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E. REEVES

K. PARRISH

Docket Nos.: 50-348
and 50-364

AUG 10 1981

Mr. F. L. Clayton
Senior Vice President
Alabama Power Company
Post Office Box 2641
Birmingham, Alabama 35291

T. Barnhart (4 each docket)

Dear Mr. Clayton:

Subject: Issuance of Amendment No. 22 to Facility Operating License NPF-2
and Amendment No. 4 to Facility Operating License NPF-8 - Joseph
M. Farley Nuclear Plant, Units 1 and 2

The Commission has issued the enclosed Amendment No. 22 to Facility Operating License No. NPF-2 for the Joseph M. Farley Nuclear Plant, Unit No. 1 and Amendment No. 4 to Facility Operating License No. NPF-8 for the Joseph M. Farley Nuclear Plant, Unit No. 2.

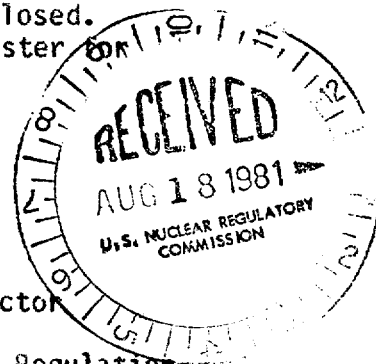
The amendments consist of changes to the antitrust provisions of each license as ordered by the Atomic Safety and Licensing Appeal Board in their "Decision" dated June 30, 1981, (ALAB-646).

A copy of the notice of issuance of these amendments is also enclosed. The original has been forwarded to the Office of the Federal Register for publication.

Sincerely,

Original signed by
Darrell G. Eisenhut

Darrell G. Eisenhut, Director
Division of Licensing
Office of Nuclear Reactor Regulation



Enclosures:

1. Amendment No. 22 to NPF-2
2. Amendment No. 4 to NPF-8
3. Federal Register Notice

cc: w/enclosures
See next page

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SURNAME	Rushbrook, ys	JThoma	Parish	E. Reeves	DSwanson	BJYoungblood
DATE	7/1/81	7/16/81	7/17/81	7/16/81	7/24/81	8/5/81

Mr. Harry Tauber
Vice President
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cc: Eugene B. Thomas, Jr., Esq.
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Resident Inspector's Office
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Dr. Wayne Jens
Detroit Edison Company
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Detroit, Michigan 48226

Chairman, Houston County
Commission
Dothan, Alabama 36301

Attorney General
State Capitol
Montgomery, Alabama 36104

State Department of Public Health
ATTN: State Health Officer
State Office Building
Montgomery, Alabama 36104

ALABAMA POWER COMPANY

DOCKET NO. 50-343

JOSEPH M. FARLEY NUCLEAR PLANT, UNIT NO. 1

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 22
License No. NPF-2

1. Pursuant to a "Decision" issued by the Atomic Safety and Licensing Appeal Board, dated June 30, 1981 (ALAB-646) the license is amended.
 - A. The amendment complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act) and the Commission's rules and regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the license, as amended, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

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2. Accordingly, the license is amended by changing section 2.F. of Facility Operating License No. NPF-2 to read as follows.

2.F. Alabama Power Company (the Licensee) shall meet the following antitrust conditions:

- (1) Licensee shall recognize and accord to Alabama Electric Cooperative (AEC) the status of a competing electric utility in central and southern Alabama.
- (2) Licensee shall offer to sell to AEC an undivided ownership interest in Units 1 and 2 of the Farley Nuclear Plant. The percentage of ownership interest to be so offered shall be an amount based on the relative sizes of the respective peak loads of AEC and the Licensee (excluding from the Licensee's peak load that amount imposed by members of AEC upon the electric system of the licensee) occurring in 1976. The price to be paid by AEC for its proportionate share of Units 1 and 2, determined in accordance with the foregoing formula, will be established by the parties through good faith negotiations. The price shall be sufficient to fairly reimburse Licensee for the proportionate share of its total costs related to the Units 1 and 2 including, but not limited to, all costs of construction, installation, ownership and licensing, as of a date, to be agreed to by the two parties, which fairly accommodates both their respective interests. The offer by Licensee to sell an undivided ownership interest in Units 1 and 2 may be conditioned, at Licensee's option, on the agreement by AEC to waive any right of partition of the Farley Plant and to avoid interference in the day-to-day operation of the plant.
- (3) Licensee will provide, under contractual arrangements between Licensee and AEC, transmission services via its electric system (a) from AEC's electric system to AEC's off-system members; and (b) to AEC's electric system from electric systems other than Licensee's, and from AEC's electric system to electric systems other than Licensee's. The contractual arrangements covering such transmission services shall embrace rates and charges reflecting conventional accounting and ratemaking concepts followed by the Federal Energy Regulatory Commission (or its successor in function) in testing the reasonableness of rates and charges for transmission services. Such contractual arrangements shall contain provisions protecting Licensee against economic detriment resulting from transmission line or transmission losses associated therewith.
- (4) Licensee shall furnish such other bulk power supply services as are reasonably available from its system.

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- (5) Licensee shall enter into appropriate contractual arrangements amending the 1972 Interconnection Agreement as last amended to provide for a reserve sharing arrangement between Licensee and AEC under which the Licensee will provide reserve generating capacity in accordance with practices applicable to its responsibility to the operating companies of the Southern Company System. AEC shall maintain a minimum level expressed as a percentage of coincident peak one-hour kilowatt load equal to the percent reserve level similarly expressed for Licensee as determined by the Southern Company System under its minimum reserve criterion then in effect. Licensee shall provide to AEC such data as needed from time to time to demonstrate the basis for the need for such minimum reserve level.
- (6) Licensee shall refrain from taking any steps, including but not limited to the adoption of restrictive provisions in rate filings or negotiated contracts for the sale of wholesale power, that serve to prevent any entity or group of entities engaged in the retail sale of firm electric power from fulfilling all or part of their bulk power requirements through self-generation or through purchases from some other source other than licensee. Licensee shall further, upon request and subject to reasonable terms and conditions, sell partial requirements power to any such entity. Nothing in this paragraph shall be construed as preventing applicant from taking reasonable steps, in accord with general practice in the industry, to ensure that the reliability of its system is not endangered by any action called for herein.
- (7) Licensee shall engage in wheeling for and at the request of any municipally-owned distribution system:
- (1) of electric energy from delivery points of licensee to said distribution system(s); and
 - (2) of power generated by or available to a distribution system as a result of its ownership or entitlement* in generating facilities, to delivery points of licensee designated by the distribution system.

Such wheeling services shall be available with respect to any unused capacity on the transmission lines of licensee, the use of which will not jeopardize licensee's system. The contractual arrangements covering such wheeling services shall be determined in accordance with the principles set forth in Condition (3) herein.

* "Entitlement" includes but is not limited to power made available to an entity pursuant to an exchange agreement.

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The Licensee shall make reasonable provisions for disclosed transmission requirements of any distribution system(s) in planning future transmission. By "disclosed" is meant the giving of reasonable advance notification of future requirements by said distribution system(s) utilizing wheeling services to be made available by Licensee.

- (8) The foregoing conditions shall be implemented in a manner consistent with the provisions of the Federal Power Act and the Alabama Public Utility laws and regulations thereunder and all rates, charges, services or practices in connection therewith are to be subject to the approval of regulatory agencies having jurisdiction over them.

3. This license amendment is effective as of the date of its issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

Original signed by
Darrell G. Eisenhut

Darrell G. Eisenhut, Director
Division of Licensing
Office of Nuclear Reactor Regulation

Date of Issuance: **AUG 10 1981**

OFFICE	DL:LB#1	DL:AD/L	DL:AD/L	DL:AD/L	DL:AD/L	DL:AD/L
SURNAME	JTODAT/ys	Parrish/Reeves	SWANSON	SVANSON	RLTedesco	DEisenhut
DATE	7/16/81	7/16/81	7/22/81	8/8/81	8/8/81	8/10/81

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ALABAMA POWER COMPANY

DOCKET NO. 50-364

JOSEPH M. FARLEY NUCLEAR PLANT, UNIT NO. 2

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 4
License No. NPF-8

1. Pursuant to a "Decision" issued by the Atomic Safety and Licensing Appeal Board, dated June 30, 1981 (ALAB-646) the license is amended.
 - A. The amendment complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act) and the Commission's rules and regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the license, as amended, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

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2. Accordingly, the license is amended by changing section 2.F. of Facility Operating License No. NPF-8 to read as follows.

2.F. Alabama Power Company (the Licensee) shall meet the following antitrust conditions:

- (1) Licensee shall recognize and accord to Alabama Electric Cooperative (AEC) the status of a competing electric utility in central and southern Alabama.
- (2) Licensee shall offer to sell to AEC an undivided ownership interest in Units 1 and 2 of the Farley Nuclear Plant. The percentage of ownership interest to be so offered shall be an amount based on the relative sizes of the respective peak loads of AEC and the Licensee (excluding from the Licensee's peak load that amount imposed by members of AEC upon the electric system of the licensee) occurring in 1976. The price to be paid by AEC for its proportionate share of Units 1 and 2, determined in accordance with the foregoing formula, will be established by the parties through good faith negotiations. The price shall be sufficient to fairly reimburse Licensee for the proportionate share of its total costs related to the Units 1 and 2 including, but not limited to, all costs of construction, installation, ownership and licensing, as of a date, to be agreed to by the two parties, which fairly accommodates both their respective interests. The offer by Licensee to sell an undivided ownership interest in Units 1 and 2 may be conditioned, at Licensee's option, on the agreement by AEC to waive any right of partition of the Farley Plant and to avoid interference in the day-to-day operation of the plant.
- (3) Licensee will provide, under contractual arrangements between Licensee and AEC, transmission services via its electric system (a) from AEC's electric system to AEC's off-system members; and (b) to AEC's electric system from electric systems other than Licensee's, and from AEC's electric system to electric systems other than Licensee's. The contractual arrangements covering such transmission services shall embrace rates and charges reflecting conventional accounting and ratemaking concepts followed by the Federal Energy Regulatory Commission (or its successor in function) in testing the reasonableness of rates and charges for transmission services. Such contractual arrangements shall contain provisions protecting Licensee against economic detriment resulting from transmission line or transmission losses associated therewith.
- (4) Licensee shall furnish such other bulk power supply services as are reasonably available from its system.

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- (5) Licensee shall enter into appropriate contractual arrangements amending the 1972 Interconnection Agreement as last amended to provide for a reserve sharing arrangement between Licensee and AEC under which the Licensee will provide reserve generating capacity in accordance with practices applicable to its responsibility to the operating companies of the Southern Company System. AEC shall maintain a minimum level expressed as a percentage of coincident peak one-hour kilowatt load equal to the percent reserve level similarly expressed for Licensee as determined by the Southern Company System under its minimum reserve criterion then in effect. Licensee shall provide to AEC such data as needed from time to time to demonstrate the basis for the need for such minimum reserve level.
- (6) Licensee shall refrain from taking any steps, including but not limited to the adoption of restrictive provisions in rate filings or negotiated contracts for the sale of wholesale power, that serve to prevent any entity or group of entities engaged in the retail sale of firm electric power from fulfilling all or part of their bulk power requirements through self-generation or through purchases from some other source other than licensee. Licensee shall further, upon request and subject to reasonable terms and conditions, sell partial requirements power to any such entity. Nothing in this paragraph shall be construed as preventing applicant from taking reasonable steps, in accord with general practice in the industry, to ensure that the reliability of its system is not endangered by any action called for herein.
- (7) Licensee shall engage in wheeling for and at the request of any municipally-owned distribution system:
- (1) of electric energy from delivery points of licensee to said distribution system(s); and
 - (2) of power generated by or available to a distribution system as a result of its ownership or entitlement* in generating facilities, to delivery points of licensee designated by the distribution system.

Such wheeling services shall be available with respect to any unused capacity on the transmission lines of licensee, the use of which will not jeopardize licensee's system. The contractual arrangements covering such wheeling services shall be determined in accordance with the principles set forth in Condition (3) herein.

* "Entitlement" includes but is not limited to power made available to an entity pursuant to an exchange agreement.

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The Licensee shall make reasonable provisions for disclosed transmission requirements of any distribution system(s) in planning future transmission. By "disclosed" is meant the giving of reasonable advance notification of future requirements by said distribution system(s) utilizing wheeling services to be made available by Licensee.

- (8) The foregoing conditions shall be implemented in a manner consistent with the provisions of the Federal Power Act and the Alabama Public Utility laws and regulations thereunder and all rates, charges, services or practices in connection therewith are to be subject to the approval of regulatory agencies having jurisdiction over them.

3. This license amendment is effective as of the date of its issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

Original signed by
Darrell G. Eisenhut

Darrell G. Eisenhut, Director
Division of Licensing
Office of Nuclear Reactor Regulation

Date of Issuance: **AUG 10 1981**

OFFICE	DL:LB#1	<i>CP 7/17/81</i>	OELD	<i>not change to cond. 4</i>	DL:AS/L	DL:DIR	DL:CLB#1
SURNAME	<i>Johnson</i>	<i>Rushbrook</i>	<i>Swanson</i>	<i>Svarga</i>	<i>R. Tedesco</i>	<i>D. Eisenhut</i>	<i>B.S. Youngblood</i>
DATE	7/16/81	7/16/81	7/22/81	8/5/81	8/8/81	8/8/81	8/9/81

UNITED STATES NUCLEAR REGULATORY COMMISSIONDOCKET NO. 50-348 AND 50-364ALABAMA POWER COMPANYNOTICE OF ISSUANCE OF AMENDMENTS TO FACILITY
OPERATING LICENSES

Pursuant to a "Decision" issued by the Atomic Safety and Licensing Appeal Board, dated June 30, 1981 (ALAB-646), the U. S. Nuclear Regulatory Commission (the Commission) has issued Amendment No. 22 to Facility Operating License No. NPF-2 and Amendment No. 4 to Facility Operating License No. NPF-8 issued to Alabama Power Company (the licensee). The amendments revise license antitrust conditions for operation of the Joseph M. Farley Nuclear Plant, Units No. 1 and 2 (the facility) located in Houston County, Alabama. The amendments are effective as of the dates of issuance.

The amendments require the licensee to perform certain antitrust actions pursuant to the "Decision".

The amendments comply with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations. The Commission has made appropriate findings as required by the Act and the Commission's rules and regulations in 10 CFR Chapter 1, which are set forth in the license amendments. Prior public notice of the overall action involving the antitrust hearing and the issuance of the "Decision" was issued in the Federal Register on July 4, 1972 (37 F. R. 13201).

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The issuance of these amendments is an administrative action to reflect the license modification ordered by the Atomic Safety and Licensing Appeal Board, and therefore pursuant to 10 CFR §51.5(d)(4) an environmental impact statement or negative declaration and environmental impact appraisal need not be prepared.

For further details with respect to this action, see (1) the "Decision" by the Atomic Safety and Licensing Appeal Board dated June 30, 1981 (ALAB-646), (2) Amendment No. 22 to License No. NPF-2, and (3) Amendment No. 4 to License No. NPF-8. All of these items are available for public inspection at the Commission's Public Document Room, 1717 H Street, N.W., Washington, D.C. and at the George S. Houston Memorial Library, 212 W. Burdeshaw Street, Dothan, Alabama 36303. A copy of these items may be inspected or copied for a fee at the above addresses.

Dated at Bethesda, Maryland, this 5th day of August 1981.

FOR THE NUCLEAR REGULATORY COMMISSION

15/
B. J. Youngblood, Chief
Licensing Branch No. 1
Division of Licensing

See previous yellow

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SURNAME	Rushbrook/ys	JThoma	Parrish/Reeves	DSwanson
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UNITED STATES NUCLEAR REGULATORY COMMISSIONDUCKET NO. 50-348 AND 50-364ALABAMA POWER COMPANYNOTICE OF ISSUANCE OF AMENDMENTS TO FACILITYOPERATING LICENSES

Pursuant to a "Decision" issued by the Atomic Safety and Licensing Appeal Board, dated June 30, 1981, the U. S. Nuclear Regulatory Commission (the Commission) has issued Amendment No. to Facility Operating License No. NPF-2 and Amendment No. to Facility Operating License No. NPF-8 issued to Alabama Power Company (the licensee). The amendments revise license antitrust conditions for operation of the Joseph M. Farley Nuclear Plant, Units No. 1 and 2 (the facility) located in Houston County, Alabama. The amendments are effective as of the dates of issuance.

The amendments require the licensee to perform certain antitrust actions pursuant to the "Decision".

The amendments comply with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations. The Commission has made appropriate findings as required by the Act and the Commission's rules and regulations in 10 CFR Chapter I, which are set forth in the license amendments. Prior public notice of these amendments were not required since the amendments do not involve a significant hazards consideration.

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The Commission has determined that the issuance of these amendments will not result in any significant environmental impact and that pursuant to 10 CFR §51.5(d)(4) an environmental impact statement or negative declaration and environmental impact appraisal need not be prepared.

For further details with respect to this action, see (1) the "Decision" by the Atomic Safety and Licensing Appeal Board dated June 30, 1981 (ALAB-646), (2) Amendment No. to License No. NPF-2, and (3) Amendment No. to License No. NPF-8. All of these items are available for public inspection at the Commission's Public Document Room, 1717 H Street, N.W., Washington, D.C. and at the George S. Houston Memorial Library, 212 W. Burdeshaw Street, Dothan, Alabama 36303. A copy of these items may be inspected or copied for a fee at the above addresses.

Dated at Bethesda, Maryland, this day of .

FOR THE NUCLEAR REGULATORY COMMISSION

B. J. Youngblood, Chief
Licensing Branch No. 1
Division of Licensing

* See previous yellow.

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SURNAME	MRusby/ys	JThompson	DSwanson	SVarga	BJYoungblood	
DATE	7/1/81	7/16/81	7/22/81	7/1/81	7/1/81	

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The Commission has determined that the issuance of these amendments will not result in any significant environmental impact and that pursuant to 10 CFR §51.5(d)(4) an environmental impact statement or negative declaration and environmental impact appraisal need not be prepared.

For further details with respect to this action, see (1) the "Decision" by the Atomic Safety Licensing Appeal Board dated June 30, 1981 (ALAB-646), (2) Amendment No. to License No. NPF-2, and (3) Amendment No. to License No. NPF-8. All of these items are available for public inspection at the Commission's Public Document Room, 1717 H Street, N.W., Washington, D.C. and at the George S. Houston Memorial Library, 212 W. Burdeshaw Street, Dothan, Alabama 36303. A copy of these items may be inspected or copied for a fee at the above addresses.

Dated at Bethesda, Maryland, this day of .

FOR THE NUCLEAR REGULATORY COMMISSION

B. J. Youngblood, Chief
Licensing Branch No. 1
Division of Licensing

OFFICE	DL:LB#1	DL:LB#1		OELD		DL:LB#1	
SURNAME	Rush/ys	JThoma	Parrish/Reeves	DSwanson	SVarga	BYoungblood	
DATE	7/1/81	7/ /81	7/ /81	7/ /81	7/ /81	7/ /81	