

UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

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BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

Glenn O. Bright  
Dr. James H. Carpenter  
James L. Kelley, Chairman

In the Matter of

CAROLINA POWER AND LIGHT CO. et al.  
(Shearon Harris Nuclear Power Plant,  
Units 1 and 2)

Dockets 50-400 OL  
50-401 OL

September 24, 1982

SUPPLEMENT TO MOTION: NEW INFORMATION

On July 13, 1982, Chapel Hill Anti-Nuclear Group Effort (CHANGE)/Environmental Law Project (ELP) served on parties and the Board in this proceeding a "Renewal and Reformation" of a "Motion to Postpone Proceedings" originally submitted on March 16, 1982. New information has come to the attention of CHANGE/ELP, which is attached.

Attachment 1

Attachment 1 is an excerpt of testimony given by Edward G. Lilly, executive vice-president of Applicant CP&L, before the N.C. Utilities Commission on July 21, 1982 in Docket E-2 Sub 444, under cross-examination by Jerry Fruitt, Esq., of Eller and Fruitt, Raleigh, N.C. The attached are pages 83 to 85 of Volume 8 of the transcript.

CHANGE/ELP believes Lilly's assertion that CP&L will "not spend any money on or any substantial amount of money on Harris Unit Number II until absolutely necessary" supports its contention that consideration of an OL for Harris 2 be deferred until such time as there is in fact reasonable ass-

urance that it will in fact be completed, in such time that consideration at this time is appropriate.

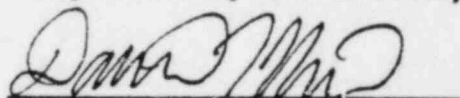
Attachment 2

Attachment 2 is a statement by executive vice-president William E. Graham, Jr. of CP&L in response to the Utilities Commission's order in Docket E-2, Sub 444. It is reproduced as reported in The News and Observer, Raleigh, North Carolina, Saturday, September 25, 1982, at page 7A.

CHANGE/ELP believes that Graham's assertion that the order "probably means an immediate cessation of all work on Harris nuclear unit number 2" further supports its motion and urges the Board to grant the <sup>e</sup> relief requested.

CHANGE/ELP submits this information as new information in support of its motion already filed.

Respectfully submitted,



Daniel F. Read  
President, CHANGE  
P.O. Box 524  
Chapel Hill, NC 27514

A. Yes.

Q. Sir, does that take into account the revenues that are paid by the ratepayer prior to the in-service date of the plant?

A. Yes, it does.

Q. It does?

A. I think it does. I'll have to check but my impression is that it does.

Q. And I think you have agreed to provide those workpapers?

A. Yes.

Q. Sir, at the present time--I believe you discussed the construction program and financial needs. At the present time do you know what the projected cost of Harris II is, sir, total cost?

A. I have it. I'll get it for you in just a moment.

(Pause) It's around \$2 billion. While I'm getting that, go ahead with something else if you wish and I'll get that for you in just a moment.

Q. Well, I'd rather just wait a second if that's okey if you think you can readily find it because I was going to ask you a couple of questions along that same line.

A. \$1,959,000,000.

Q. That's the projected total cost?

A. Yes.

Q. \$1,959,000,000 what?

A. \$59 million.

Q. And, sir, on that same page possibly, do you have what has been expended?

A. As of December 31, 1981, \$1,056,000,000.

Q. This is Harris II?

A. Harris I was what I thought you asked me about.

Q. Well, I may have. If I did I was in error. I meant Harris II. I'm sorry. I may have said Harris I.

A. On Harris II the expenditures through December 31 had been \$233 million and the total cost -- I have a figure here which I'm not sure is correct, frankly. The figure is roughly \$1.4 billion and I'm not sure that that is an accurate figure. It may be slightly higher than that but I will check that figure.

Q. Well, sir, you have a \$2 billion construction program over the next two years, do you not?

A. That is correct.

Q. How much of that is attributable to Harris II?

A. Over the next two years, three years?

Q. Three years I believe is what your \$2 billion figure covered.

A. At the present time the company is devoting its principal construction effort at the Harris site to Harris Unit Number I. Very modest amounts of money are being expended on Harris Unit II because our construction people feel and management obviously concurs that it is more effective, more cost effective to complete Harris Unit I in the most efficient

manner possible and the most rapid manner; bring that on line, make the energy generate, make the generation available to our customers and, of course, not spend any money on or any substantial amount of money on Harris Unit Number II until absolutely necessary.

Beginning during the calendar year 1983 we would start spending larger amounts of money on Harris Unit Number II and for the next three years we would spend in the neighborhood of \$250 to \$300 million on that unit.

Q. In what time period?

A. Three years.

Q. Three years?

A. Yes, sir.

Q. That was \$250 to \$300 million?

A. Yes. I believe you asked me the 1982 to 1984 timeframe which would be somewhat less than that. Total expenditures would be -- no, the figure I gave you is correct.

Q. For '82?

A. '82 through '84, yes.

Q. Sir, if the company, I believe as was discussed with Mr. Smith, if the company should this fall elect to delay that unit one year that would tend to reduce your construction budget, would it not, sir?

A. It would tend to defer the expenditures, the heavier expenditures for that unit by a period of 12 months if the deferral

# Statement by CP&L official responding to ruling

Following is a statement by William E. Graham Jr., executive vice president of Carolina Power & Light Co., issued in response to the ruling Friday by the N.C. Utilities Commission cutting CP&L's proposed revenue increase from \$160.5 million to \$8.8 million:

"We have not seen the order, and obviously it will take some time for us to review it. However, if it is as negative as reports indicate, it is indeed devastating and will have far-reaching impact on our customers, the company and the economy of our service area.

"We expect to appeal the order to the courts and we have to file another rate case as quickly as we can.

"This probably means an immediate cessation of all work on Harris nuclear unit number 2 and on Mayo coal-fired unit 2. It may mean the layoff of some workers at the Harris site as early as next week.

"At this time, we will try to minimize layoffs by concentrating all work on Harris Unit I. If we are not able to go forward later with a minimum construction program, electric service in future years will be cut back.

"We are concerned about the impact upon economic growth and future jobs. We expect to notify our large customers and the appropriate government development officials that requests for long-term service from new or expanded industry will have to be closely reviewed by our corporate system planning department, and that we may not be able to accept new requests for long-term service from large loads at our standard (power) rates.

"If our information is correct, the ultimate effect of the order is to decrease rather than to increase revenues. The small increase cited by the commission is attributed solely to increased fuel costs, and it appears that will leave a shortfall of approximately \$30 million over the next year.

"Therefore the net effect is that we have received a substantial revenue decrease.

"As to company management, although the costs of producing electricity have risen in recent years, and rates have had to rise as a consequence, our rates have remained lower than in other similar areas. For example, the average price per kilowatt hour to residential customers for the 12-month period ended June 30, 1982 in Miami, Jacksonville, Savannah, Charleston, Norfolk, Baltimore and other cities along the Atlantic seaboard was higher than in our service area.

"For a number of reasons, some related to regulatory modifications, others not, we acknowledge that our Brunswick plant has not consistently met our performance expectations in recent years.

"We are sparing no effort to turn that situation around, and to improve the plant's performance. We are confident that we have the management team at the plant to do this.

"Completing the necessary modifications and reliability improvement measures at the Brunswick plant will take a couple of years or so. But we will do it, and customers will enjoy substantial savings over the life of the plant.

"Publicity focusing on problems at a single generating facility can easily distort your perception, as a consumer of CP&L's total operations. Electricity rates are not based on production costs at one plant, but on the operation of the entire system.

"Even with the increased downtime at our nuclear facilities, our total operating and maintenance expenses last year — including fuel, purchased power, maintenance, wages and salaries and everything else — were the second lowest in the group of eight major Southeastern utilities.

"More importantly, look at what CP&L customers pay for electricity in comparison with rates up and down the East Coast from Boston to Miami . . . CP&L's rate are low

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UNIT

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Dockets  
50-400, OFFICE OF SERVICE  
50-401 DOCKETING & SERVICE  
BRANCH

CERTIFICATE OF SERVICE

I hereby certify that copies of "Supplemental statement Regarding Psychological Stress Conventions" & "Supplement to Motion: New Information" were served this 27th day of September, 1982, by deposit in the U.S. Mail, first-class postage prepaid, upon all parties whose names appear below, except those whose names are marked with an asterisk, for whom service was accomplished by hand delivery (Runkle). <sup>UNC campus mail</sup>

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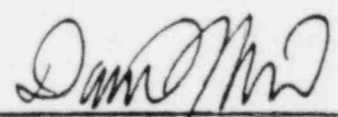
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