

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of
Duke Power Company) DOCKET NOS. 50-270
(Oconee Nuclear Station,) & 50-287
Unit Nos. 2 & 3)

COMMENTS OF
NORTH CAROLINA UTILITIES COMMISSION
WITH RESPECT TO
ORDER TO SHOW CAUSE

On January 2, 1980, the Nuclear Regulatory Commission issued an Order to Show Cause why Duke Power Company (Licensee) should not by February 15, 1980, either implement certain remaining "Category A" requirements or "place and maintain its facilities in a cold shutdown or refueling mode of operation unless shutdown would severely impact the power reliability in the Virginia - Carolina subregion of the Southeastern Electric Reliability Council, as shown by appropriate and timely documentation to the Director, Office of NRR." (emphasis added)

Pursuant to the Order and CFR 2.202(a)(2) and (b), Duke provided written answer on January 15, 1980, in which specific admittances and denials were made. In general, the statements referred to two areas of extreme concern to the North Carolina Utilities Commission:

- (1) the likelihood of insufficient generating capacity to meet system demands
- (2) the cost of replacement energy.

The North Carolina Utilities Commission annually performs an independent forecast of electric utility load growth and develops a capacity addition plan. As a part of this activity, the Commission has held extensive hearings with

respect to requirements for reserve capacity. The minimum reserve capacity required for assuring reasonable winter service in this region is 20% above expected peak loads.

Even under the schedule for shutdowns proposed by Duke (Table IV of Duke Response), neither Duke nor VACAR can meet the minimum required reserves. Backup capacity is not available from other sources. North Carolina Utilities must, therefore, expect to experience difficulties in meeting system demands during the winter months. Any action which would further exasperate this situation by reducing Duke's reserves to the one percent level and reducing the VACAR reserves to the nine percent level, as would an Order requiring cold shutdown of Oconee Units No. 2 and 3 during the winter heating season, would jeopardize the physical and economic safety of the citizens of North Carolina, South Carolina, and Virginia. Even in the unlikely event that our citizens would not experience blackouts, they would still be faced with the double burden of immediately paying the extremely high costs of purchasing energy at peak and of subsequently experiencing the economic consequences resulting from the increased requirement for importation of additional oil.

As we understand it, the problem at issue is not a question of immediate hazard but one of preventive maintenance. Consequently, were it not for the fact that previous shutdown problems have caused the overextension of the fuel Cycle on Oconee Unit 2, the North Carolina Utilities Commission would propose that all Oconee units be

allowed to remain in service during February and early March before being shut down on a sequential basis. However, recognizing that such operation is an impracticability due to the rapidly depleting fuel components within Unit 2, the North Carolina Utilities Commission respectfully submits that the only practical opportunity for safeguarding the total interests of VACAR region citizens is to adopt the schedule for sequential maintenance proposed by Duke in its Table IV - Preferred Schedule, assuming that equipment availability does not require further slippage of that schedule.