
Science & Technology

Nuclear power still stalled under Reagan

by John Schoonover and Lydia Schulman

Whatever favorable sentiments the Reagan administration may have expressed about nuclear energy, the Federal Reserve's high interest-rate policy and continuing regulatory and environmentalist delays are jeopardizing the completion of plants currently under construction. Situations in two parts of the country illustrate how far along this process is.

The first is the plight of nuclear units 4 and 5 of Washington Public Power Supply System (WPPSS), the nation's largest municipal power utility. Citing mushrooming costs, the "Don't Waste Washington Initiative" is trying to halt construction on the plants by subjecting all state bond issues, including future WPPSS bonds, to a public vote. Washington's Governor Spellman has formed a commission of prominent businessmen who will conduct "a thorough economic analysis" of the plants and look at potential alternatives.

But it hardly takes a major economic study to discover why the cost of the plants has escalated so dramatically. For \$2.5 billion in principal borrowed to construct the plants, the utility will pay more than \$8 billion in interest charges, bringing the total cost to nearly \$11 billion. (The cost for five WPPSS plants is now estimated to be \$23 billion.) Interest rates on WPPSS bonds has risen steadily since construction on units 4 and 5 began, from 5.86 percent for the first issue to 11 to 12 percent now.

A second endangered project is Bailly Nuclear One under construction by Northern Indiana Public Service Company (NIPSCO). Here, the major factor has been continuing regulatory delays and environmentalist challenges. Bailly Nuclear One was first announced in 1970, but it wasn't licensed until 1974. To date, the only construction that has taken place has been digging the foundation hole and driving some of the test pilings for the foundation. In issuing its second-quarter report July 31, NIPSCO announced that it may now have to stop construction entirely because of continuing "political and emotional factors, regulatory delays, and other hos-

tility."

NIPSCO has issued a seven-page chronology of its unending court battles to get Bailly Nuclear One built. We excerpt from it here as a case study in how nuclear power development continues to be sabotaged in the United States.

8-27-70 NIPSCO applies to Atomic Energy Commission for Construction Permit.

5-15-72 Intervenors admitted as parties to public hearings.

5-1-74 Atomic Energy Commission issues Construction Permit for Bailly Nuclear One.

5-6-74 Intervenors appeal to Atomic Safety & Licensing Appeal Board.

10-16-74 Court of Appeals grants the Intervenors' petition to stay certain construction activities.

4-1-75 Court of Appeals sets aside the AEC Order, permanently enjoins construction of Bailly Nuclear One and orders the excavation filled.

11-11-75 U.S. Supreme Court reverses the 4-1-75 decision of the Appeals Court.

5-77 Representative Sidney Yates, (D-Ill.) requests Cecil D. Andrus, Secretary of the Interior, to intervene in the Bailly case and block construction of the unit.

5-17-77 Secretary of the Interior Andrus informs Representative Yates that Department of the Interior will not intervene.

9-14-77 Department of Interior contacts NRC requesting remedial action by the Commission of the DOI's complaints concerning NIPSCO's dewatering process, monitoring program and evacuation plans.

9-28-77 Pile-driving activities at the Bailly site are suspended at the request of the NRC until additional information can be supplied regarding the jet drive placement of long piles.

12-30-77 NIPSCO announces the change of the projected in-service date of Bailly Nuclear One from 1982 to 1984, citing repeated construction delays caused by the obstructionist tactics of interventionists.

01-31-78 NIPSCO announces that preliminary estimates indicate the delay from 1982 to 1984 will increase the cost of the project from \$705 million to \$850 million. . . .

2-07-79 NIPSCO requests NRC to extend latest completion date for permit for Bailly One from 1979 to 1985.

2-28-79 NIPSCO receives copies of intervenors' re-

quests to the NRC to hold hearings on the extension of the construction permit.

8-31-79 NIPSCO amends its request for extension of Bailly One construction permit from 1985, to 1987, 98 months after the NRC concurs on resumption of pile placement.

6-9-80 NIPSCO learns that the City of Gary, [Indiana], USW Local 6787, Bailly Alliance, Save the Dunes Council, and the Critical Mass Energy Project had filed a request for action with the NRC to suspend and revoke the construction permit, asserting that construction should not be resumed at the Bailly site until the NRC considers whether the surrounding population can be evacuated in case of a nuclear accident.

9-24-80 The National Audubon Society, National Wildlife Federation, Sierra Club Legal Defense Fund, Izaak Walton League of America, Natural Resources Defense Council, and National Parks and Conservation Association also request NRC to prepare a supplemental EIS [environmental impact statement] for Bailly Nuclear One.

10-3-80 Cecil D. Andrus, Secretary of the Interior, by letter requests John F. Ahearne, Chairman of NRC, to have the NRC prepare a supplemental environmental impact statement for Bailly Nuclear One.

11-3-80 NIPSCO announces extension of Bailly Nuclear One in-service date to 1989.

3-5-81 NRC informs NIPSCO that the pile placement method is acceptable and that the company may drive the safety-related piles after necessary revisions have been made in the quality assurance/quality control manual for pile installation.

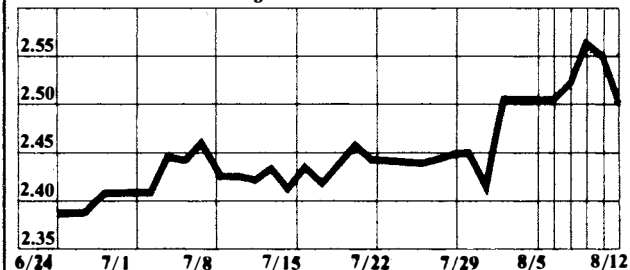
5-26-81 NIPSCO announces estimated cost of Bailly Nuclear One is now \$1.815 billion [from initial \$700 million] with an in-service date of 1989 citing the continuing effect of double-digit inflation on direct and indirect construction costs, and an increase in the allowance for funds used during construction.

7-31-81 As part of a news release regarding the company's second quarter ended June 30, 1981, "it is becoming increasingly difficult to plan to achieve commercial operation of Bailly Nuclear One in 1989" as a result of (1) a July 1, 1981, decision of the U.S. Court of Appeals for the District of Columbia, and (2) a July 10, 1981, denial of the company's request to begin hearings on the construction permit extension on Sept. 15, 1981. "The company recognizes that if political and emotional factors, litigation delays, regulatory delays, and other hostility result in making the 1989 operation unachievable, construction of Bailly Nuclear One may have to be terminated."

Currency Rates

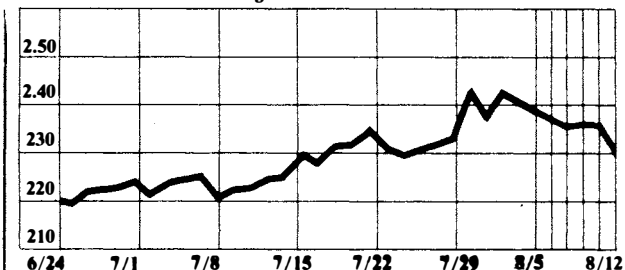
The dollar in deutschemarks

New York late afternoon fixing



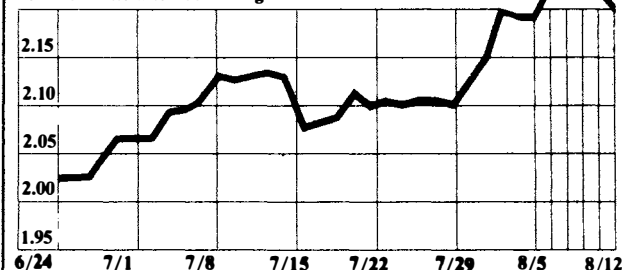
The dollar in yen

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing

