

THIS DOCUMENT CONTAINS
POOR QUALITY PAGES



UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter)
)
METROPOLITAN EDISON COMPANY)
)
(Three Mile Island Nuclear)
Station, Unit No. 1))

Docket No. 50-289
(Restart)

TMIA'S OBJECTION TO
VICTAULIC COMPANY OF AMERICA, ET AL.
PETITION TO INTERVENE

On August 13, 1980, TMIA was served with Victaulic's petition to intervene. This petition cited 10 CFR 2.714 as authority for late intervention. TMIA does not believe that the requirements for late intervention has been met, and therefore, Victaulic's petition should be denied.

Both 10 CFR 2.711(A) and 2.714(a) (1) (i) state that good cause should be shown before an extension of time is granted. Victaulic has not made such a showing in this case. Paragraph 19 states that the July 29, 1980 filing (for 76.5 million rate increase) has made it clear that petitioners "have very vital interests at stake" in this proceeding. This argument at this point in time is unpersuasive.

The petitioner's have known the ramifications of these proceedings from the outset. In fact, a letter dated June 26, 1980 from petitioner Lebanon Steel Foundry (attached) states the

DS03
S 0/1

8008280560

same basic argument set forth in the petition. It is evident from the June 26, 1980 letter that the petitioners have been monitoring the effects of this litigation for some time. Petitioners have had ample opportunity to intervene in this proceeding and good cause has not been shown for the delay.

Respectfully submitted,

WIDOFF, REAGER, SELKOWITZ & ADLER, P.C.

By:

Ted Adler by D.W.P.
Theodore A. Adler

P. O. Box 1547
Harrisburg, PA 17105
(717) 763-1383

Dated: August 25, 1980

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing document to be placed in the United States mail, first-class, postage prepaid, addressed to the persons listed below:

Ivan W. Smith, Chairman
Atomic Safety & Licensing Board Panel
U.S. Nuclear Regulatory Commission
Washington, DC 20555


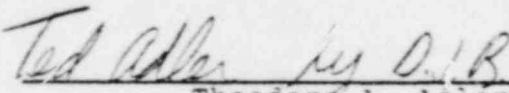
Dr. Walter H. Jordan
881 West Outer Drive
Oak Ridge, TN 37830

Dr. Linda W. Little
5000 Hermitage Drive
Raleigh, NC 27612

George F. Trowbridge, Esquire
Shaw, Pittman, Potts & Trowbridge
1800 M Street, N.W.
Washington, DC 20006

Docketing and Service Section
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Executive Legal Director
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Theodore A. Adler

Dated: August 26, 1980

RECEIVED JUL 1 1980

LEBANON STEEL FOUNDRY

1ST & 1/2 E. & LEHMAN ST., LEBANON, PA. 17042 (717) 273-1811

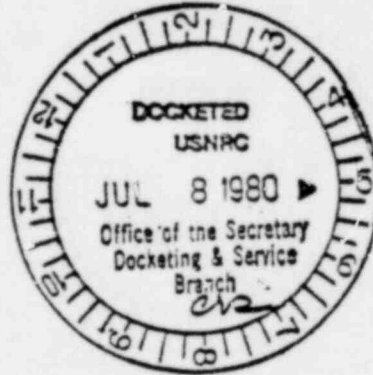
DOCKET NUMBER
PRGD. & UTIL. FAC.

50-289 (Retail)

Charles W. Mellinger
Treasurer

June 26, 1980

Mr. John F. Ahearne, Chairman
U.S. N. R. C.
Washington, D.C. 20555



Dear Mr. Ahearne:

In reviewing the effect of the rate increase approved by the Pennsylvania Public Utility Commission for Met-Ed customers, we find the impact to be shocking and frightening.

We realize that energy costs will be subjected to inevitable increases of varying proportions, and we are prepared to pay for this precious service. However, the current situation needs a more intensive review than we believe has been given. In addition, we also believe that some of the underlying concepts, statistics, facts and prospects should be more thoroughly understood by the public.

In order to better understand our position, we will have to use the financial effect that this increase has on our company. We have used actual use figures for the last 12 months to compare old costs to the revisions brought on by this rate increase. The net result will increase our costs by \$36.50 per ton for each ton shipped. Any of our competitors not located in Met-Ed territory have a distinct advantage over us, and as you can probably appreciate it is increasingly difficult to explain this to our customers.

The most frightening statistic brought on by this increase is that the energy charge on the new rate schedule is \$163,000.00 more than the base costs of the power. The energy charge results from a revised formula for recapturing fuel costs, including purchased power, as last approved by P.U.C. On a typical industrial bill the base rate cost is about 1.9¢/KWH, but the fuel adjustment charge is 2.7¢/KWH.

In recomputing our power costs the energy charge adjustments went up 69%. The old rate adjustment was .015654 and the new charge is .02650. Using the 12 month period ending March 1980 under the new rate schedule, our energy charge costs would have increased \$339,000.00.

Dupe

8007140013

June 26, 1980

TO: Mr. John F. Ahearne

The Met-Ed energy charge adjustment is the highest in the State. The basic reason for this is that 50% of the power used by Met-Ed customers must be purchased. A major source of this power is from Pennsylvania Power & Light Company which has the second lowest energy charge in the State, and is undoubtedly affected by the sale of power to Met-Ed. Under the rules that apply, the selling utility is permitted to charge the purchasing utility their highest cost rate of generation -- under the assumption that the extra costs generated is not needed by the selling utility consumers. On a comparative basis, PP&L's energy costs is about .6¢/KWH compared to Met-Ed's at 2.7¢/KWH. The basic costs of power generation of both companies is within .2¢/KWH.

The base cost of power should not under any circumstance be less than the cost of the energy on a ¢/KWH unit. Our situation -- and all Met-Ed customers -- is prompted by the need for Met-Ed to buy power from other utilities under the penalties already described.

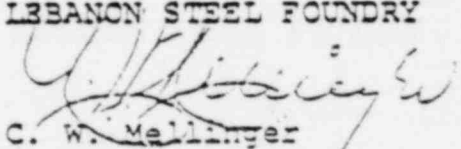
It is a known factor that the fuel costs of nuclear power are far less than fossil/oil/other fixed generating units. TMI Unit #1, as we understand it, is ready to generate power with a very short lead-time. We believe it is imperative that this unit be put back on stream at the earliest possible date. Not to do so causes excessive costs and severe penalties to manufacturers in Met-Ed's territory because we are at a competitive disadvantage.

We would appreciate every effort that you can possibly employ to get the TMI Unit #1 back on stream at an early date. The statistics given above show that our dollar cost is much higher than the average customer would ever experience but the 20.5% increase is compatible to all users.

Please help us!

Very truly yours,

LEBANON STEEL FOUNDRY


C. W. Mellinger
Treasurer

see