AUG 2 3 1982

Docket No. 50-413A

Mr. Philip D. Burnes, City Manager
W. Washington Street
Winnsboro, South Carolina 29180

Dear Mr. Burnes:

OPERATING LICENSE ANTITRUST REVIEW OF UNIT NO. 1 CATAWBA NUCLEAR STATION

The NRC staff is presently reviewing the application of the Duke Power Company (Duke), the lead applicant, for an operating license for Unit 1 of the Catawba Nuclear Station. The purpose of this review is to establish whether any significant changes, which have antitrust implications, have occurred as a consequence of Duke's * activities since the construction permit antitrust review was completed in 1975.

It is our understanding that the Town of Winnsboro made a request to Duke in January of 1979 to tie-in its wholesale distribution facility to that of Duke Power Company. In its response to the Commission's Regulatory Guide 9.3, Duke gave the following reasons for not tying into Winnsboro's electric system,

> "...Duke was already committed to a program of expansion involving primarily base load nuclear plants which (1) require a regulatory lead time of more than ten years, (2) have been embroiled in regulatory delays, and (3) were constantly faced with increased capital costs which makes the Company's financial program difficult and burdensome. For these reasons, Duke believed that it would add to the burden of meeting load growth in its present public service obligation to take on any new requirements such as those proposed by Winnsboro."

As a means of assisting in our analysis of significant changes, we would appreciate it if you would furnish us with correspondence relevant to the January, 1979 request by Winnsboro and provide your interpretation of the reasons for Duke's refusal to tie-in with the City if they are different from those stated by Duke Power Company as summarized herein.

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* Any changes with antitrust implications resulting from activities of the other co-applicants, Saluda River Electric Cooperative, Inc. or the North Carolina Electric Membership Corporation, are also germane to our analysis.

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Moreover, we would like to know what type of alternatives are (were) available (other than service from Duke) and how the Town's electric system has or will be affected by this denial by Duke?

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

Sincerely,

/s/ A L Toalston

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

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