

REGULATORY DOCKET FILE COPY

OCT 24 1980

Docket No. 50-320

Mr. Michael S. Malewicki
RD 1
Gettysburg, PA 17325

Dear Mr. Malewicki:

I am writing in response to your letter of September 20, 1980 to President Carter concerning responsibility for the cost of cleanup at Three Mile Island Nuclear Station, Unit 2.

The Pennsylvania Public Utility Commission (PUC), in a decision and order of June 15, 1979, ruled that costs of damages caused by the accident at Three Mile Island would not be included in the present rate base for customers of Metropolitan Edison and the Pennsylvania Electric Company. These customers will, however, be responsible for costs associated with purchasing power to replace power that would have been provided by the TMI facility. The Pennsylvania PUC reaffirmed this decision in an order of May 23, 1980.

In the same order, they also ruled that Three Mile Island Unit 1 be removed from the Metropolitan Edison and Pennsylvania Electric Company rate bases. As a result, their customers will be free of all maintenance, interest, and capital cost expenses associated with Unit 1. Should Unit 1 be returned to service, costs associated with its operation would, of course, become part of the rate structure.

The licensee has the primary responsibility to physically carry out decontamination operations, while the NRC was created by Congress to regulate the commercial use of nuclear energy. Under the Atomic Energy Act of 1954, as amended, NRC has the authority to revoke licenses, take possession of special nuclear material (uranium fuel), and license other organizations if necessary. NRC can operate a nuclear facility if it deems such operation necessary to protect the public health and safety should Metropolitan Edison Company be unable to carry out its responsibilities as a licensee. NRC is currently preparing a contingency study considering the possibility. At present, however, the resources necessary for NRC to implement its direct involvement in Metropolitan Edison activities are not authorized and our existing statutory authority does not provide a basis for governmental assistance to GPU. While we are concerned about financial impacts on consumers, the NRC's primary responsibility is the assurance of public health and safety.

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Mr. Michael S. Malewicki

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OCT 24 1980

State public utility commissions and the Federal Energy Regulatory Commission have primary responsibility regarding the rates that consumers pay for electricity.

I trust that this adequately responds to your concern.

Sincerely,

Bernard J. Snyder, Program Director
TMI Program Office
Office of Nuclear Reactor Regulation

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RD 1

Gettysburg, PA 17325

September 20, 1980

President Jimmy Carter
The White House
Washington D.C. 20500

Dear President Carter,

I am genuinely disturbed about the recent events concerning the financial implications of the TMI accident. As a resident of the area served by GPU I have a feeling that this government, which I helped to install, is abandoning many of us in the Central and South Central Pennsylvania area.

TMI was a disaster, yet where was the federal government when relief is needed? When there are floods, tornados or other disasters there is financial assistance from Washington. Why not in this case? Mr. President, GPU needs assistance, it cannot finance the TMI clean up alone.

As supporters of nuclear power, both my wife and I have been patiently waiting to see what would transpire after the accident. We are both disappointed with the governments reaction. The NRC was established as a governmental agency to set guidelines and to supervise the operations of nuclear utilities. However, when a nuclear accident occurs the reponse of the government is pitifully slow and inadequate. The government must come to realize that by not financially assisting GPU Washington is placing an undue burden on the stockholders and owners of GPU and most important on those of us who will be paying for this disaster long into the future.

Mr. President, let the government begin to take immediate

steps to financially assist GPU. The problem at TMI is the first of its kind faced by this nation. Let the government respond with an organized program to help the crippled utility.

Sincerely,

Michael S. Milewicz