

June 30, 1988

COMMENTS OF OHIO CITIZENS FOR RESPONSIBLE ENERGY, INC. ("OCRE")  
ON CLEVELAND ELECTRIC ILLUMINATING CO. et al. REQUEST TO  
SUSPEND ANTITRUST LICENSE CONDITIONS, 53 FED. REG. 22589, June  
16, 1988.

The Cleveland Electric Illuminating Co. and Toledo Edison have requested that the antitrust license conditions for the Perry Nuclear Power Plant and the Davis-Besse Nuclear Power Station be suspended. The basis for this request is that the economic advantages thought to exist for utilities owning nuclear power plants have failed to materialize. The postulated economic advantages of nuclear power are, according to the utilities, the motive of the antitrust provisions of the Atomic Energy Act and of the license conditions at issue. Lacking the realization of these conditions, the utilities claim, the antitrust provisions should be lifted.

Among the antitrust conditions in the licenses for Perry and Davis-Besse is a requirement that the utilities wheel power across their transmission lines at the request of any other utility, including municipal utilities, which have much lower electric rates. The economic disadvantages of nuclear power, particularly the large rate hikes to be forced upon the captive CEI and TE ratepayers, have lead municipalities to consider forming their own electric systems, and existing municipal systems are considering expanding their service areas. Clearly, given a choice, no one would choose to pay the extremely high rates resulting from the cost overruns at Perry and poor management and operational history at Davis-Besse. So CEI and TE are worried that municipal systems will entice their customers away.

Such is life in a free, competitive marketplace. However, CEI and TE, forced to abide by the antitrust license conditions due to their anticompetitive behavior in the 1970s, now want to be shielded from free market forces and the consequences of their own mismanagement at Perry and Davis-Besse. I.e., the true motive of this request is anticompetitive.

Because this anticompetitive motive is contrary to the spirit of the antitrust provisions of the Atomic Energy Act, the request should be denied. It is further not in the public interest to cut off avenues of relief from rate shock, which will cause much human suffering and dash any hopes of economic recovery in Northern Ohio.

Respectfully submitted,

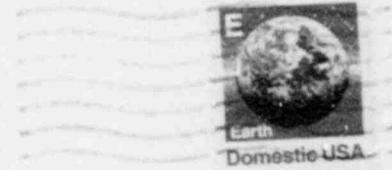


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