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May 3, 1982

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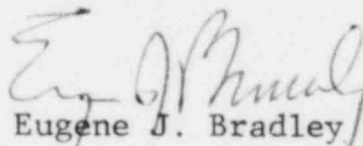
Mr. Harold R. Denton, Director
Office of Nuclear Reactor Regulation
United States Nuclear Regulatory Commission
Washington, D.C. 20555

Re: Limerick Generating Station Units 1 & 2
Docket No. 50-352 and 50-353

Dear Mr. Denton:

Transmitted herewith are five copies of a document entitled "Information for Antitrust Review of Operating License Application." This document provides the information for Limerick Units 1 & 2 identified in Regulatory Guide 9.3, as being required by the Commission Staff for its antitrust review pursuant to Section 105 of the Atomic Energy Act of 1954, as amended.

Very truly yours,


Eugene J. Bradley

EJB/dq

cc: See attached list -
with enclosure

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PDR ADOCK 05000352
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Atomic Safety and Licensing Board Panel
Docketing and Service Section

BEFORE THE
UNITED STATES NUCLEAR REGULATORY COMMISSION

In the Matter of	:	Docket Nos.
	:	
PHILADELPHIA ELECTRIC COMPANY	:	50-352
(Limerick Generating Station	:	
Units 1 and 2)	:	50-353

INFORMATION FOR ANTITRUST REVIEW
OF OPERATING LICENSE APPLICATION

This document provides the information identified in Regulatory Guide 9.3 as being required by the Nuclear Regulatory Commission Staff in connection with its antitrust review of operating license applications pursuant to Section 105 of the Atomic Energy Act of 1954, as amended. The document provides information on changes which have occurred or are planned to occur since submittal of the construction permit application for Limerick Generating Station Units 1 and 2.

May 1982

Item 1

Anticipated excess or shortage in generating capacity resources not expected at the construction permit stage. Reasons for the excess or shortage along with data on how the excess will be allocated, distributed, or otherwise utilized or how the shortage will be obtained.

Response

At the construction permit stage (May 1972), shortages in generating capacity were projected if Limerick Units 1 and 2 were not available by the then-scheduled service dates of 1975 and 1977, respectively. Since that time, Applicant's projected electrical sales and peak load growth rates have declined significantly due primarily to energy conservation by Applicant's customers and sluggish economic growth, capacity shortages have not occurred, and the Limerick units have been delayed to the present service dates of 1985 and 1987. Applicant now estimates that generation reserves in 1985 and 1987 will be above those normally required for load and capacity reliability. However, the addition of the Limerick units will allow Applicant to retire up to 1000 Mw of obsolete and inefficient oil-fired units and to reduce its dependence on oil. The addition of the Limerick units will also provide an economic benefit to Applicant's customers. Additional supporting information is provided in Section 1 of the Environmental Report - Operating License Stage.

Item 2

New power pools or coordinating groups or changes in structure, activities, policies, practices, or membership of power pools or coordinating groups in which the licensee was, is, or will be a participant.

Response

Since submittal of the construction permit application, Applicant has not become a participant in any new power pool or coordinating groups. No changes have been made in the membership, structure, activities, and policies of the Pennsylvania-New Jersey-Maryland (PJM) Interconnection and the Middle Atlantic Council (MAAC) except that in June, 1981, Atlantic City Electric Company and Delmarva Power & Light Company became full members of the PJM pool. They had participated in the pool as associates; they have always been full members of MAAC. Also in June 1981, provision was made for a weighted voting procedure for certain actions by PJM members while continuing to require unanimous consent for actions which would have significant impact on any member, and requirements for membership in the PJM pool were stipulated. However, several PJM accounting practices have been modified as follows:

- In 1974, the method of determining and accounting for each member's capacity obligation to supply the PJM capacity requirement was modified to strengthen coordination of planning and operation.
- In 1977, the provisions for sharing the cost and benefits of coordinated operation were modified to account for the increasing volume of interchange power.
- Annually since 1974, the PJM capacity rate has been revised (increased). This rate is applicable in the determination of payments by any member which is deficient in meeting its capacity obligation.
- In 1979, provision was made for sharing benefits of multi-party economy energy transactions and provisions for sharing the cost of the pool dispatch center were modified.
- From October 1981 to December 1981, provision was made for GPU to purchase power from the PJM pool at special rates.
- In 1981, provision was made to consolidate the accounting for the interchange of operating capacity and energy.

Item 3

Changes in transmission with respect to (1) the nuclear plant, (2) interconnections, or (3) connections to wholesale customers.

Response

- (1) The description of the transmission system with respect to the Limerick facility contained in Section 3.9 of the Environmental Report - Operating License has been expanded to include transmission beyond the point of connection to the existing transmission system. The description now includes a proposed 230 KV line from the Applicant's Cromby substation to Applicant's Plymouth Meeting substation and a 230 KV line from Cromby to Applicant's North Wales substation. The service dates of this transmission have been delayed consistent with the delay of the Limerick units.
- (2) There have been no changes in the Philadelphia Electric Company transmission system interconnections expected to be in service by the service date of the Limerick plant.
- (3) There have been no changes in the connections to wholesale customers.

Item 4

Changes in the ownership or contractual allocation of the output of the nuclear facility. Reasons and basis for such changes should be included.

Response

No changes have occurred.

Item 5

Changes in design, provisions, or conditions of rate schedules and reasons for such changes. Rate increases or decreases are not necessary.

Response

There have been minor changes in rate schedules to reduce the number of price blocks and generally simplify the rates.

Item 6

List of all (1) new wholesale customers, (2) transfers from one rate schedule to another, including copies of schedules not previously furnished, (3) changes in licensee's service area, and (4) licensee's acquisitions or mergers.

Response

- (1) Jersey Central Power and Light Company was added as a wholesale customer in 1981 for the sale of the energy equivalent to Applicant's share of the output of Salem Unit 2 in accordance with a contract filed with the Federal Energy Regulatory Commission.
- (2) The normal transfer of commercial and industrial customers from a low voltage rate schedule to a high voltage schedule due to customer's load growth has continued.
- (3) There have been no changes in service area.
- (4) There have been no acquisitions or mergers.

Item 7

List of those generating capacity additions committed for operation after the nuclear facility, including ownership rights or power output allocations.

Response

Applicant has no committed generation additions after the Limerick units.

Item 8

Summary of requests or indications of interest by other electric power wholesale or retail distributors, and licensee's response, for any type of electric service or cooperative venture or study.

Response

In the Fall of 1977, Delmarva Power & Light requested cost data for Limerick to evaluate the possibility of shared ownership. Applicant supplied the data but no further discussions were held.

In early 1978, Atlantic Electric Company expressed an interest in obtaining a small percentage of Limerick. Meetings were held and Applicant offered Atlantic Electric a proposal to share the output of the Station. Atlantic Electric discontinued negotiations in mid-1979 and later announced its decision to obtain a portion of Pennsylvania Power & Light Company's (PP&L) Susquehanna nuclear station.

In July, 1978, Applicant was named as a defendant in a civil action brought in the United States District Court for the Eastern District of Pennsylvania by the Borough of Lansdale, Pennsylvania, which asserted that the Licensee had monopolized or attempted to monopolize interstate commerce in the wholesale and retail distribution and sale of electric power in violation of Section 2 of the Sherman Act. Plaintiff sought injunctive relief which would have required Applicant to wheel power purchased by Plaintiff from other sources and money damages. After trial in July, 1981, a verdict and judgment were entered in favor of the defendant, Philadelphia Electric Company.

In October, 1978, Applicant offered to sell 50 percent of the output of Limerick Unit 1 to Allegheny Power System, Duquesne Light Company, American Electric Power Corporation and Virginia Electric and Power Company. These offers were not accepted.

In the Spring of 1979, Allegheny Electric Cooperative Inc. expressed an interest in purchasing capacity, including the possibility of joint ownership of Limerick. Meetings were held and data were supplied, but nothing further developed.

In mid 1979, Applicant and Public Service Electric and Gas Company of New Jersey (PSE&G) pursued joint studies of sharing the ownership and output of the Limerick and the Hope Creek nuclear units. These studies showed insufficient benefits and were terminated in the spring of 1980.

In July, 1979, Applicant signed an agreement with Jersey Central Power and Light Company ("Jersey Central") to sell Jersey Central energy equivalent to Applicant's share (471 megawatts) of the output of Salem Unit 2. In addition Jersey Central will purchase installed capacity from Applicant as needed to meet PJM capacity requirements. Such capacity purchases will not be greater than Applicant's share of the capacity of Salem Unit 2 and will be limited to the amount of Applicant's capacity in excess of its own PJM commitment.

In January, 1980, cost data for Limerick were supplied to General Public Utilities Corporation in response to its request.

In February, 1980, the Delaware Municipal Electric Corporation (DEMEC) expressed an interest in joint ownership of Limerick. Applicant supplied requested data and expressed its willingness to negotiate. In October, 1980, DEMEC conveyed its intent to negotiate the purchase of 15-20 MW of Limerick.

Joint studies between Applicant, PSE&G and PP&L have been made to evaluate alternatives to single ownership and operation of nuclear plants to reduce the financial and operating risks to customers and stockholders. The three parties agreed that the alternatives considered would not be implemented. Limited studies are continuing in the areas of reducing specific risks.

In July, 1981, PSE&G requested that Applicant explore further alternatives to single ownership of the Limerick and Hope Creek units. Also in July, 1981, Delmarva Power & Light Company ("DPL") requested Applicant to supply capital and operating cost estimates so that DPL could consider contractual arrangements for obtaining output from the Limerick units. The requested data was supplied.