Originally Processed With FOIA(s): 2025-0373-S

FOIA Number: 2025-0373-S

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the George Bush Presidential Library Staff.

Record Group/Collection:	George H.W. Bush Presidential Records
Collection/Office of Origin:	Chief of Staff, White House Office of
Series:	Card, Andrew, Files
Subseries:	

OA/ID Number:	04885
Folder ID Number:	04885-009

Folder Title:
Seabrook

Stack:	Row:	Section:	Shelf:	Position:
G	15	22	1	

4/28/89
AC sent h/w note
Lgs

THE CHIEF of STAFF
has seen

file

LABOR BUSINESS TAXPAYERS COALITION FOR SHOREHAM
17-BARSTOW ROAD - SUITE 400
GREAT NECK, N.Y. 11021
(516) 487-7690

MEMORANDUM BY FAX - 4 PAGES

TO: Andrew Card

RE: Attached Poll taken of 55,000 Nassau County Residents

DATE: April 26, 1989

I thought you might like to see that 72% of Nassau County Citizens oppose Cuomo's plan to close Shoreham according to County Executive Gulotta's recent survey. This number is certainly significant. Also note the additional cost burden added to ratepayers cost of electricity due to oil price increases.

It is time to put the blame on Governor Cuomo for the ten year rate increase disaster for ratepayers. The ratepayers are fed up with Cuomo's ratepayers disaster plan.

Sincerely,

Labor Business Taxpayers Coalition For Shoreham

BY: J. Kevin Murphy
J. Kevin Murphy
Co-Founder

JKM:pld
Enclosure

THOMAS S. GULOTTA
COUNTY EXECUTIVE

OFFICE OF THE EXECUTIVE
NASSAU COUNTY EXECUTIVE BUILDING
ONE WEST STREET
MINEOLA, N.Y. 11501-4895

April 18, 1989

Joseph F. Carlino
573 Split Rock Road
Syosset, New York 11791

Re: CCS #8833162

Dear Joseph,

Thank you very much for responding to our Nassau County Citizens Update questionnaire.

Since you took the time to express your views and to respond, I wanted to personally advise you of the results. For your benefit, I am enclosing a summary of the survey results which detail the preferences expressed by approximately 55,000 County residents who responded.

Your opinion is vital to the County in planning its programs and services to meet the needs of our residents. I sincerely appreciate your taking the time to make known your views on these vital issues.

As always, if I may be of assistance to you, please feel free to contact me.

Warmest regards,

Tom Gulotta

THOMAS S. GULOTTA
County Executive

TSG:cab
Enclosure

LABOR BUSINESS TAXPAYERS COALITION FOR SHOREHAM
17-BARSTOW ROAD - SUITE 400
GREAT NECK, N.Y. 11021
(516) 487-7690

MEMORANDUM BY FAX - 4 PAGES

TO: Mary Ann Novack

RE: Attached Poll taken of 55,000 Nassau County Residents

DATE: April 26, 1989

I thought you might like to see that 72% of Nassau County Citizens oppose Cuomo's plan to close Shoreham according to County Executive Gulotta's recent survey. This number is certainly significant. Also note the additional cost burden added to ratepayers cost of electricity due to oil price increases.

It is time to put the blame on Governor Cuomo for the ten year rate increase disaster for ratepayers. The ratepayers are fed up with Cuomo's ratepayers disaster plan.

Sincerely,

Labor Business Taxpayers Coalition For Shoreham

BY: J. Kevin Murphy
J. Kevin Murphy
Co-Founder

JKM:pld
Enclosure

NASSAU CITIZENS QUESTIONNAIRE

Summary of Results

1) Are you in favor of the negotiated agreement by the State which would permanently close Shoreham while implementing rate increases and retaining LILCO as a private utility?

YES -- 28% NO -- 72%

2) Do you favor a law which would require the separation of trash (bottles, newspapers, cans, etc.) by the homeowner at the curb, as a means of recycling?

YES -- 86% NO -- 14%

3) Do you support the enactment of harsher penalties on individuals and/or companies found guilty of illegal dumping of medical waste?

YES -- 98% NO -- 2%

4) Do you favor the retention of Roosevelt Raceway as a harness racing facility?

YES -- 49% NO -- 51%

A. If not, which of the following would you prefer at the site?

1. Park and recreational facilities -- 20%
2. Sports complex -- 13%
3. Single family and young couple housing -- 24%
4. Shopping Center -- 3%
5. Office buildings -- 3%
6. High-tech industry -- 4%
7. Senior citizen garden apartments -- 29%

5) Do you favor legalizing present illegal two-family residences where the owner resides in the house?

YES -- 65% NO -- 35%

6) Would you favor limited conversions of one-family housing to two-family housing as an option that would be available only to senior citizen homeowners to rent only to young couples, in order to provide additional apartments for our residents?

YES -- 67% NO -- 33%

7) If you are employed, in what geographic area are you employed?

a. Nassau County -- 60%
b. Suffolk County -- 7%
c. New York City -- 33%

8) What method of transportation do you use to commute to work?

a. Private auto -- 70%
b. Public transportation -- 22%
c. Car pool -- 5%
d. Walk -- 2%
e. Other -- 1%

Oil Pushes LILCO Bills Up 2%

By William Bunch

LILCO ratepayers, hit with a 5.4 percent rate increase in February, are now seeing an additional hike of about 2 percent in their April bills because of skyrocketing fuel oil prices.

For the average Long Island Lighting Co. customer, LILCO officials said, that translates into an extra $1.50, making an April bill about $2.50 more for fuel charges than it was a year ago.

LILCO, which is permitted to pass increases in oil prices directly to its customers without state approval, said that the price it pays for fuel has risen 26 percent over the past two months. LILCO officials attributed the increases to the spill from an Exxon tanker in Alaska last month, production quotas imposed by the Organization of Petroleum Exporting Countries, and a higher New York State oil spill tax on its suppliers.

"We attribute the rise in the price of oil to a significant increase in the demand for oil worldwide and the strict regulation of the supply by the OPEC nations," said Joseph McDonnell, LILCO vice president for communications. He said that LILCO — which generates about 70 percent of its electricity in oil-fired power plants — has seen fuel prices rise from $15.50 a barrel to $19.50 a barrel in the last two months.

The oil price hike is also likely to add fuel to the debate over the deal to shut down the Shoreham nuclear plant, since advocates of opening the plant — or at least placing it in mothballs rather than dismantling it as state officials plan — have argued that running the 806-megawatt reactor would reduce Long Island's dependence on unreliable oil prices and supplies.

"It just underscores the folly of continuing to be virtually 100 percent dependent on OPEC oil for elec-

Please see LILCO on Page 46

LILCO Bills Up

LILCO from Page 3

tric generating on Long Island," said James Larocca, president of the Long Island Association, a business group that has advocated mothballing Shoreham.

Top officials from the federal Department of Energy could not be reached for comment yesterday, but DOE officials have gone on the offensive in recent weeks to criticize the Shoreham shutdown deal. In a statement last week, Energy Secretary James Watkins said that "by saving the nation eight million barrels of oil a year, Shoreham reduces our potential vulnerability to insecure imports."

Richard Kessel, executive director of the state Consumer Protection Board and one of the architects of the Shoreham shutdown deal, said that nuclear power, because of frequent plant problems, has proved to be more unreliable and costly than oil-fired plants. He noted that the Nine Mile Two nuclear plant in upstate New York, of which LILCO owns an 18 percent share, has been out of service 70 percent of the time since opening last year.

The deal for LILCO to sell the $5.5 billion Shoreham plant to the state for $1 is still pending the approval of LILCO shareholders, who overwhelmingly approved a similar deal in 1988. The federal Nuclear Regulatory Commission would then have to approve transferring the plant and its license to the state.

As part of the deal, the state Public Service Commission approved a LILCO rate plan that includes a 5.4 percent hike this year and a 10-year series of 5 percent increases, although those hikes are only fixed for the first three years.

Officials said yesterday that the three-year rate plan assumes that LILCO's fuel costs will rise 5 percent each year. If oil prices increase beyond that, they said, the utility can pass those fuel costs directly to its customers. But if oil prices subsequently dropped, they said, the PSC would have the option of returning the money immediately to ratepayers or using the excess fuel money to offset the rate hikes planned for the later years of the 10-year deal.

Although LILCO's oil prices have risen 33 percent since April, 1988, McDonnell noted that in 1985, LILCO paid $24.74 a barrel for oil.

Seabrook file

THE DEPUTY SECRETARY OF ENERGY
WASHINGTON, D.C. 20585

April 28, 1989

Mr. Andrew H. Card
Assistant to the President
Deputy to the Chief of Staff
The White House
Washington, D.C. 20500

Dear Mr. Card:

At Deputy Secretary W. Henson Moore's request, I am enclosing for your information copies of the correspondence relating to the Seabrook spent fuel issue which you and he discussed on Thursday evening. I have enclosed the following:

1. Response letter, dated April 27, 1989, from the Deputy Secretary to Public Service of New Hampshire (PSNH);

2. Inquiry letter, dated April 21, 1989, from PSNH to the Deputy Secretary; and

3. Letter, dated April 25, 1989, from the Nuclear Regulatory Commission to PSNH.

Please do not hesitate to contact the Deputy Secretary or me at 586-5500, if you have any questions or if we can provide you with any additional information.

Sincerely,

Peter B. Saba

Peter B. Saba
Special Assistant to
the Deputy Secretary

Enclosures

Department of Energy
Washington, DC 20585

April 27, 1989

Mr. Edward A. Brown
President and Chief Executive Officer
New Hampshire Yankee Division of
Public Service of New Hampshire
P.O. Box 300
Seabrook, N.H. 03874

Dear Mr. Brown:

Thank you for your letter of April 21, 1989, requesting two clarifications regarding your contract with the Department of Energy for disposal of spent nuclear fuel.

First, under Article I.18 of the Standard Contract for Disposal of Spent Nuclear Fuel and/or High-Level Radioactive Waste, which defines spent nuclear fuel, irradiated fuel resulting from low power testing would be covered by the disposal contract.

Second, in the event your company does not generate and sell electricity, there would be no financial liability with respect to the 1.0 mill per kilowatt-hour ongoing fee specified in Article VIII.A.1 of the disposal contract. Moreover, since no basis currently exists under the disposal contract to establish an alternative fee, your company has no present financial obligation to the Nuclear Waste Fund for disposal services of irradiated fuel resulting from low power testing in the event no electricity is generated and sold. While the Department is required by the Nuclear Waste Policy Act of 1982, as amended (NWPA), to recover fully the cost of the waste disposal program, the NWPA and existing contract terms do not provide for the allocation of such costs to individual owners beyond the 1.0 mill per kilowatt-hour fee for electricity generated and sold, notwithstanding any additional costs they may impose on the waste management system.

I trust that this response will provide the clarifications requested by the Nuclear Regulatory Commission. If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

W. Henson Moore
Deputy Secretary

New Hampshire Yankee

Edward A. Brown
President and Chief Executive Officer

April 21, 1989

The Honorable W. Henson Moore
Deputy Secretary
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, DC 20585

References: (a) U.S. Department of Energy Contract No. DE-CR01-86RW00111, Contract for Disposal of Spent Nuclear Fuel and/or High Level Radioactive Waste, dated June 27, 1986

(b) U.S. Court of Appeals Decision for the District of Columbia Circuit No. 88-1194 Consolidated Edison Company of NY, Duquesne Light Company, and Ohio Edison Company vs. U.S. DOE, dated March 17, 1989.

Dear Mr. Secretary:

In a public meeting held on Thursday, April 14, 1989, New Hampshire Yankee (NHY) representatives met with the Nuclear Regulatory Commission staff. The purpose of the meeting was to discuss the staff's comments regarding their review of the Seabrook Joint Owners response to an NRC Commission Decision (CLI-88-10) requiring a post low power testing decommissioning fund in the remote event that a full power license is not issued. In determining the funding requirement, the Commission envisioned onsite long term storage of the fuel until the year 2017. At the April 14 meeting, discussions were held with the staff regarding what DOE's assessment of the spent fuel disposal fee would be at that time.

As a result, the NRC staff requested that NHY obtain clarification from DOE that the present contract held with DOE covers the Seabrook fuel after low power testing. A condition imposed by the NRC restricts Seabrook's low power testing program to 0.75 effective full power hours which is less than 1.5MWD/MTU.

Our present contract with DOE applies a disposal fee in the amount of 1.0 mil per kilowatt-hour (1 mil/kwhr) of electricity generated at the output terminal of the turbine generator. Since no electricity will be generated as part of the low power testing program, NHY seeks DOE's clarification on the appropriate disposal fee applied under these circumstances and when that fee, if any, would be collected.

8900659

New Hampshire Yankee Division of Public Service of New Hampshire
P.O. Box 300 • Seabrook, NH 03874 • Telephone (603) 474-9521

Honorable W. Henson Moore
Washington, DC 20585

April 21, 1989

Furthermore, in light of a recent US Court of Appeals Decision, dated March 17, 1989, it is not specifically clear as to the proper application of the fee in Seabrook's instance. As noted in the Court's recent Decision that Congress plainly intended "that the ongoing fee applies only to generated electricity that is actually sold".

Therefore, New Hampshire Yankee requests that DOE confirm that:

(1) The post low power testing slightly irradated fuel falls under the definition of spent fuel as defined in the reference DOE contract; and

(2) The 1 mil/kwhr fee does not apply in the above instance. If it is not applicable, please advise us of the methodology DOE would use in determining the appropriate disposal fee, if any, and when that fee would be collected.

As it appears that the low power license can be issued shortly upon resolution of the above issues, New Hampshire Yankee respectfully requests that DOE provide its response at the earliest possible date so as not to affect the schedule for issuance of the low power license.

Respectfully submitted,

As agent for the Joint Owners
of Seabrook Station

Edward A. Brown

EAB:bes

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

April 25, 1989

Docket No. 50-443

Mr. Edward Brown
President & Chief Executive Officer
New Hampshire Yankee Division
Public Service Company of New Hampshire
Post Office Box 300
Seabrook, New Hampshire 03874

Dear Mr. Brown:

SUBJECT: SUPPLEMENTAL DECOMMISSIONING FUNDING FINANCIAL ASSURANCE ARRANGEMENTS

The following are the NRC Staff comments concerning the supplemental financial assurance arrangements presented at the meeting held in Rockville, Maryland on April 20, 1989.

1) We understand that you propose to provide supplemental financial assurance in the form of a trust fund that would satisfy the requirement of 10 CFR 50.75(e)(1)(i), consisting of prepaid zero coupon Treasury bonds maturing on a schedule that would make up the difference between the funds supplied by the Surety Bond and the amounts required to cover decommissioning costs items set forth in CLI 88-10 plus an appropriate allowance for inflation (discussed below). This would be acceptable.

2) Your proposed use of an inflation factor of 3.5% derived from estimates from the Council of Economic Advisors and OMB is acceptable.

3) Your proposal to take into account and take credit for the double counting of the fuel storage costs during the decommissioning period is acceptable.

4) Your proposal to provide for fuel storage costs totaling $35,759,880 not including inflation and contingency is acceptable.

5) The proposal discussed in the meeting (Transcript of April 20, 1989 meeting pp. 40 - 42) which takes into account the inflation factor for the decommissioning cost, the fuel storage cost and the cleanup costs in the 28th year and takes into account the inflation factor on the 25% contingency on these costs is a more complete treatment of the inflation factor and is acceptable.

6) Whether the funds set aside for fuel disposal costs ought to have an inflation factor applied to it, should be handled in accordance with your discussions with DOE concerning fuel disposal costs under your contract with DOE. Your disbursement schedule should also take into account your discussions with DOE with respect to the timing of payments for fuel disposal costs. In any event, in accordance with CLI 88-10 the funds set aside for this purpose should not be less than $13 million.

In your formal response to our comments, please assure that your submission includes:

1) Updated tables of the Annual Statement of Application and Source of Funds and the Statement of Application and Source of Funds similar to those provided at the April 20 meeting; however, in year 5 please separately break out the periods covering months 49-52 and months 53-60.

2) An identification of the schedule of bonds proposed in your analysis, along with their purchase price, maturity date, value at maturity, and effective annual yield. Please provide evidence that your assumed yields are consistent with current market conditions.

3) A copy of your correspondence or a summary of your communications with DOE concerning fuel disposal costs discussed in item 6 above and a copy of your DOE contract.

4) A copy of the trust agreement established to cover the supplement funding or, if it has not yet been established, a copy of the trust agreement you propose.

Please contact Victor Nerses, the Seabrook Project Manager (301-492-1441), if you have any questions.

Sincerely,

Victor Nerses

Victor Nerses, Project Manager
Project Directorate I-3
Division of Reactor Projects I/II

cc: See next page