

IMPROVEMENTS EARN NRC PRAISE

Brunswick Plant Off 'Watch List'

BY SUSAN USHER

Carolina Power & Light's Brunswick Nuclear Plant is not the plant it was two years ago, or even 10 years ago. It's better.

Last week the federal Nuclear Regulatory Commission took Brunswick Units 1 and 2 off its "watch list" of troubled plants that warrant its increased attention.

"It's a milestone for the plant," spokesman Mac Harris said Friday after the NRC took official action Thursday afternoon. "It recognizes we are a better-maintained, better-operating plant than a year ago."

NRC senior managers agreed during their semiannual review earlier this month that the plant's "demonstrated sustained improvement" warranted its removal from the problem plant category. NRC Commissioners agreed with that assessment at a meeting held June 23 in Rockville, Md.

Brunswick was placed on the list two years ago by NRC regulators concerned about lax oversight by management, a poorly-maintained plant and employee errors. Two months earlier CP&L had shut the entire Brunswick plant down after fake earthquake protection bolts were discovered in the building that houses emergency back-up generators.

Since then CP&L has instituted major changes, replacing approximately 25 key managers in its nuclear division and investing in a

long-range plan for improving staff, facility and operations.

In a written communication, plant Vice President Roy A. Anderson thanked employees for their accomplishments, but reminded them that removal from the watch list is a milestone, "a necessary part of the journey toward world class performance," rather than a destination in itself.

He urged them to "keep focused" on that long-term goal and to keep evaluating against "the best in the industry."

This past winter the plant received its highest scores ever on the NRC's periodic assessment of performance, and words of praise during the NRC senior management review. But it didn't get taken off the watch list because it had met only two out of three of the criteria established for return to normal levels of oversight: it had successfully restarted Unit 2 and demonstrated its trouble-free operation, but had not restarted Unit 1.

Unit 1 has since returned to operation and has been continuously on line with no substantive problems. Restart began this past weekend of Unit 2 after a 90-day refueling/repair work shutdown. The unit is expected to be back "on the grid," providing electricity to CP&L customers by the end of this week.

"That will put them both back on line during the summer peak when we need the electricity," said Harris.

"Management has effectively corrected the

weaknesses and underlying root causes that led to previous performance problems at the Brunswick Nuclear Plant," wrote James M. Taylor, the NRC's executive director for operations, in a June 21 letter to CP&L's William S. Cavanaugh III, president and chief operating officer.

As reflected in Unit 2's performance in parallel with Unit 1's recovery and restart, he continued, "CP&L has established high standards of performance and institutionalized them at the station, implemented self-assessment and corrective action programs that have contributed to improvements in operations and upgraded the material condition of the plant to enhance equipment reliability."

He also notes that operation has demonstrated "competency of management and teamwork among staff" and that operations have been enhanced by changes in how work gets done, reduction of work backlogs, and the improved condition of the plant itself.

For CP&L, said NRC spokesman Ken Clark, removal of the list will mean less intense scrutiny by the NRC—fewer visits from Atlanta's regional office personnel and most likely a reduction in the number of on-site inspectors at the plant from three to two.

Brunswick's sister CP&L nuclear power plant near Raleigh, Shearon Harris, was cited by the NRC for its "sustained high level of safety performance," a joining an elite attained by only nine of 109 reactors nationwide.

BUSINESS BRIEFS

Wilson's Announces Sale To Maine Chain

Wilson's Supermarkets announced last week the company has reached agreement to sell the privately held company to Hannaford Brothers Co., a Maine-based food retailer with 95 stores throughout New England and New York.

The transaction includes the sale of its 20 Wilson's supermarkets—including a store in Charlotte—sites for five additional stores, three of which are under construction, and several shopping centers. Wilson's currently employs 1,800 people, of whom will be retained by Hannaford, according to a news release from Wilson's.

The two companies signed a purchase and sale agreement on June 21 and say they expect to complete their cash transaction by the middle of July.

"The decision to sell the company was a difficult one," said Allan Wilson, president of Boney Wilson and Sons. "The sale allows several members of the Wilson family to pursue retirement or other interests."

Wilson said the change of ownership will be "invisible to our customers. Some members of our family will continue to operate under the Wilson name and the same associates/employees will continue to serve our customers."

New On CHHC Staff

Joyce Reaves has joined Comprehensive Home Hospice as hospice patient care coordinator in Sup-

ply. She has 16 years of experience.

Mack To Head COG

Rose Ann Mack has been appointed executive director of the Cape Fear Council of Governments to replace Jerry A. Walters, who resigned to become town manager of Long Beach.

Mack has been with the council for more than 20 years, spending the past eight as management services director for Brunswick, Columbus, New Hanover and Pender counties.

She is a graduate of the University of Delaware and has a certificate in county administration from the Institute of Governments.

New Plant Specialist

George Nathan Swain has been designated as a certified plant specialist by the N.C. Association of Nurserymen.

Swain is employed by Lockwood Golf Links.

The recognition is awarded after a person experienced with plants passes an intensive testing program designed to identify horticulturists qualified to assist with gardeners' questions.

Certified plant specialists can provide answers in plant identification and culture and are familiar with plant disease and insect problems.

Choosing a Mortgage that Fits Your Budget

Before you go house shopping, the N.C. Association of Certified Public Accountants recommends that you do some mortgage shopping. Understanding the various mortgage options, requirements, rates and fees will help you determine how much you can afford to spend on a home and how much you can comfortably finance.

How Much Can You Afford?

The amount of the loan, the type of loan you select, as well as its annual percentage rate, will determine the amount of your monthly payments. Generally, lenders recommend that your monthly mortgage payments do not exceed 25 to 28 percent of your gross monthly income.

Additionally, your monthly mortgage payment combined with other long-term debt payments, including car and student loans, should not exceed 36 percent of your gross monthly income. Although some lenders may issue you a mortgage if you have a higher debt-to-income ratio, keep in mind that the more debt you have, the more difficult it may be to make your mortgage payments.

Most mortgage lenders require that you make a down payment of at least 20 percent of the cost of the home. If you put down less money, you usually must buy private mortgage insurance, which will add to your monthly payments.

Fixed-Rate Mortgages

Despite the wide array of mort-

gage options available today, fixed-rate mortgages are still the most popular. They offer security since both the interest rate and monthly payment are fixed for the period of the loan.

You can obtain a fixed-rate mortgage for a term of 15 to 30 years. Usually, the shorter the loan term, the lower the interest rate, and the faster you will build equity in your home. Because you'll face higher monthly payments on a 15- or 20-year loan, you may need more income to qualify for these mortgages than for a conventional 30-year mortgage.

When deciding the length of the loan term, carefully consider your financial ability to meet the monthly mortgage payments now, as well as five, 10 and 15 years down the road. Remember, too, that even if you can't afford a 15- or 20-year mortgage, you can take out a 30-year loan and periodically make extra payments on the loan principal. In this way, you can pay off your loan more quickly.

A fixed-rate biweekly mortgage also enables you to build up equity in your home quickly. That's because you make 26 payments annually, which is equivalent to 13 monthly payments a year, instead of 12. Over the life of the mortgage, these extra payments can save you a substantial amount of interest costs.

Adjustable-Rate Mortgages

Adjustable rate mortgages (ARMs) can save you the most in interest costs during the early years

of the loan, but have the greatest long-term risk. ARMs offer a low interest rate for a short period of time, usually anywhere from a year to three years. After that the interest rate is adjusted either annually or every few years based on market conditions. As a result, your monthly payment can increase over the life of the loan.

Lenders use different indexes to determine when and how much the interest rate will decrease or increase. Some lenders also offer annual and lifetime caps on interest rates—typically 2 percent annually and 6 percent over the life loan. This is an important ARM feature that could protect you in the event interest rates rise significantly. Other ARMs may include a provision enabling you to convert the loan to a fixed-rate mortgage for a modest fee.

Other Mortgage Options

Balloon mortgages, like ARMs, enable you to obtain a fixed interest

rate for a short period of time. Typically, balloon mortgages are structured for seven years. At the end of that period, you must pay the remainder of the loan in full or refinance the loan at the current interest rate.

Additionally, the Federal Housing Administration and the Veterans Administration make low-interest loans available to qualified individuals. Your bank or another lender should be able to provide you with details.

When determining the amount and type of mortgage you can afford, remember that in most instances, mortgage interest is fully tax deductible. In order to deduct mortgage interest, CPAs say the loan must be secured by the residence you purchase or construct and it must be recorded according to state law.

Money Management is a weekly column on personal finance prepared and distributed by the N.C. Association of Certified Public Accountants.

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FmHA Gets Funding Increase For Low-Income Home Repairs

The local Farmers Home Administration supervisor said the agency has received substantial funding increases to repair homes owned by families with very low income.

Funding in North Carolina for FmHA's loan program has more than tripled over last year's allocation, according to Ted C. Rivenbark, Brunswick County's FmHA supervisor. The funds can be used to repair roofs, construct bathrooms, weatherize dwellings and install septic tanks and wells, he said.

Those who own their homes and

have household incomes below 50 percent of the county's median household income may qualify. Loans can be made for amounts up to \$15,000 for up to 20 years at 1 percent interest.

Builders are needed to contract for home repair jobs, Rivenbark said, adding that finding qualified builders to perform repair jobs "is sometimes difficult."

Anyone wanting more information should contact the FmHA office at 143 Holden Beach Road, Shalotte NC 28459, 754-4880.

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