

September 3, 1997

**TMIA'S Comments on Pennsylvania Power & Light
Company's Restructuring Plan**
Eric Joseph Epstein, Chairman

Pennsylvania Power and Light Company's ("PP&L") "Restructuring Plan" penalizes rate payers for willful uneconomical decisions made by the Company. PP&L is seeking to recover \$4.6 billion dollars in stranded costs. A residential customer using 500 kilowatt hours would experience an **average monthly expense of \$16.59** (OCA, May 14, 1997.) Already, Pennsylvania electric rates are **15% above** the national average (PUC, November 19, 1996.) The **nuclear component** of this formula is **\$2.85 billion** or **62% of the total bill.**

Eric Epstein, Chairman of Three Mile Island Alert, noted that the nuclear costs are primarily for nuclear decommissioning and nuclear waste isolation. "Essentially, PP&L rate payers are being asked to pay outrageous burial costs for a facility that will never operate for its planned lifetime." He added, "This request is an enormous subsidy for corporate mismanagement. Unlike other industries, Pennsylvania's electric utilities continue to embrace corporate socialism at the expense of their customers." Epstein, who was also an intervener in the 1995 PP&L Base Rate Proceedings, stated: "The principles of free market competition and corporate accountability dictate that imprudent business decisions should be borne by the shareholders."

Epstein also stated that the restructuring proposal is inherently unfair and disproportionately penalizes younger electric users. "This plan will create inter-generational tensions as we ask our grandchildren to pay for the mistakes of their grandparents."

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PROBLEMS at the SUSQUEHANNA NUCLEAR POWER PLANT

* Pennsylvania Power & Light (PP&L) has increased electric rates to pay for the construction of the Susquehanna Nuclear Power Station. Unit-1 began generating electricity on June 8, 1983 and Unit-2 began operation in April 1985. PP&L asked the Public Utility Commission (PUC) for \$315 million rate increase for Unit-1 and was granted \$203 million or a **16% increase** for consumers. The company asked for \$330 million for Susquehanna-2. The PUC allowed \$121 million or an **8% increase** for customers.

* Customers are charged for the cost of radioactive waste management. The **cost to dump "low-level" radioactive waste** has increased dramatically. For example, in 1992 it cost \$165 to dispose of a cubic foot of waste in Barnwell, South Carolina. The following year the price skyrocketed to \$280. "Low-level" waste includes virtually every radio-isotope present in high-level waste including Plutonium-239 (hazardous life: 240,000 years) and Iodine-129 (hazardous life: 16.8 million years.)

* PP&L continues to use a **fire retardant that does not work**. Thermo-Lag is supposed to prevent the spread of fires at nuclear power plants.

* **The Susquehanna Electric Steam Station has approximately 500 metric tons of high-level radioactive waste, in the form of spent fuel stored on-site.** By 2002, Susquehanna's spent fuel pools will be full although their license does not expire until 2022.

Two former PP&L engineers documented that Susquehanna's highly radioactive spent fuel pools are unsafe and that if emergency cooling systems failed, a meltdown of spent fuel elements could occur.

* The consumer pays for "retiring" or **decommissioning** Susquehanna. Pennsylvania Power and Light projects the cost to be **\$725 million** but other estimates put the decommissioning price tag at **over \$1 billion!**

* PP&L's rates have increased 9% per unit of electrical energy since 1985 and will continue to increase in order to pay for nuclear waste storage, decommissioning and operating and maintenance costs at the Susquehanna Nuclear Generating Station. PP&L's 1995 rate request would have boosted **residential rates by 20%.**

* In January 1995 bad weather caused a record-setting demand for electricity. **The Susquehanna Nuclear Station contributed to the crisis:** Unit-1 was shut down and did not return to service until January 22, 1994; four days **after** the electric power pool experienced a record surge in demand. That same day Unit-2 was forced to shut down.

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HISTORY OF THREE MILE ISLAND ALERT

Three Mile Island Alert (TMIA) is a non-profit citizens' organization formed in 1977 after the construction and licensing of Three Mile Island Unit-1 and after TMI-2 was constructed. TMIA is the largest and oldest safe-energy group in central Pennsylvania. TMIA has enjoyed widespread public and political support in its role as a watchdog of the Three Mile Island Nuclear Generating Station. In the spring of 1987, TMIA was recognized by the Pennsylvania House of Representatives for 10 years of community service. The House, along with the City of Harrisburg, formally applauded TMIA's efforts on behalf of the community at their 20th anniversary.

Since the March 1979 accident at TMI-2, TMIA has been actively involved with many Three Mile Island related issues including: active intervener before the Nuclear Regulatory Commission (NRC) in hearings involving safety, technical and managerial issues; monitoring and tracking chronic safety, technical and managerial problems at Unit-1 and Unit-2; tracking adverse health effects as a result of the TMI-2 accident and the normal operation of Unit-1 (since 1974); participating in two radiation monitoring networks; evaluating security problems at the Island; and, providing information, research and educational materials to the general public, media and elected officials.

TMIA also serves as regional clearinghouse on a broad spectrum of issues relating to nuclear power production including problems at Peach Bottom-2 and -3, Susquehanna-1 and -2 and the proposed siting, licensing and construction of a low-level radioactive waste dump in Pennsylvania.

TMIA's policy is generated by a seven member planning council which meets quarterly. TMIA meets regularly with the NRC and Pennsylvania Department of Environmental Resources to discuss issues and problems relating to TMI-1 and -2. The organization has two part-time volunteers who staff the office. In addition, several individuals write, edit and mail TMIA's newsletter which is issued five to six times a year. All of TMIA's funding comes from membership dues, private contributions and fund raising events.

TMIA's office is open Monday through Friday from 10:00 am to 6:00 pm. Weekend visits are available by appointment. The public and all interested parties are encouraged to stop by or contact the group by phone or mail.