



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

LOCAL PDR

JULY 10 1980

Mr. Louis F. Wirth, Jr.
1001 Hollyrood Drive
Midland, Michigan 48640

Dear Mr. Wirth:

I am writing in response to your recent letter to President Carter which was forwarded to the Nuclear Regulatory Commission (NRC). In your correspondence, you expressed concerns regarding the delay in placing Three Mile Island Nuclear Station, Unit No. 1, back into service, and the rate structure prescribed for the Metropolitan Edison Company.

As you may be aware, the NRC has ordered that a public hearing be conducted to determine whether the facility should be operated and, if so, under what conditions. The public hearing is scheduled to begin this fall. During the hearing, the technical issues appropriate to assure public health and safety will be addressed. The NRC staff is currently involved in the on-going review of technical information concerning the restart of Unit 1. Based upon the current status of the proceedings, the development of a record on which the NRC can make a decision regarding restart is not expected before the early part of 1981.

The Pennsylvania Public Utility Commission (PUC) issued on May 23, 1980, a sequel to the PUC's June 19, 1979 Order regarding the allocation of the financial burden resulting from the March 28, 1979 accident at Three Mile Island Nuclear Station, Unit No. 2. The following excerpt from the May 23, 1979 Order may be of interest.

"The basic conclusion of the Commission in this order is that Met Ed should continue to operate as a public utility. The Commission will provide Met Ed the means of financial rehabilitation. However, we will write no blank checks on its ratepayers. We find that TMI-1 is no longer used and useful and that the base rates of both Met Ed and Penelec should be reduced. This order, with its provisions for a fully current recovery of energy costs and an accelerated amortization of deferred energy costs provides an adequate framework for Met Ed's recovery. Respondent must convince its bank creditors that it has the will and the ability to rehabilitate itself.

Above all, Met Ed must demonstrate candor and a willingness to address its problems and the initiative and ability to find solutions to those problems. The very real fears and concerns of its customers and neighbors must be allayed. Met Ed's cost must be reduced through load management and conservation-inducing rate structure change. Met Ed must aggressively pursue the return to service of TMI-1 or an early decision on its conversion to the use of an alternative fuel. If these things are done, the Commission is confident that Met Ed will not only survive but will regain its financial health.

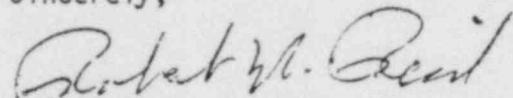
Finally, we emphasize that this order does not end our regulatory concern. The management investigation of the GPU Companies at Docket No. I-79080320 continues. Further, we will continue to closely monitor the operations of Met Ed, Penelec and the GPU Companies to assure the continued provision of safe, adequate and reliable service to Pennsylvania ratepayers at reasonable rates."

While we are, of course, concerned about financial impacts on consumers, the NRC's primary responsibility is the assurance of public health and safety. State public utility commissions and the Federal Energy Regulatory Commission have primary responsibility regarding the financial aspects of electric power generation.

The former Atomic Energy Commission (AEC) had a Congressional mandate to develop and promote nuclear energy. When the AEC was abolished in 1974, the NRC was created by Congress for the sole purpose of regulating the commercial production of nuclear energy. The U. S. Department of Energy (DOE) is now responsible for the Federal Government's nuclear research and development activities. Consequently, comments and questions about the future of this energy source should be directed to that agency.

Your comments and interest in these matters are appreciated.

Sincerely,



Robert W. Reid, Chief
Operating Reactors Branch #4
Division of Licensing

Jayden
Jan 1
to make
sure it's
from you
Adams

1001 Hollyrood Dr.
Midland, Michigan
48640
March 23, 1980

The President of The United States
Washington, D.C. 20500

Dear Mr. President:

Subject- Treatment of Three Mile Island (TMI)

I am writing to you regarding the tragedy of TMI and the accompanying tragedy of the General Public Utilities Corporation (GPU). I am also writing regarding the inevitable tragedy of the United States of America. The circumstances affecting TMI and GPU and the USofA are really not very far removed.

As a stockholder of GPU and also a very concerned citizen, I am struggling to understand how we have allowed our elected officials and their appointees create a regulatory climate and a "no risk" complex that have contributed so greatly to the sickness that has engulfed our once great nation. Our 20 percent inflation rate and the near bankruptcy of GPU are caused to a large extent by the United States government; including deficit spending, excessive printing of money and over regulation in all areas of energy. This leads to indecision and to situations where it is easier to import oil than it is to produce domestic oil and other domestic energy base.

The financial penalties imposed on GPU by unreasonable and almost unbelievable decisions and delays by the various regulatory bodies in starting TMI #1 are devastating. The inaction of the Pennsylvania and New Jersey rate commissions in establishing equitable rates for GPU is totally irresponsible. The customers of GPU cannot expect to continue to pay the low power rates made possible by nuclear power while protesting its use and preventing by legal, political, or through biased media means, the operation of TMI #1 and the cleanup of the mess at TMI #2.

The NRC seems helpless and certainly needs your support. Each day that TMI #1 does not operate requires 40,000 barrels of imported oil. There are several other nuclear power plants now idled or near completion. Each could if operating replace 40-50,000 barrels of oil per day of operation. The concerns of the troubled utilities are being ignored by your administration, the Congress and many of the State governments. Investment advisors now state that utility stocks, once the security of widows and orphans, are not under today's regulatory climate considered safe investments. Unfortunately, those of us with GPU stock have now lost all income from dividends and about three fourths of the asset value. The users of GPU power are enjoying lower rates at the expense of the stockholders.

Your administration and appointees, along with the Congress, must stop looking for simple solutions to difficult problems. There are no quick answers. But there are intelligent solutions to be arrived at by the best judgements of our financial community, our engineering community, our scientific community and our political community. Judgements will produce intelligent solutions that will include calculated risks. The "no risk" philosophy has to be moderated to a considerable extent if we are to survive. The display of emotion this week in the fire hall at TMI regarding the NRC plan to release small amounts of krypton clearly demonstrates the need for better understanding of complex technologies by our citizens.

Mr. President, it is time for you and the NRC to get our nuclear power plants operating. It is time for State regulators of rates, and other regulatory bodies, to restore a more healthy investment climate. The cost of power plants, nuclear and coal, must not be allowed to escalate out of control due to design changes and delays imposed by regulators, intervenors and court actions. Once a design is committed, construction should proceed unhindered. If we don't need a plant, lets decide this before hard to raise and expensive capital is committed. Other countries are putting us to shame with their construction schedules, constructing nuclear power plants in 6 years. I am sure you must be aware that France is building 36 units at the present time, on 6 year construction schedules. When operating, these units will replace about 1,600,000 barrels of oil each operating day. With fuel reprocessing and the breeder reactor it seems that France will soon shed itself of imported energy sources. We have to take our heads out of the sand.

Our local utility, Consumers Power Company, has Midland nuclear units #1 and #2 under construction. They are victims of delays, one after another. The original plan was for 1974 operation. It is now 1980 and they are now projected for about 1985, at a cost nearly ten times the design estimate. The irony of the Consumers situation is that one of these units could be the worlds first nuclear fueled co-generation systems. Thermal efficiency at its best for power and process use.

I know you face insurmountable problems. But you and the Congress must help to resolve the GPU situation and change the investment climate for the other utilities. Installed power plants, operating or idled by regulators represent one of the few viable links in our energy supply chain. The operation of nuclear power plants should be a top priority in our national defense strategy.

Thank you for the attention you can give this important subject. I am sending a copy of this letter to my congressman and officials of the States of Pennsylvania and New Jersey.

Sincerely yours,

Louis F. Wirth, Jr.
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