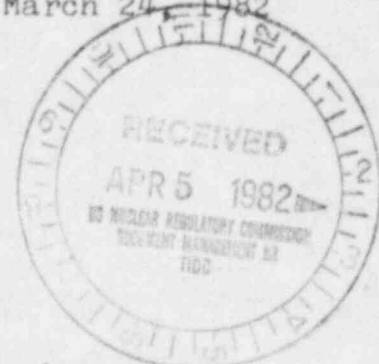


50-329
March 24, 1982



To: Ronald W. Herman
Licensing Project Manager
Office of Nuclear Regulatory Commission
Washington, D.C.

This letter is a response to the NRC's Draft Environmental Statement (DES), that attempts to show cost effectiveness for the Midland Nuclear Plant.

It is a clear example of lobbying for the utility industry, by an organization that was originally set-up to protect the interests of the public. This report shows us that we can no longer rely on the NRC to protect our safety or our economic well-being.

Any citizen with the smallest amount of knowledge of the Midland Nuclear Plant, and Michigan's energy needs, will immediately see that the DES comes very close to being a fairy tale.

First of all Consumers Power's electric demand has been drastically reduced, mostly due to the effectiveness of conservation efforts. Mr. Gordon Heins, of Consumers Power Co., testified under oath in 1977 that his company had 37% excess electrical capacity at that time.

Residential growth declined to 1.9% during the 1973-79 period. This was down from 7.3% (1965-73). Commercial sales declined to 2.9% (1973-79) down from 9.5% (1965-73). Industrial demand declined to 2.3% (1973-79) down from 5.1% (1965-73).¹

These figures are fairly representative of electric demand throughout the country. As a result many utilities have scrapped plans, or cancelled construction, of nuclear plants.

Nationwide, the utility industry has twice as much generating capacity in reserve as the back-up of 15-20% that is deemed a prudent margin of safety.²

The cost effectiveness figures shown for operating the Midland Nuclear Plant, in the DES, are absurd. Firstly, the 58% performance capacity for a five year period is unrealistic, considering the background of Consumers Power Co. Their Palasades

1. Long Term Electric Forecast, Consumers Power Co. 1981-1998.
2. New York Times, 4-6-80

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Nuclear Plant in South Haven has consistently operated below average. James Keppler, region III NRC director, also stated that: "It (Palasades) ranks below average in terms of compliance and problems that can be attributed to people." That same inept management group will be operating the Midland plant.

Already the NRC has found the Midland plant to be weak in three different areas:

1. Quality assurance, including management and training;
2. Substructures and foundations;
3. Safety related components.

The DES report has also chosen to ignore construction costs. Can we seriously ignore 3.39 billion dollars, that we, as ratepayers, will be held financially responsible for?

Also, a report by the Energy Dept., shows that if the massive government subsidies were included in the cost of nuclear energy, it would operate at 4.7 cents per Kilowatt hour, making it even more costly than oil-fired electricity, the most expensive power available, which currently runs 3.75 cents per Kilowatt hour.³

A report by Charles Komanoff, Komanoff Energy Associates, clearly outlines the manipulation of facts and figures by the nuclear industry, designed to show cost effectiveness for nuclear energy. Step by step, Mr. Komanoff is able to show how the Atomic Industrial Forum (AIF) was able to come up with its totally unrealistic cost figures in their 1979 survey.

The AIF survey,

1. failed to make sufficient allowance for waste and decommissioning;
2. excluded lower cost coal plants operated by the country's two largest coal-burning utilities (American Electric Power and TVA);
3. penalized other coal-fired plants for being used below their potential capacity, due to excess generating capacity.

Moreover, the AIF omitted the nuclear plants with the highest construction costs (21 omitted reactors). The 21 omitted reactors cost an average of 60% more to construct, and produced 19% less electricity per unit of capacity than the 39 reactors included in the AIF survey.

3. Midland Daily News(12-26-80)

Are we supposed to sit back and accept this kind of manipulative study?

Komanoff concludes in his 1979 report, "Nuclear Power Costs; Past, Present, Future" that;

1. The capital costs of nuclear plants completed today average approximately $1\frac{1}{2}$ -2 times those of new coal plants, causing total generating costs to be slightly higher for new nuclear plants than for coal;
2. Based on trends prior to the Three Mile Island accident capital costs for plants undertaken today will be twice as high for nuclear as for coal with scrubbers, so that nuclear generating costs will average 60% more than coal.

By the end of 1978 the "typical" new nuclear plant was 49% more expensive to build than a new coal plant, with a scrubber, and 90% costlier than a coal plant without a scrubber.

Michigan's economy cannot stand the burden of the rate increases that will be necessary for the construction and operation of the Midland Nuclear Plant. (At least 30 percent)

Many Michigan companies have already cited high energy costs in our state as a reason for not expanding, and perhaps leaving Michigan altogether.

We surely cannot believe that with another large rate increase on the horizon, we will enhance the business climate of Michigan.

A strong program of conservation in our state is the only sane way of keeping the business we have now, and eventually attracting new business.

General Public Utilities (owners of Three Mile Island) recently scrapped plans for three large power plants. By this action, they hope to save customers 1.2 billion dollars over the next 30 years.

They have instead proposed an electricity conservation and allocation plan, putting their energy costs at \$250.00 per Kilowatt, as opposed to \$1,750.00 per Kilowatt, if they had proceeded with the plants.

This plan will also save an estimated 200 million barrels of imported oil, cut projected load growth in half, and of course greatly benefit the rate payer.

The burden of cost for the Midland plant is on the ratepayer. Therefore the decisions being made about it's future should in part, also rest with us.

Consumers Power Company will profit, while we pay, even if the Midland plant does not provide a reliable source of electricity. The self interest of this company has been apparent for many years. It could be the final blow to Michigan's sagging economy.

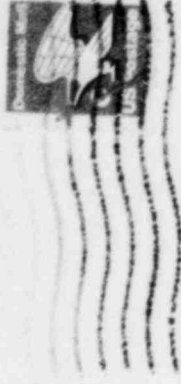
I object strongly as a citizen of Midland, and Michigan, to the continued construction of the very costly and unnecessary Midland Nuclear Plant.

Sincerely,

Diane Hebert

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