

VIRGINIA ELECTRIC AND POWER COMPANY
RICHMOND, VIRGINIA 23261

STANLEY RAGONE
PRESIDENT

August 30, 1979

Mr. Harold R. Denton, Director
Office of Nuclear Reactor Regulation
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Dear Mr. Denton:

It is apparent from your recent comments and position on ending the moratorium on nuclear licensing that you and your staff believe it appropriate to do so. As you are aware, North Anna 2 is presently under the NRC self-imposed moratorium, and the unit should be licensed as soon as possible for the benefit of the United States, Commonwealth of Virginia, Vepco and its ratepayers.

When Commissioner Gilinsky, along with Messrs. Victor Stello and Jim O'Reilly, met with Governor Dalton and his staff on July 27, 1979, Mr. Stello indicated Virginia's emergency plan was in the process of approval and that such approval was likely in August. Mr. Stello also indicated that licensing activities would resume shortly on North Anna 2 and that the NRC effort would be directed toward it, as it was either the first or second nuclear unit ready for licensing.

We have diligently pursued all of the requests of the NRC related to North Anna 2. The company's report and status of the "Lessons Learned" task force recommendations were submitted to you on August 24, 1979, and we believe North Anna 2 is substantially better than most other operating reactors as far as the 23 "Lessons Learned Recommendations on Three Mile Island" items are concerned.

In addition, we believe that North Anna Units 1 and 2 are among the most modern nuclear units based on compliance with the latest NRC criteria. These units are probably the most thoroughly investigated in the United States by the NRC and its consultants, in addition to Vepco and its engineers and consultants. The brief start-up period required on North Anna 1 had very few problems and its performance since commercial operation on June 6, 1978, has been outstanding, operating at an 87.2% availability factor and 77.3% capacity factor through August 29, 1979. This is well above the start-up and operating performance of other nuclear units during their first 15 months of operation. It is evidence of the engineering, construction and quality assurance care taken while under construction and the training and skill of our station and system operating, maintenance and technical employees. North Anna 2 is a duplicate of Unit 1, and we believe similar good performance can be expected.

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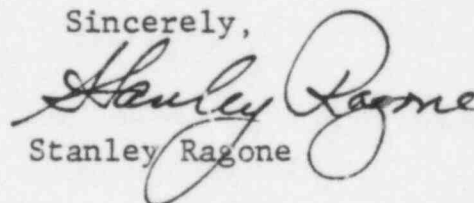
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Although the issuance of operating licenses is presently mired in political controversy, we believe that the NRC should expedite the Commonwealth of Virginia's emergency plan approval and the licensing review of North Anna 2 so that the instant operating licenses can be issued, the NRC will be in a position to do so. We are willing to meet with your representatives as often as required and to supply any additional information on an expedited basis. The company believes the NRC has the authority to issue the license without the findings of the President's Commission on Three Mile Island. However, we recognize there is no question but that the company will have to implement requirements of the NRC as a result of your study of the Three Mile Island incident.

The Commonwealth of Virginia, the nation, Vepco and its ratepayers are all being unnecessarily burdened by the delay in licensing of North Anna 2, while residents in other areas reap the benefits of low-cost nuclear power. The increased fuel costs while North Anna 2 is delayed are about \$10 million per month, and the cost of the unit increases about \$4 million per month that the ratepayers will pay over the life of the unit. From the nation's point of view, the generation from North Anna 2 will primarily replace oil at a rate of 700,000 barrels per month.

I implore you and the Commission, for the benefit of all concerned, to concentrate on licensing North Anna 2 as well as the other one or two units ready for an operating license and to expend the effort now, if the actual issuance of the license is held up for reasons beyond your control.

Sincerely,


Stanley Ragone

SR/eeh

cc: The Honorable John N. Dalton
The Honorable Herbert K. Harris, II
NRC Commissioners