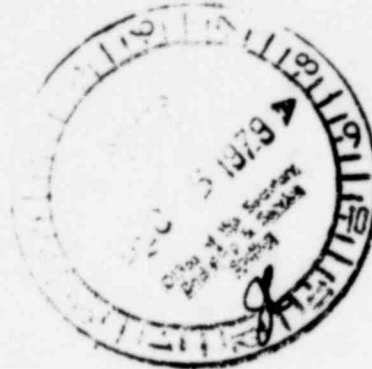


VIRGINIA ELECTRIC AND POWER COMPANY
RICHMOND, VIRGINIA 23261

STANLEY RAGONE
PRESIDENT

November 8, 1979

Mr. Joseph M. Hendrie, Chairman
Mr. Victor Gilinsky
Mr. Richard T. Kennedy
Mr. Peter A. Bradford
Mr. John F. Ahearne
U. S. Nuclear Regulatory Commission
1717 H. Street, N.W.
Washington, D. C. 20555



Gentlemen:

I am sure you can appreciate the disappointment with which the management of our company received your statement before Congressman Dingell's Subcommittee on Energy and Power on November 5 that the NRC was to continue its pause in issuing operating licenses. As you are aware, this policy directly impacts the licensing of our North Anna Unit 2.

While we understand the need to learn from the experience of Three Mile Island, it is difficult for us to see how your decision serves to further the cause of nuclear safety during the pause in licensing.

As you well know, North Anna 2 reflects the most recent NRC licensing requirements. Its sister unit has performed in an outstanding manner through its first refueling period, and there is no reason to believe similar performance should not be expected from Unit 2.

The headlines in the past few days about the Mid-East situation are a grim reminder of the fragile nature of this country's energy balance. At a time when we should be moving with all possible haste to lessen the stranglehold of the OPEC nations, we seem to be moving in the opposite direction.

Based on present-day oil prices, the cost of replacement generation associated with North Anna 2 is approximately \$12 - \$13 million per month. In addition, any delay in the commercial operation date adds about \$4 million per month to the completed cost of the project which will have to be borne by our ratepayers over the life of the unit. In addition to these unwarranted financial burdens on our customers, the failure to have this unit in service this winter as

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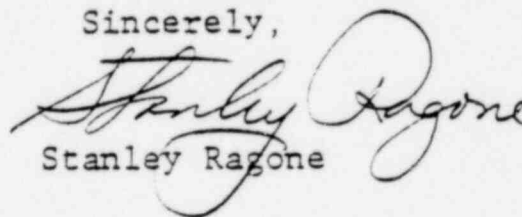
planned will reduce the reliability of our power supply and could possibly impair our ability to serve our customers' needs.

We believe the present design of North Anna 2 and the recently NRC-approved State Emergency Plan reflect many of the concerns identified by the Kemeny Commission, and we have committed to incorporate other requirements identified by the Lessons Learned Task Force. We have undertaken the preparation of an in-depth explanation of our reasons for believing that North Anna 2 can be licensed without compromising the concern for safety which we all share.

In the near future, we will request an opportunity to present to the Staff, ACRS and the Commissioners, if desired, our progress and efforts to provide for the concerns identified by the Kemeny Commission and other steps we have taken to assure ourselves, the public and the NRC that public safety will not be compromised with the licensing of North Anna Unit 2.

We believe you should consider North Anna 2 a unit that has a great impact on our nation's fuel oil use and economy as well as the serious impact on the residents of Virginia. North Anna 2 should definitely be reviewed at an early date under your case-by-case approach to licensing. If you would like to meet with us to discuss this matter in greater detail, please let me know.

Sincerely,



Stanley Ragone

cc: The Honorable Jimmy Carter
Virginia Senators and Congressmen
Governor John N. Dalton
Mr. Charles W. Duncan, Jr.
SCC Commissioners

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