

March 14, 1985

Director, Office of Inspection and Enforcement - *James Taylor*
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Re Cleveland Electric Illuminating Co. (Perry Nuclear Power
Plant, Units 1 and 2), Docket Nos. 50-440 and 50-441

Dear Sir/Ms:

Attached hereto is a news article relevant to Ohio Citizens
for Responsible Energy's March 8, 1985 Petition for Emergency
Action. Note that CEI's credit rating may be further reduced to
the PUCO's recent ruling. Please consider this additional
information in your decision on said petition.

Sincerely,

Susan L. Hiatt

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WEDNESDAY, MARCH 13, 1985 21

CEI customers may still pay for PUCO ruling on increase

By STEVE KOVACH
Staff Reporter

CLEVELAND — Customers of the Cleveland Electric Illuminating Co. could continue to pay for rulings made last week by the Public Utilities Commission of Ohio.

Two major credit firms — Standard & Poor's Corp. and Moody's Investors Service — warned Tuesday they are reviewing whether to downgrade CEI's credit rating after the PUCO granted only \$19.5 million of a requested \$180 million rate increase.

PUCO also denied the power company construction-work-in-progress funds and ordered investigations of cost overruns at the Perry Nuclear Power Plant.

"We are not surprised by Wall Street's decision to review us," said Rick DeShant, CEI spokesman. "It (the decision to review the credit rating) does not affect CEI's dividends.

"If the bond rating is lowered, this would cause a significant increase for us on borrowing costs, which would be passed on to the consumers," DeShant said.

"That's why we were disappointed

on PUCO's ruling," he said.

CEI is in the process of appealing the commission's decision on the rate hike and the denial of CWIP funds, DeShant said.

CWIP funds allow a company to charge customers before a power source such as the Perry plant goes on line to keep interest rates down.

"From a credit perspective, it is a disappointing decision," said Steve Zimmerman of Standard & Poor's.

Moody's said it was concerned about the study of cost overruns and the risk that CEI might not be able to recover the full cost of Perry construction.