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April 1, 1993
C300-93-2097
C311-93-2045
C321-93-2098

U. S. Nuclear Regulatory Commission
Att: Document Control Desk
Washington, DC 20555

Dear Sir:

Subject: Oyster Creek Nuclear Generation Station (OCNGS)
DPR-16/Docket No. 50-219
Three Mile Island Unit 1 (TMI-1)
DPR-50/Docket No. 50-289

NUREG CR-5975

NUREG CR-5975, "Incentive Regulation of Investor-Owned Nuclear Power Plants by Public Utility Regulators," published in January 1993, contains several inaccuracies. In particular, Table 2.16, which displays data for Jersey Central Power and Light, includes incorrect data in the columns for Capacity Factor and Incentive Values. The table below shows the appropriate numbers. Corrections are in bold type.

<u>Period</u>	<u>Capacity Factor</u>	<u>Incentive Values</u>
March 1987-Feb. 1988	69.4%	0
March 1988-Feb. 1989	54.1%	-\$4,300,000
March 1989-Feb. 1990	61.7%	0
March 1990-Feb. 1991	82.2%	+\$2,700,000
March 1991-Feb. 1992	64.0%	-\$500,000

In addition, the description of the reward calculation in paragraph 2 on page 2.27 is incorrect. In New Jersey, a utility is allowed to recover all of its replacement power costs as long as the capacity is in the deadband range or above. If the capacity falls into the reward range, a utility can also recover a percentage of the avoided replacement power costs (cost savings), calculated from the edge of the deadband, not "120% of replacement power costs." Similarly, Table 2.14 refers to cost recovery as 120%, 125% or 130% of replacement power costs. This also is incorrect.

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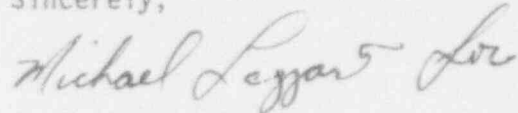
C311-93-2045

C321-93-2098

Page 2

GPU Nuclear suggests that the preparers of NUREG CR-5975 contact Michael W. Laggart, Manager Corporate Nuclear Licensing (201) 316-7968 prior to publishing the subsequent report to ensure that the values ascribed to Jersey Central Power and Light are accurate.

Sincerely,



J. C. Fornicola
Licensing and Regulatory Affairs
Director

JCF\DK\plp

cc: Administrator, Region I
Oyster Creek NRC Resident Inspector
Oyster Creek NRC Project Manager
TMI-1 NRC Resident Inspector
TMI-1 NRC Project Manager
T. Gould - NJ Board of Regulatory Commissions