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97 Eno Hill Road
Winsted, CT 06098
March 20, 1997

Dr. Shirley Jackson
Chairman
US Nuclear Regulatory Commission
One White Flint North
11555 Rockville Pike
Rockville, Maryland 20852-2738

Dear Chairman Jackson:

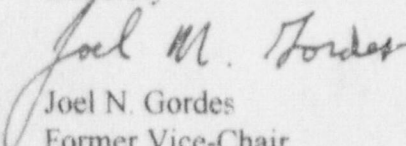
In following the activities of the NRC over the past year it sounds as if you are attempting to provide credibility to an organization which has had a long and troubled history in that respect. As a very small stockholder in Northeast Utilities, I support your action to bring about improvements in that company's operations and increase the safety to those of us who live in this state.

I am concerned, however, with the conduct of that company which, while it is attempting to meet operating requirements, still harbors a deeply embedded corporate culture which places profits over honestly presenting information to our elected and regulatory officials. The enclosed letter to the co-chairs of our state's Environment Committee describes an incident which took place during testimony on utility restructuring wherein Northeast Utilities Vice President Barry Ilberman blatantly presented grossly misleading information in an unprofessional manner as to create a false impression in the minds of the legislators. Another utility's witness, equally opposed to the bill's renewable energy provisions, spoke in an objective manner which did not create the same form of false impression.

I believe it is important to inform you of this incident which, while not nuclear in nature, reveals an unwillingness to root out the corporate mentality which has lead to the deterioration of nuclear conditions in the first place. As long as this mindset persist, this company is not ready to resume nuclear operations.

Thank you for your attention in this matter.

Sincerely



Joel N. Gordes
Former Vice-Chair
Connecticut Legislature Energy & Public Utilities Committee (1987-1991)
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97 Eno Hill Road
Winsted, CT 06098
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Senator Eileen M. Daily, Co-Chair
The Honorable Jessie G. Stratton, Co-Chair
Environment Committee
Room 3200
LOB
Hartford, CT 06106-1591

COPY

Dear Senator Daily and Representative Stratton:

We truly appreciated the opportunity to testify on RB 6957, AAC Environmental Consequences of Electric Industry Restructuring. The bill represents an important step forward in the debate on just how our electric system will operate and the economic and environmental aspects of it.

All of the other testimony was of interest to us. While we would not agree with many aspects of Mr. John Conroy's (United Illuminating) testimony, it was presented in a factual and straightforward manner. The same could not be said for Mr. Barry Ilberman, VP of Corporate and Environmental Affairs, of Northeast Utilities and we wish to reiterate our objection to his tactics in writing so that it can be made an official part of the record.

In particular, we vehemently disagree with his misleading statements relating to photovoltaic (PV) technology. The context of the bill calls for collaboratively-designed, cost-effective conservation and load management (C&LM) and renewable energy programs. Mr. Ilberman's reference to NU's own first-of-kind, grid-connected project which cost \$10,000 per kilowatt as indicative of what systems might cost is, at best, unprofessional and misleading and, at the worst, a morally questionable and calculated attempt to undermine the renewable provisions of this bill. Any properly designed collaborative program would employ purchase of systems in large enough quantity to realize economies of scale capable of driving cost down to at least \$7,500 per kilowatt¹.

In addition, NU's figure of \$1.50 per kilowatt-hour, based upon that proceeding cost, has been called by "ridiculous" and "absurd" by Dr. Shimon Awerbuch an economist who performs work for the US Department of Energy. Cost between \$.18 to \$.28² kilowatt-hour are already common in other utility programs and as more units are deployed these costs will drop substantially. The NU figure is a gross exaggeration of this by a factor of 5 to 6. Much of the determination of the latter cost depends upon initial cost, the longevity of the

¹ Discussions on 3/19/97 with: 1) Dr. Shimon Awerbuch, economist and 2) Gerald Braun, a former utility executive with Pacific Gas & Electric and now with Solarex also felt the NU figure was "absurd" and quoted a price of \$6,000 per kilowatt installed, a price they have offered for the past two years and have quoted to NU. 3) Ed Kerns of Ascension Technology concurs with a \$7,500 approximate figure but adds caveats depending upon snow cover, maintenance factors and other conditions.

² Even at approximately \$.35/kWh to \$.55/kWh which includes financing charges, NU grossly exaggerates the cost of PV by a factor of 2.7 to 4 times. The lower figure was supplied by Gerald Braun of Solarex.

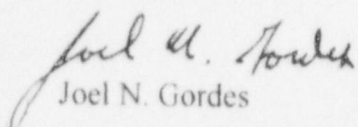
system as well as financing options available---exactly some of the market barriers which such collaboratively-designed programs can overcome.

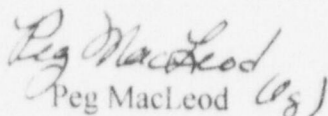
For a company which has been under the microscope in terms of veracity for the past several years, Mr. Ilberman's performance was not a confidence-builder that their corporate culture has really changed. There is also the remaining question whether Mr. Ilberman's position will reflect that of whomever is chosen as the new CEO of NU. Many fine utilities have already undertaken ambitious PV programs, compared to which, NU's can only be called token.

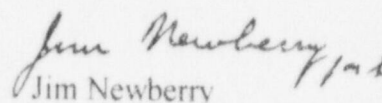
Historically, we will point out that this same company opposed similar expenditures for C&LM programs in 1987 before they were ordered to do so by the DPUC. By his own admission, Mr. Ilberman verified that the fruit of those programs were responsible for 500 MW of reduced capacity need last summer when they were crucial to prevent brownout/blackout conditions. We will need that saved capacity again this summer.

The future belongs to those who prepare for it best and we must prepare for the time when a largely natural gas-driven electric system will experience the same economic and reliability constraints we have faced in the past with oil and presently with nuclear. Now is the time to build resiliency into the system through diversifying the energy mix. Connecticut will get the economy it deserves commensurate with the efforts made to insure the reliability of its electric system. Conservation and load management and renewable energy provide a level of insurance for reliability of service and stability of price over time. Most of the states surrounding us have already made these determinations into a clear mandate and we do hope that Connecticut has the wisdom to follow suit.

Sincerely,


Joel N. Gordes


Peg MacLeod (cg)


Jim Newberry

cc: Shirley Jackson, Commissioner, NRC
Comm. Reginald Smith, Chairman, DPUC
Guy Mazza, Esq., OCC
Cotton M. Cleveland, NU Board
E. Gail de Plananque, NU Board
Gaynor Kelley, NU Board
William J. Pape, II, NU Board
Norman C. Rasmussen, NU Board
John F. Turner, NU Board
William Stillinger, Dir., NU
John Conroy, UI
Ftr. Don Conroy, NACRE
Susan Kinsman, Reporter, Hartford Courant

Senator Melodie Peters, Co-chair, E&T Comm.
Honorable Mary U. Eberle, Co-chair, E&T Comm.
Alfred F. Boschulte, NU Board
John F. Curley, Jr., NU Board
Bernard M. Fox, NU CEO
Elizabeth T. Kennan, NU Board
Robert E. Patricelli, NU Board
John F. Swope, NU Board
Barry Ilberman, VP NU
Richard Grossi, CEO UI
Tom Thompson, NESEA
John Zakarian, Editor, Hartford Courant