

Docket

AUG 9 1982

50-440

Mr. R. J. McClelland, Superintendent
Ellwood City Municipal Electric Department
525 Lawrence Avenue
Ellwood City, PA 16117

Dear Mr. McClelland:

OPERATING LICENSE ANTITRUST REVIEW OF THE PERRY/DAVIS-BESSE NUCLEAR PLANTS

The NRC staff is presently reviewing the application of the Duquesne Light Company (as one of the co-applicant CAPCO pool members) for an operating license for Unit 1 of the Perry Nuclear Plant. The purpose of this review is to establish whether any significant changes, which have antitrust implications, have occurred as a consequence of Duquesne's (or other CAPCO members') activities since the construction permit antitrust review was completed in 1977.

In Duquesne Light's response to our Regulatory Guide 9.3, the Company noted that Ellwood City expressed an interest in purchasing power for resale from Duquesne. The reference is as follows:

"In a letter to Duquesne Light Company dated, April 30, 1979, Joseph V. Santangelo of the Borough of Ellwood City expressed an interest in buying power from Duquesne Light Company. In a letter dated, May 14, 1979, Duquesne Light Company responded that it did not have an appropriate tariff of general application for sale of electricity to a municipality for resale, but was prepared to meet in Pittsburgh to discuss the request at a mutually convenient time. To date, neither Mr. Santangelo nor any official of the Borough of Ellwood City has responded to Duquesne Light Company's May 14, 1979, invitation."

As a means of assisting in our analysis of significant changes, we would appreciate your response to the following questions:

1. Did Ellwood City eventually purchase power from Duquesne and if so, under what type of tariff? If not, why? (Please supply copies of relevant correspondence including Mr. Santangelo's letter of April 30, 1979 and the Company's response thereto dated May 14, 1979.) and,
2. What is your judgment of the viability of the Ellwood City electric system?

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To assure a timely review of the captioned operating license application, we would appreciate your response within thirty days.

Thank you for your cooperation in this matter.

Sincerely,

Argil Toalston, Chief
Antitrust and Economic
Analysis Branch
Division of Engineering
Office of Nuclear Reactor
Regulation

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