

Congress of the United States

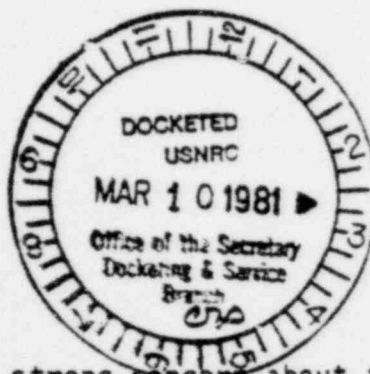
House of Representatives

Washington, D.C. 20515

DOCKET NUMBER

PROD. & UTIL. FAC. 50-369.332

March 2, 1981



The Honorable John F. Ahearne  
Chairman  
Nuclear Regulatory Commission  
Washington, D.C. 20555

Dear Mr. Chairman:

We are writing to communicate our strong concern about the nuclear licensing procedure in general and the effect that delays in this process could have on one particular project, the McGuire Station in North Carolina.

It is our understanding that your January 30, 1981 report to the House Appropriations Subcommittee on Energy and Water Development, followed by testimony before that Subcommittee and also the Interior Subcommittee on Energy and the Environment, underscored the following problems inherent in the current system:

- \*Costly delays in the licensing process are all too frequent;
- \*There is a misallocation of staff resources at the Commission which has aggravated the licensing delay situation;
- \*There is a need for a clearly-stated nuclear licensing policy.

Combined, these problems will jeopardize our efforts to ensure adequate energy supplies for the nation and will cost U.S. consumers virtually billions of dollars in unnecessary expense.

Your report to the Appropriations Subcommittee pointed out that it is probable the construction of 13 plants will have been completed and those plants will be idle a total of 90 months prior to the issuance of operating licenses. The resultant costs are estimated to run in the billions of dollars. This points out the need for action to improve the licensing system.

We would suggest that immediate steps need to be taken to expedite the licensing procedure. Specifically, we feel that the immediate effectiveness rule should be reinstated so that licensed plants may begin operations as soon as authorized by a properly-informed licensing

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3/5...To EDO To Prepare Reply for Commission review and Signature  
of: Chm...Date due Comm? March 16...Cpys to: Chm, Cmrs, PE, SECY,  
OCA to Acknowledge, Docket...81-0278

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The Honorable John F. Ahearne  
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board. There is substantial justification for this request. Your recent testimony revealed that the suspension of this rule in November 1979 was effected to ensure that the licensing boards were properly advised of regulatory changes resulting from the Three Mile Island accident. Surely this overview has been completed.

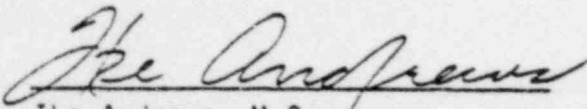
Of the utmost concern to us is the possibility that the McGuire Station in North Carolina could be delayed even further due to the combination of a short-staffed NRC, the rescission of the immediate effectiveness rule and the uncertainty of future U.S. nuclear licensing policies.

Duke Power Company filed its initial application for the McGuire Station construction license in September 1970. The project has moved through the construction process and a zero power license was issued by the NRC on January 23, 1981.

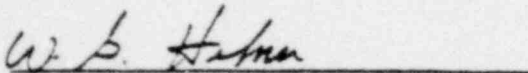
Needless to say, any delay in final approval could have a serious effect on the service area in our State for two principal reasons. First, the McGuire Station will be ready for the production of electricity in a few weeks. Company officials estimate that their reserve margins of generating capacity will fall short this summer, even with final approval of the McGuire Project. (Please refer to the attached figures supplied by Duke Power.) Second, any delays in completion of the licensing process will increase the total capital costs of the project substantially, and those increases would have to be borne by the consuming public.

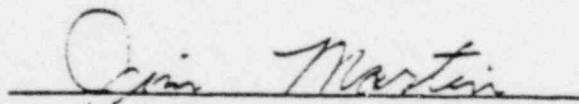
Consequently, we urge your most serious attention to the concerns we have highlighted. We look forward to receiving your comments on this matter.

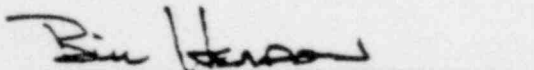
Yours truly,

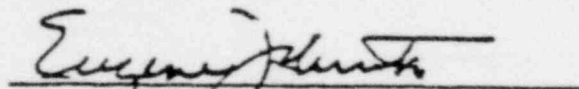
  
Ike Andrews, M.C.

  
James T. Broyhill, M.C.

  
W.G. Hefner, M.C.

  
James G. Martin, M.C.

  
Bill Hendon, M.C.

  
Eugene Johnston, M.C.

## DUKE POWER 1981 SUMMER RESERVE CAPACITY ESTIMATE

The following table and notes represent the forecast for the 1981 summer load and reserve capacity situation with and without McGuire Unit No. 1:

	<u>W/out McGuire #1</u>	<u>With McGuire #1</u>
Generation	12,048 MW	13,228 MW
Firm Purchases	93 MW	93 MW
Total	12,141 MW	13,321 MW
Expected Peak	10,460 MW	10,460 MW
Installed Reserve	1,681 MW	2,861 MW
Percent Reserve	16.07 %	27.35 %
Scheduled Out		
Oconee #1*	(860)MW	(860)MW
Forced Out		
Miscellaneous	(500)MW	(500)MW
Total Unavailable	(1,360)MW	(1,360)MW
Operable Capacity	10,781 MW	11,961 MW
Operating Reserve	321 MW	1,501 MW
Net Percent Reserve	<u>3.07 %**</u>	<u>14.35 %***</u>

\* Oconee Unit #1 to begin a 15-week outage for refueling and modifications on July 27, 1981.

\*\* This reserve does not take into account any large unit forced outage. Should either of the Belews Creek units be out of service along with the miscellaneous 500 MW during the time of system peak load, operating reserve capacity (Duke owned) will be deficient (799 MW), (7.6%).

\*\*\* This reserve also does not take into account any large unit forced outage. Should either of the Belews Creek units be out of service along with the miscellaneous 500 MW during the time of system peak load, the reserve capacity will be 381 MW, 3.64%.

Under favorable 1981 summer peak conditions with an expected peak of 10,460 MW, an installed reserve margin of less than 25.0 percent is not considered adequate. This makes no allowance for system loads greater than forecast load due to extreme weather or for the simultaneous forced outage of more than one large unit on the system. Additionally, Duke's conventional hydro capacity (rated at 842 MW) is energy limited and may be used only for peak load situations without a reduction in capacity or waste (loss) of available energy.

The above table projects a 321 MW reserve capacity for the expected summer peak load period without McGuire Unit No. 1. There are several generators on Duke's system larger than 321 MW. An outage of any one of these generators, which is very likely, will more than deplete the reserve capacity. It is our engineering judgment that without McGuire Generator No. 1 in service during the 1981 summer, capacity assistance from neighboring electric systems will not always be available as needed, and a very high probability exists that rotating blackouts will be required to reduce system loads.

The estimated additional cost to Duke's operations for the months of June 1981 - February 1982 without McGuire No. 1 is:

<u>Month</u>	<u>Additional Cost</u>
June	\$ 4,112,000
July	6,470,000
August	8,110,000
September	6,130,000
October	5,605,000
November	6,365,000
December	6,671,000
January	3,098,000
February	<u>2,070,000</u>
TOTAL	\$48,631,000*

\* \$178,135 per day