

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)

GEORGIA POWER COMPANY)
(Alvin W. Vogtle Nuclear)
Plant, Unit Nos. 1 & 2)

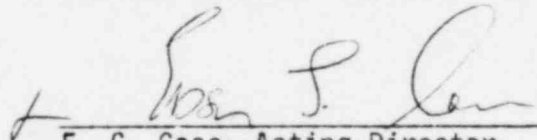
Docket Nos. 50-424
50-425

REQUEST FOR ACTION UNDER 10 CFR 2.206

Notice is hereby given that by petition dated September 25, 1980, Mr. Gary Flack, on behalf of Georgians Against Nuclear Energy (GANE), requested that a proceeding be instituted to assess the need for power from Georgia Power's Vogtle Nuclear Power Plant, Units 1 and 2, and to assess the need for a supplemental Environmental Impact Statement in light of new forecasts for electricity demand submitted by Georgia Power to the Georgia Public Service Commission. This petition is being treated as a request for action under 10 CFR 2.206 of the Commission's regulations, and accordingly, action will be taken on the petition within a reasonable time.

Copies of the petition are available for inspection in the Commission's Public Document Room at 1717 H Street, N.W., Washington, D. C. 20555 and in the local public document room for the Alvin W. Vogtle Plant, Unit Nos. 1 and 2, located at the Burke County Library, 4th Street, Waynesboro, Georgia 30830.

FOR THE NUCLEAR REGULATORY COMMISSION



E. G. Case, Acting Director
Office of Nuclear Reactor Regulation

Dated at Bethesda, Maryland
this 21st day of October, 1980.

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JOHN R. MYER
THOMAS A. BOWMAN
ROBERT H. STROUP
GARY FLACK
ATTORNEYS AT LAW

POOR ORIGINAL

INC
1818 HEALEY BUILDING
87 FOREYTH ST., N.W.
ATLANTA, GEORGIA 30303
404/522-1934

September 25, 1980

Mr. Harold Denton
Director, Office of Nuclear
Reactor Regulation
United States Nuclear
Regulatory Commission
Phillips Building
Room T 202A
Washington, D. C. 20555

Re: Docket Nos. 50-424 & 50-425

Dear Mr. Denton:

Georgia power has recently advised the Georgia Public Service Commission that it anticipates substantial excess capacity during this decade. Contrary to data previously submitted to you, Georgia Power now projects excess capacity ranging from 40-46% after the scheduled completion of Vogtle 1 and 2. An article from the August 22, 1980 Atlanta Journal discussing this matter is enclosed.

Georgians Against Nuclear Energy (GANE) again asks the Nuclear Regulatory Commission to reconsider its decision on the above dockets based on this new information.

GANE requests hearings to assess the need for power from the two Vogtle units, and the need for a supplemental Environmental Impact Statement to account for the new information, as required by the National Environmental Protection Act. The new forecasts of Georgia Power support the position already stated by GANE in these dockets. Similarly, the new data undermines the factual basis of the decision of the Commission. Accordingly, GANE respectfully urges that its entire petition in these dockets be expeditiously reconsidered by the Commission in light of the new data.

Very truly yours,

Gary Flack
Gary Flack

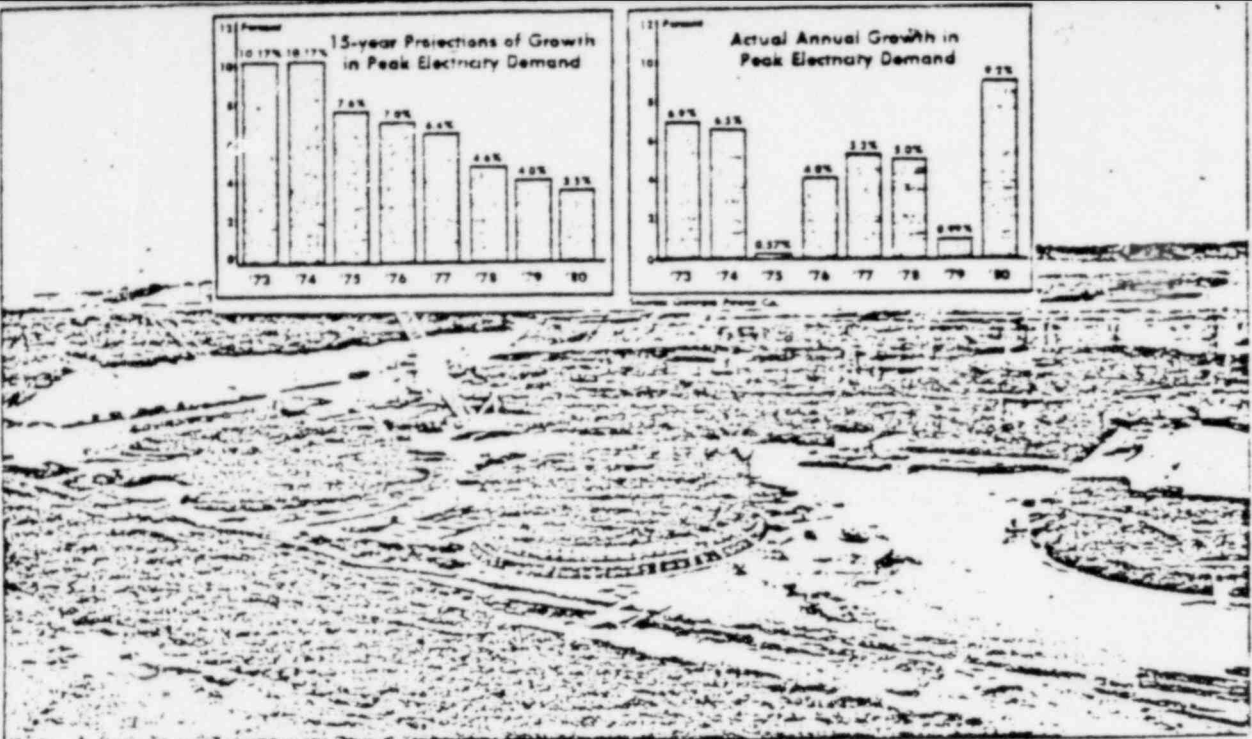
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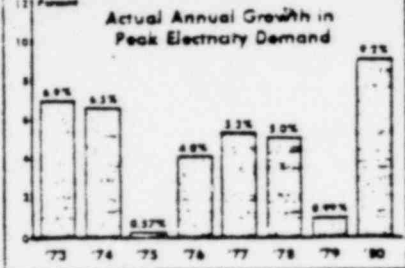
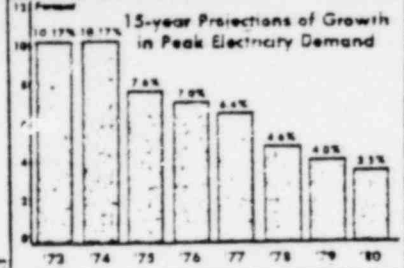
cc: Mr. G. F. Trowbridge
Mr. W. E. Ehrensperger

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DUPLICATE



The Public Service Commission refused to let Georgia Power charge customers for plants under construction, like the Vogtle Plant



Ga. Power Reserve to Cost Consumer

Excess capacity is nearly twice what firm will need in '80s

By DAVID B. HILDER
Journal Staff Writer

Georgia Power's latest 15-year forecast of electricity demand indicates the utility will have almost twice as much reserve generating capacity as it needs during the 1980s.

Consumers eventually will pay for the excess capacity, because electricity rates are based on the cost of building and operating power plants.

As a result of the new forecast, Georgia Power's top management will soon consider delaying its \$750 million per year construction program.

The projections could also make it more difficult for Georgia Power to win Public Service Commission approval of a proposed \$250 million bond and preferred stock issue next month.

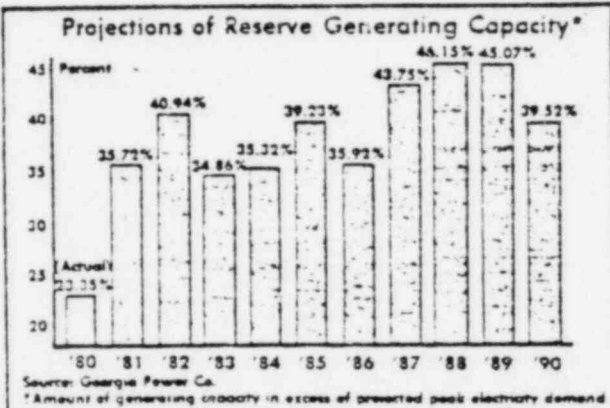
Reserve capacity is the amount of electricity a utility's power plants can generate above the maximum amount of electricity its customers are expected to demand at any one time.

The reserve is needed in case some of the utility's plants break down or must stop running for maintenance or because of air or water pollution regulations.

Although Georgia Power says it needs a reserve capacity of between 10 percent and 25 percent, the utility expects a 44 percent reserve capacity in 1987, 46 percent in 1988, 45 percent in 1989 and 43 percent in 1990, according to estimates filed with the PSC.

Georgia Power's lowest expected reserve margin during the next 10 years is 25 percent in 1981.

Georgia Power's reserve margins will be in the 25 to 45 percent range because two large generating plants now under construction are scheduled for completion in the mid-1980s, and electricity demand forecasts are now much lower than they were when the plants were planned in the 1960s and early 1970s.



Two units of Georgia Power's \$3.4 billion nuclear plant being built near Waynesboro are expected to begin commercial operation in 1984 and 1987. The four units of a \$2 billion coal-fired plant near Forsyth should go into service in 1982, 1984, 1986 and 1988 respectively.

In Georgia Power's last rate case, the PSC refused to let the utility charge customers for the money it had invested in plants while they are under construction but before they go into service.

Therefore, consumers today do not pay for the plants under construction, but do pay for Georgia Power's current reserves.

During July's record heat wave, Georgia Power had a 23 percent reserve margin, but the company's projections indicate a 26 percent reserve capacity next year, if the weather

is closer to normal.

In its current forecast, Georgia Power expects that peak demand — the maximum amount of electricity its customers demand during a one-hour period — will increase at a rate of 2.5 percent per year between 1981 and 1994.

Previously, Georgia Power had forecast a 4 percent compounded annual growth rate for peak demand. Since 1972, when the company predicted a annual growth rate of more than 10 percent each year, its forecasts have been revised steadily downward.

The new electricity demand forecast, which was formally approved by Georgia Power's top three executives last week, was first revealed in the utility's answers to questions posed by State Consumers' Utility Counsel Victor Baird.

In preparing for Sept. 3 hearings on Georgia Power's proposed \$225 million securities issue, Baird asked the company to file data on its projected peak demand, planned generating capacity, and the resulting reserve margin.

George Edwards, Georgia Power's senior vice president for external affairs, said the company can either slow down the building projects or continue its construction program at the current pace and increase its efforts to sell parts of the plants to utilities outside Georgia.

However, Edwards said any decision to slow the construction program would have to be made with the agreement of its partners in the plants: Oglethorpe Power Corp., which supplies power to rural electric cooperatives; the Municipal Electric Authority of Georgia, which serves city-owned utilities; and the City of Dalton.

Edwards said Georgia Power would also have to consider how utilities could decrease construction costs if the program is slowed down.

Baird said, "The company's revised demand forecast is now more in line with estimates of growth which critics of the company's construction program have advocated in the past."

Baird said the reserve margin forecasts raise "some major policy questions" for Georgia Power about which plants to build or cancel and what the total cost of electricity from the plants would be.

Baird said "a decision to sell plants to out-of-state utilities raises a major public policy question about building plants in the state solely to serve needs in other states."

Georgia Power's electricity demand forecast is based on projections of the state's economy developed by Professor Joan S. Legier of the University of Georgia.

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The most important factors in Georgia Power's projections are Legier's forecasts of the gross state product — the total amount of economic activity in the state — and of the total personal income that Georgia's firms will be able to spend.

Legier said he believes Georgia Power's forecasting method is at a state-of-the-art level.

"They use their data very thoroughly. My candid appraisal is that their methodology is better than others that I have reviewed," Legier said.

Legier said the current revision is not "unduly influencing" the downward revision of his long-term projections for the state economy. He also said Georgia Power's 1.2 percent growth in peak demand this year was sort of an overstate-



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

October 15, 1980

MEMORANDUM FOR: Harold R. Denton, Director
Office of Nuclear Reactor Regulation

FROM: James P. Murray
Office of Executive Legal Director

SUBJECT: 2.206 PETITION REQUESTING HEARING ON NEED FOR
POWER AT VOGTLE UNITS 1 & 2 AND HEARING ON
SUPPLEMENTAL ENVIRONMENTAL IMPACT STATEMENT

By letter dated September 25, 1980, Mr. Gary Flack, on behalf of Georgians Against Nuclear Energy, requested that hearings be held to assess the need for power from Georgia Power's Vogtle Nuclear Power Plant, Units 1 and 2, and to assess the need for a supplemental Environmental Impact Statement in light of new forecasts for electricity demand submitted by Georgia Power to the Georgia Public Service Commission. The request will be treated under section 2.206 of the Commission's Rules of Practice.

This request is similar to other requests made by GANE that have been treated under section 2.206. On October 30, 1978, GANE requested that the construction permits for the two Vogtle units be suspended and that hearings be held on the need for power from these two units. The request was based on new evidence concerning electrical demand in Georgia. On April 13, 1979, a denial of this request was issued by the Acting Director of the Office of Nuclear Reactor Regulation. On May 1, 1979, GANE requested a reconsideration of the denial. On October 12, 1979, this request was again denied by the Acting Director of NRR. Finally, as a result of new forecasts submitted to the NRC by Georgia Power, GANE's request for suspension of construction and hearings was again analyzed. On March 26, 1980, you issued a supplemental Decision finding that the new information concerning the demand for electrical power did not alter the conclusions that had been reached in the two earlier denials.

This office will work with your staff to develop an appropriate response. Enclosed for your use are drafts of:

1. A letter to Mr. Flack acknowledging receipt of his letter;

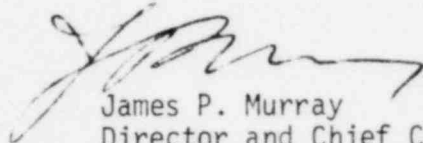
CONTACT: Ron Mount
x28651

801031075

DUPLICATE

2. A notice of receipt of request for publication in the Federal Register; and
3. A copy of the letter from Mr. Flack requesting the action outlined above.

If these drafts are not changed, they need not be returned to this office for concurrence. However, please provide us with a copy of the outgoing letters and notice and refer other correspondence related to this matter to this office for concurrence. Also, please inform us who your staff contact on this matter will be.



James P. Murray
Director and Chief Counsel
Rulemaking and Enforcement Division

Enclosures:
As Stated

D R A F T

Docket Nos. 50-424 & 50-425

Mr. Gary Flack, Esq.
1515 Healey Building
57 Forsyth Street, N. W.
Atlanta, Georgia 30303

Dear Mr. Flack:

This letter is sent to acknowledge receipt of your petition of September 25, 1980, on behalf of Georgians Against Nuclear Energy (GANE), requesting institution of a proceeding to assess the need for power from Georgia Power's Vogtle Nuclear Power Plant, Units 1 & 2, and to assess the need for a supplemental Environmental Impact Statement in light of new forecasts for electricity demand submitted by Georgia Power to the Georgia Public Service Commission.

Your petition is being treated under 10 CFR 2.206 of the Commission's regulations, and accordingly, appropriate action will be taken on your petition within a reasonable time. I enclose for your information a copy of the notice that is being filed for publication with the Office of the Federal Register.

Sincerely,

Harold R. Denton, Director
Office of Nuclear Reactor Regulation

Enclosure:
As Stated Above

cc: Mr. George F. Trowbridge, Esq.
Shaw, Pittman, Potts & Trowbridge
1800 M Street, N. W.
Washington, D. C. 20036

Mr. W. E. Ehrensperger
Senior Vice President
Georgia Power Company
P. O. Box 4545
230 Peachtree Street, N. W.
Atlanta, Georgia 30302

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FOR THE NUCLEAR REGULATORY COMMISSION

Harold R. Denton, Director
Office of Nuclear Reactor Regulation

Dated at Bethesda, Maryland
this _____ day of _____, 1980.