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April 6, 1984

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

Re: Catawba Nuclear Station, Unit 1
Docket No. 50-413A
Palmetto Alliance Request for Reevaluation of Finding of No
Significant Antitrust Changes

Dear Sir:

In response to the Notice published in the Federal Register, March 6, 1984, 49 F.P. 8314, my client, Palmetto Alliance, Inc. hereby requests re-evaluation of your initial finding of no significant antitrust changes in the activities of Duke Power Company, et al, with respect to the operation of the Catawba Nuclear Station, now under construction in York Co., South Carolina. We request that a formal operating license antitrust review be conducted with respect to this facility, including a referral to the Attorney General for review and recommendations and further proceedings pursuant to 10 C.F.R. Section 2.102 to assure that the activities under the proposed license will not create or maintain situations inconsistent with the antitrust laws or policies or that such proposed license be denied.

Palmetto Alliance is a not-for-profit membership organization including consumers of electric energy residing in the piedmont area of the Carolinas. We believe that since the construction permit review of this matter a number of significant changes have occurred, which are reasonably attributable to the activities of Duke Power Company, which have significant negative antitrust implications and negative impacts on the competitive process, particularly impacting consumers of smaller power systems in the marketing area. We believe that Duke Power's earlier "less than cooperative" relations with such smaller power systems, observed during the CP antitrust review have continued to the present to the detriment of our membership and other consumers of electric energy.

As you may be aware, Duke Power Company has sold substantial ownership interest in the Catawba Nuclear Station to consortiums of municipal and cooperative power systems previously served as wholesale customers of Duke. Palmetto Alliance has participated in the review of the last such proposed sale to the Piedmont Municipal Power Agency, a consortium of small municipal systems in South Carolina. Based upon that review, we believe that the activities of Duke will have a long term detrimental effect on the competitiveness and economic viability of the smaller municipal and cooperative systems in the area.

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Palmetto Alliance has opposed the grant of authority for the sale of a portion of Unit 2 to the municipal systems on the grounds that such a sale would not be "mutually beneficial" to both Duke and the municipals as required by South Carolina law. This case is now pending before the Supreme Court of South Carolina in Palmetto Alliance vs. South Carolina Public Service Commission and Piedmont Municipal Power Agency, 83-C P-40-0044. In support of our position on this matter Palmetto submitted a study by the Energy Systems Research Group, Boston, Massachusetts which concluded that the proposed sale unduly relied upon unverified Duke data for critical assumptions underlying the asserted benefits to the municipal systems. Attached hereto, and incorporated herein by reference is the prefiled testimony of Dr. Richard A. Rosen of June 21, 1983, presented in that proceeding.

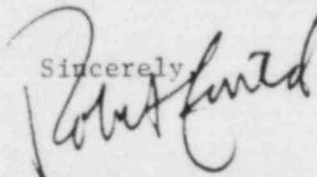
We find most appropriate the observation of the dissenting justices of the South Carolina Supreme Court with respect to this transaction expressed in their review of the special legislation authorizing the sale:

the destiny of the project is in the hands of Duke, not PMPA or the ten municipalities. The sale is one in name only. The venture is inescapably one in which Duke retains most all benefits of ownership and avoids only the attendant risks and liabilities.

Johnson v. Piedmont Municipal Power Agency, 287 S.E. 2d 476 at p. 487 (S.C. 1982)

Palmetto Alliance believes that a number of significant changes have occurred since the construction permit antitrust review which changes are attributable to Duke Power Company and have had, or will have, significant negative antitrust implications warranting Nuclear Regulatory Commission review and remedies. We respectfully request that the Commission reevaluate its initial finding in this matter and take such further action as is necessary to alleviate the likely negative effects of this proposed action. Please be so kind as to make available to us the full record and findings underlying your initial evaluation and advise us of any further action to be taken on this matter.

Sincerely



Robert Guild

RG:dma

Enclosure