers which these utilities serve.

In spite of the fact that the operating license applications for Callaway and Wolf Creek were filed seven and three months ago, respectively, we have been advised that the Nuclear Regulatory Commission (NRC) has not even begun its acceptance review of the applications. NRC's failure to carry out its review in a timely manner is unacceptable to us. It increases the costs of electricity supplied to our constituents; jeopardizes the continuity and reliability of the electric service provided to the customers of Union Electric; and disrupts the utilities' construction scheduling.

Union Electric's application for an operating license at the Callaway site was submitted to the NRC in October 1979. After submission of the application, the NRC informed Union Electric that it would not be able to perform an acceptance review of the application until a later but unspecified date. This position was reaffirmed in recent meetings between utility and NRC representatives in April 1980.

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In the meantime, work on the Callaway plant continues. Union Electric informs us that on March 31, 1980, the Callaway plant was about 64 percent complete and that \$743 million had been spent. Union Electric predicts that it will be in a position to load fuel by April 1982, only 23 months from now. This is less than the time normally required for operating-license reviews prior to the Three Mile Island accident. Union Electric further estimates that for each month in which operation of the Callaway plant is delayed, it will incur additional construction costs of about \$3.5 million. To that must be added replacement energy costs estimated at about \$7 million per month and increased financing costs of \$11 million per month. These unnecessary costs, of course, must be passed on to Union Electric's customers. Moreover, without the availability of the Callaway plant in 1983, Union Electric's projected power reserve margin will fall below 15 percent, increasing the likelihood of energy shortages (brownouts or blackouts) in its service area.

The Wolf Creek plant is in a similar position. The application for an operating license was filed in February 1980. Kansas Gas and Electric, and Kansas City Power and Light have received letters from the NRC advising that the acceptance review of their application will be delayed indefinitely. As of March 31, 1980, the Wolf Creek Plant was about 58 percent complete and \$623 million had been spent. Fuel loading is expected to begin in October 1982. KG&E, and KCPL estimate that for each month the Wolf Creek operation is delayed, they will incur additional construction costs of about \$5.5 million. Replacement energy costs and increased financing costs will each add another \$10 million per month to the total cost of the project. Moreover, the availability of Wolf Creek is an essential element of a program begun in 1972, to substitute coal and nuclear-fueled power for the KG&E's present gas and oil fired capacity. Operation of Wolf Creek would result in an annual savings to KG&E equivalent to approximately two million barrels of oil.

Licensing delays will result in very large additional costs. The NRC increases the potential for damage by postponing indefinitely its review of the license applications. Without some certainty as to when and how the NRC's review of these license applications will take place, the utilities cannot properly schedule construction and pre-operational activities.

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Both the Callaway and Wolf Creek plants are part of the Standardized Nuclear Unit Power Plant System (SNUPPS) program. The SNUPPS program itself was established to achieve the important safety and operational benefits associated with standardization. "Three Mile Island: A Report to the Commissioners and the Public" at pp. 144-45 (the Rogovin Report) has endorsed nuclear power plant standardization. In view of this recognition of the value of standardizing nuclear power plants, the NRC should encourage such standardization through an active and timely licensing review of SNUPPS plants such as the Callaway and Wolf Creek plants.

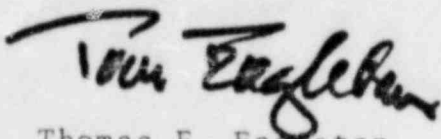
The NRC has a responsibility to facilitate the safe development of nuclear power as a part of the solution to our energy problems. The December 1979 report to the National Academy of Sciences by the Committee on Nuclear and Alternative Energy System (CONAES) concluded that coal and nuclear power are the only large-scale alternatives to oil and gas in this century. It noted that "a balanced combination of coal and nuclear generated electricity is preferable--on environmental and economic grounds--to the predominance of either." By delaying indefinitely the licensing of plants such as Callaway and Wolf Creek, the NRC will hamper the timely development of the nuclear option.

We recognize that the adverse impact of the Three Mile Island accident has been profound. However, your Advisory Committee on Reactor Safeguards and President Carter have recognized that the pause in licensing following the accident at Three Mile Island, should not continue for an extended period of time. It is thus surprising to us that more than six months after release of the Kemeny Commission Report, and five months since transmittal of the Rogovin Group Report, the NRC is still using the accident at Three Mile Island as an excuse for additional licensing delays.

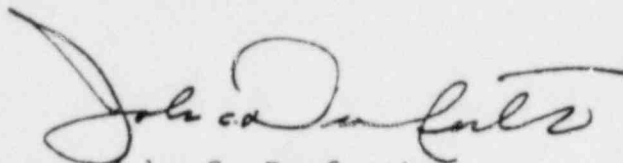
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For the foregoing reasons, we urge you to inquire into the delays surrounding the licensing of these plants, and to direct the NRC Staff to initiate and develop a schedule for the timely review and licensing of the Callaway and Wolf Creek plants.

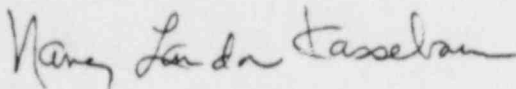
Sincerely,



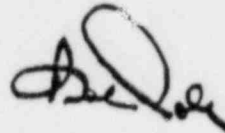
Thomas F. Eagleton



John C. Danforth



Nancy Landon Kassebaum



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