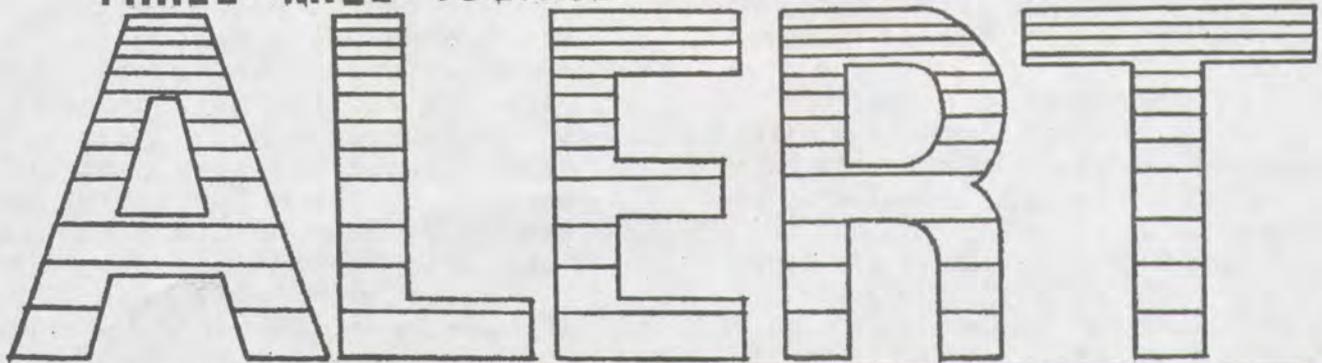


THREE MILE ISLAND



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THREE MILE ISLAND ALERT

April 1981

BANKRUPTCY FOR MET-ED?

With MetEd staring down the barrel of bankruptcy, efforts in recent weeks have accelerated to find a way to pay for TMI-2 cleanup.

Forty banks, who have loaned the utility money to stay afloat, were trying to pressure the PUC into granting the \$75 million rate increase MetEd had requested. Without assurances of expected dollars, the banks could call in their loan. At best, MetEd might have trouble paying its April state taxes.

Congressman Allen Ertel was working to swing the Pennsylvania delegation behind a federal \$100 million insurance plan. Environmental lobbyists charged this was unacceptable because it would not only prop up MetEd, but provide a safety net for all nuclear utilities and all future accidents.

These lobbyists appeared before TMI representatives and other state-wide Environmental Coalition people on March 14 in Harrisburg to explain that opposition.

Failing to get Congressional support, Rep. Ertel introduced the insurance bill himself, hoping to keep some bill alive before congressional committees.

Governor Thornburgh and Congressman Goodling were reportedly trying quietly to find federal money without going through a special bailout bill before a penny-pinching Congress.

Meanwhile the Department of Energy requested \$75 million for the next three years in its department budget, for "research and development" to learn lessons from TMI-2 waste.

This still left MetEd with clean-up expenses now escalated to one billion and only \$300 in insurance money.

The banks could loan MetEd more money - if MetEd could show it could earn more dollars. The PUC has ruled that no rate increase could be used for cleanup. Guaranteeing that Unit 1 would get back into the rate base by starting it up at five percent power was suggested by DOE and seconded by an NRC staff man before the Atomic Safety and Licensing Board. This undoubtedly warmed the hearts of the bankers as well as the licensee. NRC has not allowed this start-up however.

Where was the rest of the money to come from? Some said, "Let MetEd go bankrupt." If so, bankruptcy rules, though unclear, would probably have the same cast running the plant and assets would be distributed to creditors instead of being used for cleanup. A priority creditor plan might get around this, making cleanup a priority.

Only bankruptcy could surely involve stockholders. Common stockholders have already been denied dividends and stock value has plummeted to record lows. Preferred stockholders, protected under corporate law, are still drawing dividends and must continue to do so as long as the company is solvent.

If the company survives, rate-payers will still pay the bills. Ertel's insurance plan, as well as federal loan guarantees like Chrysler's, both envision utility payback of some of the money. Either ratepayers will

Continued

pay now in rates or pay later in rates to repay private or federal government loans.

GPU called on fellow nuclear utilities last fall to pay the bills through a levy on each of their rate-payers. The response - deafening silence.

The only other source of money is the national (or possibly the state) taxpayer, who would come up with a grant requiring no repayment. There isn't anybody else.

Some have said that a bailout should not reward MetEd for bad management. Is cleaning up the waste a reward for MetEd? Or a necessity for the TMI public? How much poverty can MetEd stand before nothing can be cleaned up?

If DOE rides to the rescue, will TMI be used as the excuse to enlarge waste dumps in South Carolina or restart processing plants nationwide. Both are dreams of ex-Governor Edwards who now heads DOE.

How much cleanup is just sufficient without being enough to promote the restart of Unit 2? Or the encouragement and protection of the nuclear industry and the bankers who profit from it?

These are the hard questions. There aren't any easy answers. But all TMIA members should examine all proposals closely before they decide where their support belongs.

UNIT I HEARINGS

What company, whose nuke went out of control March 28, 1979 causing the "worst-yet" near-catastrophe in the history of nuclear power, now wants to be believed and trusted when it says it has the capability and resources to run that nuke's twin with safety? (Ans.: Met Ed).

After four months of hearings in Harrisburg before an Atomic Safety and Licensing Board panel, the question of Met Ed's right to be believed is shaping up as the "bottom line" issue for NRC decision as to whether or not Met Ed should be allowed to restart TMI Unit 1.

In recent weeks, Met Ed and the NRC have paraded a dozen witnesses before the panel to recite their belief in company assurances that all will be well, if they just get the nod to throw the switch on the shut down Unit (and put it back into the rate base).

William S. Lee, president of Duke Power Co. and chairman of the board of INPO (the Institute of Nuclear Power Operations), made a prestigious appearance as a witness, reportedly to add some "Southern Comfort" to what lately has appeared to be Met Ed's bitter cup of tea.

The "Udall (staff) report," critical of management response and forthrightness in telling state and federal authorities what plant operators knew about the seriousness of the accident, has become an issue in the hearing.

This Congressional report is at odds in significant measure with NUREG 0760, issued by the NRC in January. The chief author of the latter report testified to little more than that such information was "not adequately transmitted" to those who needed to know the extent of the reactor damage.

Testing and training of plant operators has lately come in for some searching examination by hearing intervenors, including the Commonwealth of Pa.

Legal volunteers, notably Sarah Lawhorne and Joanne Doroshov and Terry Roth, have been aiding Louise Bradford in reviewing the transcripts and preparing questioning.

It is expected that the hearings will continue into April and that it will be several months more before the panel can submit its report and recommendations to the NRC Commissioners.

In recent days, when three company witnesses appeared unable or unwilling to say whether management

could override decisions of its top on-site radiological control officer in event of a major accident at TMI, an exasperated Ivan Smith, as Board Chairman, minced no words in directing company attorneys to produce a company official capable of giving a yes or no answer to that vital question.

Recent hearing sessions have been devoted to in-depth probing of emergency and evacuation planning at the site and in surrounding areas.

Persons unable to attend the March 5 evening session for public comments, and wishing to make presentations to the hearing board, should call 782-4905 and request a convenient time to do so.

- John Murdoch

STEERING COMMITTEE REPORT

The Steering Committee wants to extend somewhat belated recognition and thanks to Chris Sayer, Kay Pickering, and Mike Jones for seeing to it that a respectable number of people turned out for (and spoke up at) the February 19th meeting of the NRC advisory panel on the TMI cleanup. Because of the efforts of Chris, Kay, and Mike, the panel was reminded again that local anti-nuclear sentiment is far from dead--that people are still opposed to the restart of Unit 1 and to any release of radioactive water into the environment and are still adamant in their demand for the safest possible cleanup.

Kay Pickering also deserves thanks both for being one of the organizers of the Project David ratepayers' strike and for serving as overall coordinator of TMIA's activities at the March 28th rally.

In other Steering Committee news, Ed Nielsen in February agreed to serve as TMIA's representative on the board of the TMI Public Inter-

est Resource Center (PIRC). Ed replaces Al Mirando. Also, the audit of TMIA's books should be completed, or virtually completed, by the time this issue of the Alert goes to press.

Agenda items at last month's Steering Committee meetings included the following: our intervention in the Unit 1 restart hearings; possible political action to be organized around the intervention; the proposed funding by the TMI Legal Fund of ANGRY's evacuation contention in the hearings; Project David and the follow-up to it; planning for TMIA's activities at the March 28th rally; a planned TMIA public meeting to be held in late April or early May; and Rep. Allen Ertel's bill to finance the cleanup.

-Paul Makurath

PEIS COMPLETED

The final Environmental Impact Statement on TMI-2 cleanup is done. Now it goes to the full NRC commission for acceptance. According to those reporters who have read it -- it's as large as two Philadelphia phone books -- there are few changes made since the draft.

Exposure of citizens on the Middletown and cross-country waste transport route was factored in this time, as was the Chesapeake Bay economic impact. Workers and public alike will get minimum exposure, the new plan maintains.

Decommissioning was ruled out.

Doubts were raised that the SDS system could clean up the reactor water without help from an Epicore II. Storage of the water was recommended until a decision on ultimate disposal is made.

Copies of the plan are available at the Middletown NRC office. Locally, 2,000 copies are being mailed to interested parties and to people who commented on the draft.

PP&L SHAREOWNERS RESOLUTION CALLS FOR END OF NUCLEAR DEVELOPMENT AND INVESTMENT

According to a press release issued by the Susquehanna Alliance...

Four shareowners of Pennsylvania Power and Light (PP&L) have filed a resolution calling for the termination of PP&L's development and investment in nuclear-powered facilities. The resolution regarding the Susquehanna Steam Electric Station (SSES) is proposed for consideration at PP&L's Annual Meeting, April 22, 1981. It also calls for the conversion or redirection of "nuclear-oriented resources" and dissolving of PP&L's Nuclear Dept. and other nuclear operation units.

The shareowners proposal lists 15 assumptions made by PP&L in projecting the economic success of the SSES, PP&L's first nuclear power station now under construction near Berwick, Pa. The proposal then states, "The COMBINED risks of these assumptions constitute a threat to the financial integrity of the Company."

Some of the 15 assumptions attributed to PP&L and questioned by the shareowners are: 1) "The plant can be completed for a total cost of \$3,000,000,000"; 2) "costs of decommissioning the plant will be modest..."; 3) "power sales to current ratepayers, industry and the PJM grid will be increasing..."; 4) "the Pennsylvania Public Utility Commission, the consumers and the regulatory agencies will continue to provide affirmative support..."; 5) "the problems of nuclear reactor safety and rad waste disposal will be solved..."; and 6) "local governments will tolerate radioactive waste storage, transportation and disposal systems."

David Mann, speaking for the Susquehanna Alliance, a regional coalition working to stop the operation of SSES as a nuclear facility, said, "We find this resolution most encouraging. Some of the questions raised are ones our group has attempted to raise in many different forums over the past several years. We

think this gives the shareowners an opportunity to voice their opinion on the Berwick plant. We find the economics of PP&L's plans at Berwick to be about as disastrous as the health and safety problems presented by such a facility."

The proposal by the stockholders and PP&L's response to it are currently under review by the Securities and Exchange Commission in Washington, D.C.

The shareowners are Barry Bean of Bethlehem, Pa.; Tim Laidman of Freemansburg, Pa.; Mary Ostrander of Lewisburg, Pa.; and Gene Stilp of Arlington, Virginia, formerly of Wilkes-Barre, Pa.

BAKE SALE RESULTS

On Friday and Saturday, February 20th and 21st, the Lower Paxton Chapter of TMIA held a bake sale/fund raiser at the Colonial Park Shopping Center. The event produced a respectable sum of \$214.50. Of that total, \$150.89 came from actual baked goods and the remaining \$63.61 from donations. Approximately 40 people participated by manning the booth, baking, or both. During the course of the sale, over two dozen people expressed interest in TMIA by taking brochures, newsletters, pledging to boycott for Project David, and offering active and moral support.

Special thanks must be extended to Ron & Shirley Blough, Nancy Orłowski, Mary Rita Gaiski, Sue Mitchum, and Paul Makurath for helping to make the sale so successful.

-Mitch Turnauer

Individual grants of up to \$50,000 will be available, the Federal Dept. of Energy announces, to help persons, small businesses, and communities and community groups who want to develop alternative energy-related ideas and to become involved in energy research and development.

By calling toll-free 1-800-462-0323 (DER's Region III office in Phila.), a person or persons can obtain a copy of the program announcement and a grant application. But hurry; April 20 is the closing date for applications.

*****CALENDAR OF EVENTS*****

- April 6 - Adams County Community Group meeting
- April 7 - TMIA Planning Council Meeting, 7:30 p.m., Friends Meeting House
- April 20- Adams County Community Group Meeting
- April 22- PP&L Stockholders Meeting in Hershey, Pa.
- May 7 - GPU Stockholders Meeting, 10:00 a.m., Strand Capitol Theatre in York, Pa.

"I JUST DON'T HAVE THE TIME..."

Louise Bradford, former acting TMIA chairperson and steering committee member, is made of hardy stuff. During the last few weeks of Unit-1 restart hearings, she's been working nights at her full-time job and sitting in as our intervenor 8 hours every day.

Being on hand at 9:00 a.m. each morning has helped keep open the right to question witnesses adequately, not only for all of us in TMIA, but for all intervenors.

What was that you said about "not having time" to help the anti-nuclear cause?

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