

Power company wants to raise rates

By CHERYL POND
Staff Writer

Carolina Power and Light Co. requested state permission to raise rates by almost 14 percent in order to recover the investment costs of the controversial Shearon Harris Nuclear Plant, located in New Hill, N.C.

The increase would mean residential customers, who use 1,000 kilowatts monthly, will pay about \$11.58 more per month on their power bills. CP&L would receive \$205 million more a year.

"The majority of the rate request has to do with the Harris plant," said Rick White, manager of CP&L's news service.

About 85 percent or \$183 million of the request is for Harris, White said.

The recovery of the investment in Harris is scheduled over two increases, he said. CP&L was granted a 6.9 percent rate increase this past August, a little more than half of the

13 percent requested.

The N.C. Utilities Commission is not expected to make a decision on the case until next summer.

Sam Kirby, a staff attorney for the commission, said that hearings will probably begin in April.

"In the meantime, there are a number of steps that need to be taken, and deadlines have been established," he said.

The Utilities Commission's Public Staff, which represents consumers in utility matters, has hired auditors to investigate how the Harris plant's money was spent, why costs tripled from initial estimates and if these costs were incurred in a cost-effective way. Kirby said that the auditors' final report results are expected in December.

The auditors have been working for about six months, said Ben Turner, a rate engineer in the electrical division of the Public Staff.

"Unless someone can show that the

cost is not reasonable, (and) if there is no evidence that gives the commission an alternative, most or all of the request will go into rates," Turner said. "The way the rate case is structured, there has to be a justification for all these dollars."

CP&L has submitted a 2,000-page report to the commission explaining its request and why the nuclear power plant costs so much more than initially projected.

One of the questions the auditors must ask is whether the consumers will be paying for mistakes made by CP&L.

"We've cooperated with the auditors," White said. "We feel very comfortable that the decisions we made at the time were correct."

The auditors should be looking at whether CP&L made prudent decisions during the construction, not the final product, White said. Many factors that contributed to the final cost were beyond the control of

CP&L.

Some of the factors he cited included the long delay before receiving a building permit, the hyperinflation of the early 1980s and the 2,800 regulations that caused the need for rebuilding or modifications.

"We believe that we can demonstrate that about two-thirds of the cost increase in Harris can be directly attributed to regulations that caused delays," he said. "We believe the cost is reasonable. It is almost average to other nuclear plants."

There has been a lot of negative reaction to the building of the Harris plant, but White does not think CP&L's customers will resent the rate increase on that basis.

"We would prefer not to have to have a rate increase," he said. "We would just as soon not have to go out and build a power plant. It's very costly. But we have an obligation to serve. I hope our customers understand why it's necessary."

CP&L rate increases

Date	Requested % increase	Approved % increase
April 22, 1970	14.0	11.9
May 3, 1971	19.6	14.4
Oct. 29, 1973	21.2	22.2
July 16, 1975	22.0	22.0
Dec. 1, 1976	15.5	11.0
Aug. 31, 1979	9.2	7.1
May 9, 1980	13.9	10.8
May 15, 1981	16.4	13.1
Feb. 19, 1982	15.9	1.0
Feb. 11, 1983	14.9	8.2
Feb. 21, 1984	12.6	5.35
Aug. 5, 1987	13.0	6.99
Sept. 10, 1987	13.9	

Source: CP&L

The demand for more electricity prompted the building of Shearon Harris, White said. Even with the nuclear plant, allowing for moderate growth, by 1991 the demand will be

higher than CP&L can deliver.

CP&L serves most of eastern North Carolina, also including portions of the western part of the state and northeastern South Carolina.

Campus Calendar

Thursday

- 2 p.m. UNC Ski Team will hold a raffle in the Pit. Tickets are \$1, with prizes including skis, jackets, and other prizes.
- 3:30 p.m. Career Planning and Placement Services will hold an informational meeting for economic students on how to use the UCPS Office in 309 Gardner.
- 4 p.m. UNC Field Hockey Club will meet at Finley Field. Everyone is welcome, regardless of skill level.
- 5 p.m. GAIA: Global Issues

will sponsor a lecture by Dr. Charles Jenner entitled "Population, Resources, and the Environment" in the Campus Y lounge.

Minority Concerns Committee will meet in the Union. Check front desk for room number.

5:45 p.m. Carolina Baptist Student Union will meet in the Battle House, 203 Battle Lane.

6 p.m. Presbyterian Campus Ministry will have its undergraduate student dinner in the Student Center at 110 Henderson Street. All are welcome to attend.

Students for the Advancement of Race Relations will hold an informational meeting in the Campus Y lounge.

Amnesty International will hold a cook-out and letter writing meeting in Chapel of the Cross.

6:30 p.m. FOCUS, the graduate chapter of Inter-Varsity Christian Fellowship, will have a potluck supper at Dr. Brook's House, 413 Granville Rd. Transportation from Craig lobby will be provided at 6:15. Dr. Loving will be speaking on his experiences with Wycliffe Bible translators in New Guinea.

7 p.m. Campus Crusade for Christ will hold Thursday Night Live in 205 Union.

UNC Scuba Club will meet in 302 Wollen.

UNC Investments Club will hold an organizational meeting in T-7 Carroll. All interested

students are invited.

UNC Outing Club will meet in the Union. All money for the Morganton Canoe Races must be collected at this meeting.

7:30 p.m. UNC Riding Club will meet in the SGMR meeting room in the Union.

Chimera will meet in the Union. A speaker will be discussing extraterrestrial life.

Mid-Campus Inter-Varsity Christian Fellowship will meet in 224 Union for its International Night. A Mexican meal will be served for 50 cents.

American Advertising Federation will meet in 204 Howell.

Police

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meeting with personnel officials, while the officers with grievances were not. He declined to comment further on the matter.

Edwards said she was told the officers who attended the earlier meeting would be paid because the meeting was called by the police department.

During that meeting, the 12 officers, who received promotions during a departmental reorganization in June, were told how the University planned to respond to the grievances of their fellow officers, Edwards said.

The University's response was an offer to re-evaluate the promotions and to allow all officers to re-apply for six of the positions, using an outside agency to assess the applicants' qualifications.

Officer Ollie Bowler said Wednesday

he thought the off-duty officers who attended the meeting were entitled by the SPAG Manual to be paid for their time.

The manual states that employees who are pursuing the grievance procedure must be granted adequate time off to process their grievances without any loss of pay or leave time. "We try not to take off from our regular duties by doing it on our own," Bowler said. "If we have to take time off, students and the University community will suffer."

Both Bowler and Edwards said they had talked to an official from the State Personnel Office in Raleigh to determine if the five off-duty officers should have been paid for attending the meeting.

"If it turns out we should have gotten paid, he (the state personnel official) will inform me of that in writing," Edwards said. "Then, we can go forward."

If the official says that the officers have grounds for protest, Edwards said, they will appeal to the chancellor's office.

Speaker

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self-financing enterprises. Enterprises would have to compete with one another in product quality and pricing, Rosefield said.

But there are problems with Gorbachev's new plan — the management tiers are unnecessary in this type of system, leaving two levels of managers without production responsibility. Government officials from these levels are uncomfortable with the plan because they would have nothing to do if enterprises were virtually self-operating, Schwartz said.

In addition, Gorbachev's plan does nothing to improve the apathy of the Soviet worker, Schwartz said.

The Soviet population doesn't have the same kind of working mentality as the United States, Germany and Japan, Schwartz said.

Presnyako's delegation is making a month-long trip to various research institutions, including UNC, Duke, Harvard and Berkeley, as part of a U.S.—Soviet group of professors studying the economic efficiency of Soviet and American market systems.

Professor

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nomination is whether he takes any pride in that legacy or whether he will turn against it," he said. "Like many others, I believe that this is critically important to the nation."

Leuchtenburg will speak at about 11 a.m. in the Senate Caucus Room at the Capitol Building. Two other speakers, Gov. Bill Clinton of Arkansas and Mayor Andrew Young of Atlanta, will precede him.

The morning event will be televised, but will not be aired on the major network stations. It will be covered by C-Span, a cable network station, as well as by PBS and CNN, Leuchtenburg said.

The Judiciary Committee is one of the most important and powerful of Senate committees.

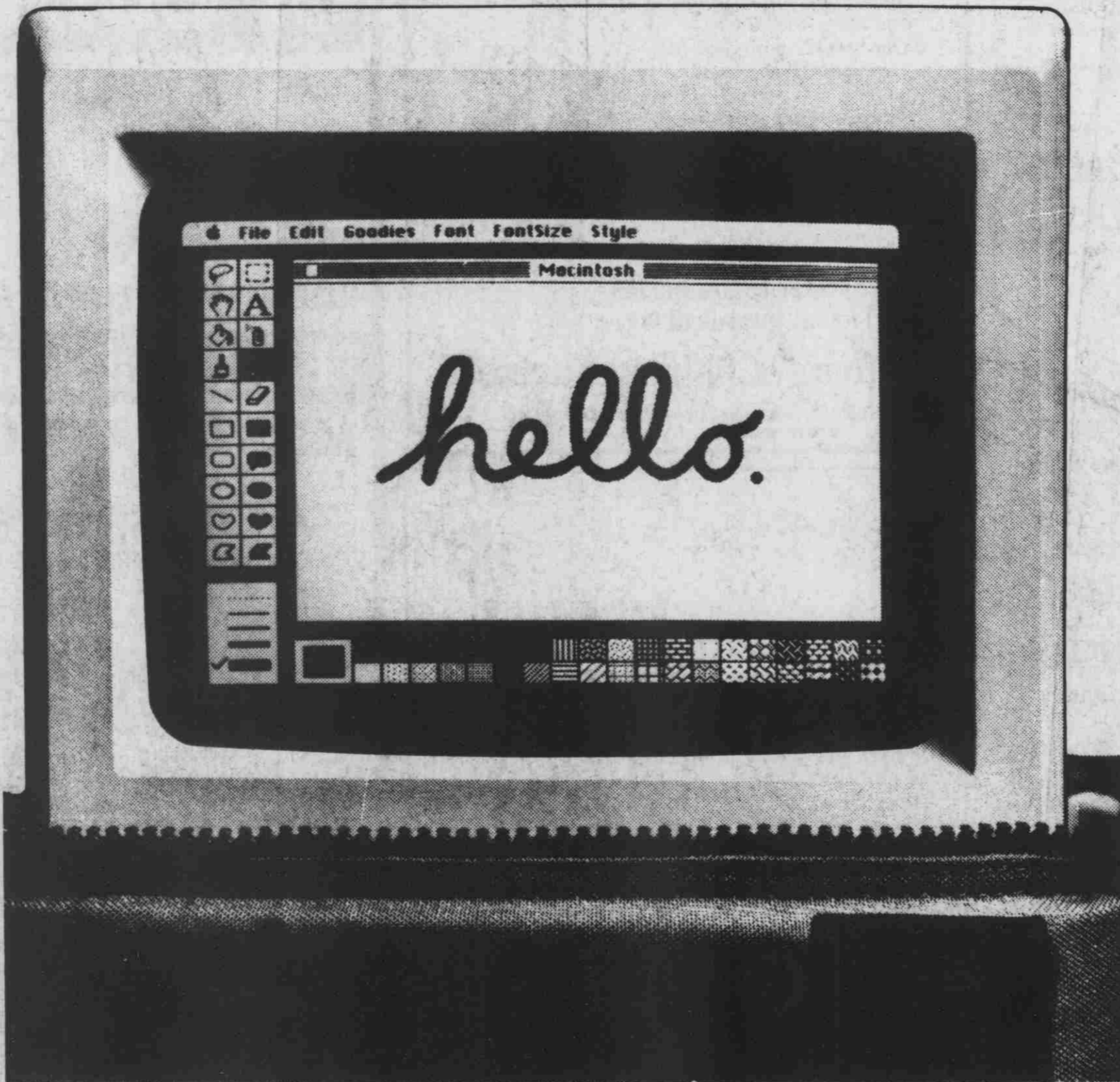
Its 14 members are as yet divided on the controversial court nomination. Five members support the nomination, five oppose it and four remain undecided.

The hearings began Tuesday afternoon, and are expected to last two to three weeks.

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