

SEP 4 1974

Docket Nos. 50-416
and 50-417

Mississippi Power & Light Company
ATTN: Mr. N. L. Stampley
Vice President - Production
P. O. Box 1640
Jackson, Mississippi 39205

Gentlemen:

Pursuant to an Initial Decision issued by the Atomic Safety and Licensing Board, the Atomic Energy Commission has issued Construction Permits CPPR-118 and CPPR-119 authorizing construction of the Grand Gulf Nuclear Station, Units 1 & 2.

A copy of the Initial Decision, Construction Permits CPPR-118 and CPPR-119, and a related notice which has been forwarded to the Office of the Federal Register for filing and publication are enclosed.

Sincerely,

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Richard C. DeYoung, Assistant Director
Light Water Reactors, Group 1
Directorate of Licensing

Enclosures:

- 1. Initial Decision
- 2. Construction Permits
CPPR-118 & CPPR-119
- 3. Federal Register Notice

bcc: J. R. Buchanan, ORNL
Thomas B. Abernathy, DTIE
Chairman, ASLBP
A. Rosenthal, ASLAB

cc: Troy B. Conner, Jr., Esq.
Conner, Hadlock & Knotts
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Robert C. Travis
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P. O. Box 651
Jackson, Mississippi 39205

A/D LWR-1

OB
R. C. DeYoung

OFFICE	L:LWR 1-2	L:LWR 1-2	L:LWR 1-2	OGC	OAI	AD/EP
SURNAME	M. Maigret	G. Owsley	W. Butler	L. POWELL	A. Braitman	Muller
DATE	8/28/74	8/30/74	8/30/74	9/3/74	9/3/74	9/3/74

cc: Honorable William R. Waller
Governor of Mississippi
Jackson, Mississippi 39201

Coordinator
Federal-State Programs
Room 510, Lamar Life Building
Jackson, Mississippi 39201

Mr. Davis M. Starnes
President, Claiborne County
Board of Supervisors
Pattison, Mississippi 39144

Chief, TIRB
Technology Assessment Division
Office of Radiation Programs
U. S. Environmental Protection
Agency
Room 647A East Tower
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401 M Street, S.W.
Washington, D.C. 20460

Mr. Dave Hopkins
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Mr. Bruce Blanchard
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Department of Interior
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Mr. Donald R. Herbert, Coordinator
Louisiana Division of Natural
Resources & Energy
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Baton Rouge, Louisiana 70804

Mr. B. Jim Porter, Director
Division of Radiation Control
Louisiana Board of Nuclear Energy
P. O. Box 44033

OFFICE >	Capitol Station				
SURNAME >	Baton Rouge, Louisiana 70804				
DATE >					

CHECKLIST FOR ISSUANCE OF CONSTRUCTION PERMIT

Applicant Mississippi Power & Light Company Docket No. 50-416/417Facility Grand Gulf Nuclear Station, Units 1 & 2Project Manager Gerry Owsley Licensing Assistant M. MaigretDateInitial Decision August 30, 1974Safety Review:
L Safety Evaluation January 1974
ACRS Letter May 15, 1974Environmental Review:
Final Environmental Statement August 1973
Published in Federal Register August 22, 1973Notifications Required by Act & Commission Rules*:
State Official November 30, 1972
Local Official December 1, 1972
FPC November 30, 1972
State Regulatory Agencies November 30, 1972Water Quality Certification: 401 Type dated February 5, 1974
Submitted by Applicant February 7, 1974
Transmitted to EPA March 20, 1974Antitrust Review:
Attorney General's Advice Published in June 6, 1973
Federal Register
Hearing (Radiological) August 6, 1974License Fee:
Amount \$ 1,060,000 Paid 2 P.M. September 3, 1974Public Announcement (to be released):
Copy Attached September 4, 1974Issuance Package: OGC Concurrence
1. Permit September 3, 1974
2. Federal Register Notice September 3, 1974
3. Letter to Applicant September 3, 1974
4. Information Report September 3, 1974

*Date initial application forwarded

AK

Proposed Press Release

AEC ISSUES CONSTRUCTION PERMITS FOR GRAND GULF NUCLEAR UNITS IN MISSISSIPPI

The Atomic Energy Commission's Directorate of Licensing issued on September 3, 1974 permits to Mississippi Power & Light Company and Middle South Energy, Inc. for construction of two electrical generating units at the Grand Gulf Nuclear Station^{site} in Claiborne County, Mississippi.

Issuance of the permits follows a public hearing and^a decision by the Atomic Safety and Licensing Board (ASLB) on August 30, 1974 on radiological health and safety considerations. The^{ASLB} Board earlier reached decisions on environmental matters and the suitability of the proposed site for a nuclear plant, after which the AEC's Director of Regulation on May 6 authorized certain limited construction work to begin at the site.

The proposed^{Station} Grand Gulf is located on a 2,300-acre site on the east bank of the Mississippi River about 25 miles south-southwest of Vicksburg and 37 miles north-northeast of Natchez,^{Mississippi,} Each unit will use a boiling water reactor designed for a thermal output of 3,833 megawatts and a net electrical output of ^{1,250}1,290 megawatts.

Grand Gulf, Units 1 and 2 are scheduled for completion in 1979 and 1981 respectively.

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UNITED STATES
ATOMIC ENERGY COMMISSION
WASHINGTON, D.C. 20545

MISSISSIPPI POWER & LIGHT COMPANY

MIDDLE SOUTH ENERGY, INC.

DOCKET NO. 50-416

GRAND GULF NUCLEAR STATION, UNIT 1

CONSTRUCTION PERMIT

Construction Permit No. CPPR-118

1. The Atomic Energy Commission (the Commission) having found that:
 - A. The application for construction permit complies with the requirements of the Atomic Energy Act of 1954, as amended, and the rules and regulations of the Commission, there is reasonable assurance that the activities authorized by the permit will be conducted in compliance with the rules and regulations of the Commission, and all required notifications to other agencies or bodies have been duly made;
 - B. Mississippi Power & Light Company, acting for itself and as an agent for Middle South Energy, Inc. (the applicants or licensees), has described the proposed design of the Grand Gulf Nuclear Station, Unit 1 (the facility), including, but not limited to, the principal architectural and engineering criteria for the design and has identified the major features or components incorporated therein for the protection of the health and safety of the public;
 - C. Such further technical or design information as may be required to complete the safety analysis, and which can reasonably be left for later consideration, will be supplied in the final safety analysis report;
 - D. Safety features or components, if any, which require research and development have been described by the applicants and the applicants have identified, and there will be conducted, a research and development program reasonably designed to resolve any safety questions associated with such features or components;

- E. On the basis of the foregoing, there is reasonable assurance that (i) such safety questions will be satisfactorily resolved at or before the latest date stated in the application for completion of construction of the proposed facility and (ii) taking into consideration the site criteria contained in 10 CFR Part 100, the proposed facility can be constructed and operated at the proposed location without undue risk to the health and safety of the public;
 - F. Mississippi Power & Light Company is technically qualified to design and construct the proposed facility;
 - G. The applicants are financially qualified to design and construct the proposed facility;
 - H. The issuance of a permit for the construction of the facility will not be inimical to the common defense and security or to the health and safety of the public; and
 - I. After weighing the environmental economic, technical, and other benefits of the facility against environmental and other costs and considering available alternatives, the issuance of a construction permit (subject to the conditions for protection of the environment set forth herein) is in accordance with 10 CFR Part 50, Appendix D, of the Commission's regulations and all applicable requirements of said Appendix D have been satisfied.
2. Pursuant to Section 103 of the Atomic Energy Act of 1954, as amended (the Act), and Title 10, Chapter I, Code of Federal Regulations, Part 50, "Licensing of Production and Utilization Facilities," and pursuant to the Initial Decision of the Atomic Safety and Licensing Board, dated August 30, 1974, the Atomic Energy Commission (the Commission) hereby issues a construction permit to the applicants for a utilization facility designed to operate at 3833 megawatts thermal as described in the application and amendments thereto (the application) filed in this matter by the applicants and as more fully described in the evidence received at the public hearing upon that application. The facility, known as the Grand Gulf Nuclear Station, Unit 1, will be located on the site of Middle South Energy, Inc., in Claiborne County, Mississippi.
3. This permit shall be deemed to contain and be subject to the conditions specified in Sections 50.54 and 50.55 of said regulations; is subject to all applicable provisions of the Act, and rules, regulations, and orders of the Commission now or hereafter in effect; and is subject to the conditions specified or incorporated below:

- A. The earliest date for the completion of the facility is April 1, 1979, and the latest date for completion is October 1, 1979.
- B. The facility shall be constructed and located at the site as described in the application, on the east bank of the Mississippi River approximately 25 miles south of Vicksburg in Claiborne County, Mississippi.
- C. This construction permit authorizes the applicants to construct the facility described in the application and the hearing record, in accordance with the principal architectural and engineering criteria and environmental protection commitments set forth therein.
- D. This permit is subject to the following antitrust conditions:

- 1. As used herein:

- (a) "Western Mississippi Area" means the counties of: Walthall, Lawrence, Jefferson Davis, Covington, Simpson, Smith, Scott, Leake, Attala, Choctaw, Montgomery, Grenada, Yalobusha, Panola, Tate, DeSoto, Pike, Amite, Wilkinson, Adams, Franklin, Lincoln, Copiah, Jefferson, Claiborne, Hinds, Rankin, Madison, Yazoo, Warren, Issaquena, Sharkey, Humphreys, Holmes, Carroll, Leflore, Sunflower, Washington, Bolivar, Tallahatchie, Quitman, Coahoma, and Tunica. An entity shall be deemed to be in the "Western Mississippi Area" if it has electric power generation, transmission, or distribution facilities located in whole or in part in the above-described area.

- (b) "Bulk Power" means the electric power, and any attendant energy, supplied or made available at transmission or subtransmission voltage by one entity to another.

- (c) "Entity" means a person, a private or public corporation, a municipality, a cooperative, an association, a joint stock association or business trust owning, operating or proposing to own or operate equipment or facilities for the generation, transmission or distribution of electricity, provided that, except for municipalities or rural electric cooperatives, "entity" is restricted to those which are or will be public utilities under the laws of the state in which the entity transacts or will transact business or under the Federal Power Act, and are or will be providing electric service under a contract or rate schedule on file with and subject to the regulation of a state regulatory commission or the Federal Power Commission.

(d) "Cost" means any operating and maintenance expenses involved together with any ownership costs which are reasonably allocable to the transaction consistent with power pooling practices (where applicable). No value shall be included for loss of revenues from sale of power at wholesale or retail by one party to a customer which another party might otherwise serve. Cost shall include a reasonable return on Licensees' investment. The sale of a portion of the capacity of a generating unit shall be upon the basis of a rate that will recover to the seller the pro rata part of the fixed costs and operating and maintenance expenses of the unit, provided that, in circumstances in which Licensees and one or more entities in the Western Mississippi Area take an undivided interest in a unit in fee, construction costs and operation and maintenance expenses shall be paid pro rata.

2. (a) Licensees shall interconnect with and coordinate reserves by means of the sale and purchase of emergency and/or scheduled maintenance bulk power with any entity(ies) in the Western Mississippi Area engaging in or proposing to engage in electric bulk power supply on terms that will provide for Licensees' costs in connection therewith and allow the other party(ies) full access to the benefits of reserve coordination.

(b) Emergency service and/or scheduled maintenance service to be provided by each party shall be furnished to the fullest extent available from the supplying party and desired by the party in need. Licensees and each party(ies) shall provide to the other emergency service and/or scheduled maintenance service if and when available from its own generation and from generation of others to the extent it can do so without impairing service to its customers including other electric systems to whom it has firm commitments.

(c) Licensees and the other party(ies) to a reserve sharing arrangement shall from time to time jointly establish the minimum reserves to be installed and/or provided under contractual arrangements as necessary to maintain in total a reserve margin sufficient to provide adequate reliability of power supply to the interconnected systems of the parties. If Licensees plan their reserve margin on a

pooled basis with other Middle South System companies, the reserves jointly established hereunder shall be on the same basis. Unless otherwise agreed upon, minimum reserves shall be calculated as a percentage of estimated peak load responsibility. No party to the arrangement shall be required to maintain greater reserves than the percentage of its estimated peak load responsibility which results from the aforesaid calculation, provided that, if the reserve requirements of Licensees are increased over the amount Licensees would be required to maintain without such interconnection, then the other party(ies) shall be required to carry or provide for as its (their) reserves the full amount in kilowatts of such increase.

(d) The parties to such a reserve sharing arrangement shall provide such amounts of ready reserve capacity as may be adequate to avoid the imposition of unreasonable demands on the other in meeting the normal contingencies of operating its system. However, in no circumstances shall the ready reserve requirement exceed the installed reserve requirement.

(e) Interconnections will not be limited to low voltages when higher voltages are available from Licensees' installed facilities in the area where interconnection is desired, when the proposed arrangement is found to be technically and economically feasible. Control and telemetering facilities shall be provided as required for safety and prudent operation of the interconnected systems.

(f) Interconnection and coordination agreements shall not embody any restrictive provisions pertaining to inter-system coordination. Good industry practice as developed in the area from time to time (if non-restrictive) will satisfy this provision.

3. Licensees will sell bulk power at their costs to or purchase bulk power from any other entity(ies) in the Western Mississippi Area engaging in or proposing to engage in generation of electric power when such transactions would serve to reduce the overall costs of new bulk power supply for themselves or for the other party(ies) to the transaction. This refers specifically to the opportunity to coordinate in the planning of new generation, transmission and related facilities. This provision shall not be construed to require Licensees to purchase or sell bulk power if they find such purchase or sale infeasible or their costs in connection with such purchase or sale would exceed their benefit therefrom.

4. (a) Licensees and any successor in title shall offer an opportunity to participate in the Grand Gulf Nuclear Units and any other nuclear generating unit(s) which they or either of them, may construct, own and operate in the State of Mississippi, severally or jointly, during the term of the instant license, or any extension or renewal thereof, to any entity(ies) in the Western Mississippi Area by either a reasonable ownership interest in such unit(s), or by a contractual right to purchase a reasonable portion of the output of such unit(s) at the cost thereof if the entity(ies) so elects. In connection with such access, Licensees will also offer transmission service as may be required for delivery of such power to such entity(ies) on a basis that will fully compensate Licensees for their cost.

(b) In the event that during the term of the instant license, or any extension or renewal thereof, Licensees obtain participation in the ownership of or rights to a portion of the output of one or more nuclear generating units constructed, owned and operated by any affiliate or subsidiary of the Middle South Utilities System other than Licensees, or by any successor in title to the Grand Gulf Nuclear Units, Licensees shall exert their best efforts to obtain participation in such nuclear unit(s) by any entity(ies) in the Western Mississippi Area requesting such participation on terms no less favorable than the terms of Licensees' participation therein.

5. (a) Licensees shall facilitate the exchange of bulk power by transmission over its transmission facilities between or among two or more entities in the Western Mississippi Area with which it is interconnected; and between any such entity(ies) and any entity(ies) engaging in bulk power supply outside the Western Mississippi Area between whose facilities Licensees' transmission lines and other transmission lines would form a continuous electrical path, provided that (1) permission to utilize such other transmission lines has been obtained, and (2) the arrangements reasonably can be accommodated from a functional and technical standpoint. Such transmission shall be on terms that fully compensate Licensees for their cost. Any entity(ies) requesting such transmission arrangements shall give reasonable advance notice of its (their) schedule and requirements. (The foregoing applies to any entity(ies) to which Licensees may be interconnected in the future as well as those to which they are now interconnected.)

- (b) Licensees shall include in their planning and construction program sufficient transmission capacity as required for the transactions referred to in subparagraph (a) of this paragraph, provided that any entity(ies) in the Western Mississippi Area give Licensees sufficient advance notice as may be necessary to accommodate its (their) requirements from a functional and technical standpoint and that such entity(ies) fully compensates Licensees for their cost. Licensees shall not be required to construct transmission facilities which will be of no demonstrable present or future benefit to Licensees.
6. Licensees will sell power for resale to any entity(ies) in the Western Mississippi Area now engaging in or proposing to engage in retail distribution of electric power.
 7. The foregoing conditions shall be implemented in a manner consistent with the provisions of the Federal Power Act and the Mississippi Public Utilities Act of 1956 and all rates, charges or practices in connection therewith are to be subject to the approval of regulatory agencies having jurisdiction over them.
- E. This facility is subject to the following conditions for the protection of the environment:
1. The applicants shall implement the Environmental Protection Program Respecting Construction of Grand Gulf Nuclear Station, Units 1 & 2, as set out in Staff Exhibit 2-A in the evidentiary hearing conducted by the Atomic Safety and Licensing Board in this proceeding;
 2. Before engaging in a construction activity which may result in a significant adverse environmental impact that was not evaluated or that is significantly greater than that evaluated in the Final Environmental Statement, the applicants shall provide written notification to the Director of Licensing;
 3. If unexpected harmful effects or evidence of irreversible damage are detected during facility construction, the applicants shall provide an acceptable analysis of the problem and a plan of action to eliminate or significantly reduce the harmful effects or damage.

4. This permit is subject to the limitation that a license authorizing operation of the facility will not be issued by the Commission unless (a) the applicants submit to the Commission the complete final safety analysis report, portions of which may be submitted and evaluated from time to time; (b) the Commission finds that the final design provides reasonable assurance that the health and safety of the public will not be endangered by the operation of the facility in accordance with procedures approved by it in connection with the issuance of said license; (c) the Commission finds that operation of the facility will be in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements of said Part 51 were satisfied; and (d) the applicants submit proof of financial protection and the execution of an indemnity agreement as required by Section 140 of the Act.

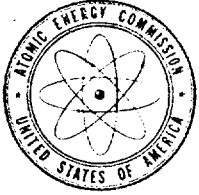
5. This permit is effective as of its date of issuance and shall expire on the latest completion date indicated in paragraph 3.A above.

FOR THE ATOMIC ENERGY COMMISSION



A. Giambusso, Deputy Director
for Reactor Projects
Directorate of Licensing

Date of Issuance: SEP 4 1974



UNITED STATES
ATOMIC ENERGY COMMISSION
WASHINGTON, D.C. 20545

MISSISSIPPI POWER & LIGHT COMPANY

MIDDLE SOUTH ENERGY, INC.

DOCKET NO. 50-417

GRAND GULF NUCLEAR STATION, UNIT 2

CONSTRUCTION PERMIT

Construction Permit No. CPPR-119

1. The Atomic Energy Commission (the Commission) having found that:
 - A. The application for construction permit complies with the requirements of the Atomic Energy Act of 1954, as amended, and the rules and regulations of the Commission, there is reasonable assurance that the activities authorized by the permit will be conducted in compliance with the rules and regulations of the Commission, and all required notifications to other agencies or bodies have been duly made;
 - B. Mississippi Power & Light Company, acting for itself and as an agent for Middle South Energy, Inc. (the applicants or licensees), has described the proposed design of the Grand Gulf Nuclear Station, Unit 2 (the facility), including, but not limited to, the principal architectural and engineering criteria for the design and has identified the major features or components incorporated therein for the protection of the health and safety of the public;
 - C. Such further technical or design information as may be required to complete the safety analysis, and which can reasonably be left for later consideration, will be supplied in the final safety analysis report;
 - D. Safety features or components, if any, which require research and development have been described by the applicants and the applicants have identified, and there will be conducted, a research and development program reasonably designed to resolve any safety questions associated with such features or components;

- E. On the basis of the foregoing, there is reasonable assurance that (i) such safety questions will be satisfactorily resolved at or before the latest date stated in the application for completion of construction of the proposed facility and (ii) taking into consideration the site criteria contained in 10 CFR Part 100, the proposed facility can be constructed and operated at the proposed location without undue risk to the health and safety of the public;
 - F. Mississippi Power & Light Company is technically qualified to design and construct the proposed facility;
 - G. The applicants are financially qualified to design and construct the proposed facility;
 - H. The issuance of a permit for the construction of the facility will not be inimical to the common defense and security or to the health and safety of the public; and
 - I. After weighing the environmental economic, technical, and other benefits of the facility against environmental and other costs and considering available alternatives, the issuance of a construction permit (subject to the conditions for protection of the environment set forth herein) is in accordance with 10 CFR Part 50, Appendix D, of the Commission's regulations and all applicable requirements of said Appendix D have been satisfied.
2. Pursuant to Section 103 of the Atomic Energy Act of 1954, as amended (the Act), and Title 10, Chapter I, Code of Federal Regulations, Part 50, "Licensing of Production and Utilization Facilities," and pursuant to the Initial Decision of the Atomic Safety and Licensing Board, dated August 30, 1974, the Atomic Energy Commission (the Commission) hereby issues a construction permit to the applicants for a utilization facility designed to operate at 3833 megawatts thermal as described in the application and amendments thereto (the application) filed in this matter by the applicants and as more fully described in the evidence received at the public hearing upon that application. The facility, known as the Grand Gulf Nuclear Station, Unit 2, will be located on the site of Middle South Energy, Inc., in Claiborne County, Mississippi.
3. This permit shall be deemed to contain and be subject to the conditions specified in Sections 50.54 and 50.55 of said regulations; is subject to all applicable provisions of the Act, and rules, regulations, and orders of the Commission now or hereafter in effect; and is subject to the conditions specified or incorporated below:

- A. The earliest date for the completion of the facility is October 1, 1980, and the latest date for completion is April 1, 1981.
- B. The facility shall be constructed and located at the site as described in the application, on the east bank of the Mississippi River approximately 25 miles south of Vicksburg in Claiborne County, Mississippi.
- C. This construction permit authorizes the applicants to construct the facility described in the application and the hearing record, in accordance with the principal architectural and engineering criteria and environmental protection commitments set forth therein.
- D. This permit is subject to the following antitrust conditions:

- 1. As used herein:

- (a) "Western Mississippi Area" means the counties of: Walthall, Lawrence, Jefferson Davis, Covington, Simpson, Smith, Scott, Leake, Attala, Choctaw, Montgomery, Grenada, Yalobusha, Panoia, Tate, DeSoto, Pike, Amite, Wilkinson, Adams, Franklin, Lincoln, Copiah, Jefferson, Claiborne, Hinds, Rankin, Madison, Yazoo, Warren, Issaquena, Sharkey, Humphreys, Holmes, Carroll, Leflore, Sunflower, Washington, Bolivar, Tallahatchie, Quitman, Coahoma, and Tunica. An entity shall be deemed to be in the "Western Mississippi Area" if it has electric power generation, transmission, or distribution facilities located in whole or in part in the above-described area.

- (b) "Bulk Power" means the electric power, and any attendant energy, supplied or made available at transmission or subtransmission voltage by one entity to another.

- (c) "Entity" means a person, a private or public corporation, a municipality, a cooperative, an association, a joint stock association or business trust owning, operating or proposing to own or operate equipment or facilities for the generation, transmission or distribution of electricity, provided that, except for municipalities or rural electric cooperatives, "entity" is restricted to those which are or will be public utilities under the laws of the state in which the entity transacts or will transact business or under the Federal Power Act, and are or will be providing electric service under a contract or rate schedule on file with and subject to the regulation of a state regulatory commission or the Federal Power Commission.

(d) "Cost" means any operating and maintenance expenses involved together with any ownership costs which are reasonably allocable to the transaction consistent with power pooling practices (where applicable). No value shall be included for loss of revenues from sale of power at wholesale or retail by one party to a customer which another party might otherwise serve. Cost shall include a reasonable return on Licensees' investment. The sale of a portion of the capacity of a generating unit shall be upon the basis of a rate that will recover to the seller the pro rata part of the fixed costs and operating and maintenance expenses of the unit, provided that, in circumstances in which Licensees and one or more entities in the Western Mississippi Area take an undivided interest in a unit in fee, construction costs and operation and maintenance expenses shall be paid pro rata.

2. (a) Licensees shall interconnect with and coordinate reserves by means of the sale and purchase of emergency and/or scheduled maintenance bulk power with any entity(ies) in the Western Mississippi Area engaging in or proposing to engage in electric bulk power supply on terms that will provide for Licensees' costs in connection therewith and allow the other party(ies) full access to the benefits of reserve coordination.

(b) Emergency service and/or scheduled maintenance service to be provided by each party shall be furnished to the fullest extent available from the supplying party and desired by the party in need. Licensees and each party(ies) shall provide to the other emergency service and/or scheduled maintenance service if and when available from its own generation and from generation of others to the extent it can do so without impairing service to its customers including other electric systems to whom it has firm commitments.

(c) Licensees and the other party(ies) to a reserve sharing arrangement shall from time to time jointly establish the minimum reserves to be installed and/or provided under contractual arrangements as necessary to maintain in total a reserve margin sufficient to provide adequate reliability of power supply to the interconnected systems of the parties. If Licensees plan their reserve margin on a

pooled basis with other Middle South System companies, the reserves jointly established hereunder shall be on the same basis. Unless otherwise agreed upon, minimum reserves shall be calculated as a percentage of estimated peak load responsibility. No party to the arrangement shall be required to maintain greater reserves than the percentage of its estimated peak load responsibility which results from the aforesaid calculation, provided that, if the reserve requirements of Licensees are increased over the amount Licensees would be required to maintain without such interconnection, then the other party(ies) shall be required to carry or provide for as its (their) reserves the full amount in kilowatts of such increase.

(d) The parties to such a reserve sharing arrangement shall provide such amounts of ready reserve capacity as may be adequate to avoid the imposition of unreasonable demands on the other in meeting the normal contingencies of operating its system. However, in no circumstances shall the ready reserve requirement exceed the installed reserve requirement.

(e) Interconnections will not be limited to low voltages when higher voltages are available from Licensees' installed facilities in the area where interconnection is desired, when the proposed arrangement is found to be technically and economically feasible. Control and telemetering facilities shall be provided as required for safety and prudent operation of the interconnected systems.

(f) Interconnection and coordination agreements shall not embody any restrictive provisions pertaining to inter-system coordination. Good industry practice as developed in the area from time to time (if non-restrictive) will satisfy this provision.

3. Licensees will sell bulk power at their costs to or purchase bulk power from any other entity(ies) in the Western Mississippi Area engaging in or proposing to engage in generation of electric power when such transactions would serve to reduce the overall costs of new bulk power supply for themselves or for the other party(ies) to the transaction. This refers specifically to the opportunity to coordinate in the planning of new generation, transmission and related facilities. This provision shall not be construed to require Licensees to purchase or sell bulk power if they find such purchase or sale infeasible or their costs in connection with such purchase or sale would exceed their benefit therefrom.

4. (a) Licensees and any successor in title shall offer an opportunity to participate in the Grand Gulf Nuclear Units and any other nuclear generating unit(s) which they or either of them, may construct, own and operate in the State of Mississippi, severally or jointly, during the term of the instant license, or any extension or renewal thereof, to any entity(ies) in the Western Mississippi Area by either a reasonable ownership interest in such unit(s), or by a contractual right to purchase a reasonable portion of the output of such unit(s) at the cost thereof if the entity(ies) so elects. In connection with such access, Licensees will also offer transmission service as may be required for delivery of such power to such entity(ies) on a basis that will fully compensate Licensees for their cost.

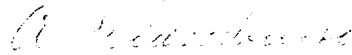
(b) In the event that during the term of the instant license, or any extension or renewal thereof, Licensees obtain participation in the ownership of or rights to a portion of the output of one or more nuclear generating units constructed, owned and operated by any affiliate or subsidiary of the Middle South Utilities System other than Licensees, or by any successor in title to the Grand Gulf Nuclear Units, Licensees shall exert their best efforts to obtain participation in such nuclear unit(s) by any entity(ies) in the Western Mississippi Area requesting such participation on terms no less favorable than the terms of Licensees' participation therein.

5. (a) Licensees shall facilitate the exchange of bulk power by transmission over its transmission facilities between or among two or more entities in the Western Mississippi Area with which it is interconnected; and between any such entity(ies) and any entity(ies) engaging in bulk power supply outside the Western Mississippi Area between whose facilities Licensees' transmission lines and other transmission lines would form a continuous electrical path, provided that (1) permission to utilize such other transmission lines has been obtained, and (2) the arrangements reasonably can be accommodated from a functional and technical standpoint. Such transmission shall be on terms that fully compensate Licensees for their cost. Any entity(ies) requesting such transmission arrangements shall give reasonable advance notice of its (their) schedule and requirements. (The foregoing applies to any entity(ies) to which Licensees may be interconnected in the future as well as those to which they are now interconnected.)

- (b) Licensees shall include in their planning and construction program sufficient transmission capacity as required for the transactions referred to in subparagraph (a) of this paragraph, provided that any entity(ies) in the Western Mississippi Area give Licensees sufficient advance notice as may be necessary to accommodate its (their) requirements from a functional and technical standpoint and that such entity(ies) fully compensates Licensees for their cost. Licensees shall not be required to construct transmission facilities which will be of no demonstrable present or future benefit to Licensees.
6. Licensees will sell power for resale to any entity(ies) in the Western Mississippi Area now engaging in or proposing to engage in retail distribution of electric power.
 7. The foregoing conditions shall be implemented in a manner consistent with the provisions of the Federal Power Act and the Mississippi Public Utilities Act of 1956 and all rates, charges or practices in connection therewith are to be subject to the approval of regulatory agencies having jurisdiction over them.
- E. This facility is subject to the following conditions for the protection of the environment:
1. The applicants shall implement the Environmental Protection Program Respecting Construction of Grand Gulf Nuclear Station, Units 1 & 2, as set out in Staff Exhibit 2-A in the evidentiary hearing conducted by the Atomic Safety and Licensing Board in this proceeding;
 2. Before engaging in a construction activity which may result in a significant adverse environmental impact that was not evaluated or that is significantly greater than that evaluated in the Final Environmental Statement, the applicants shall provide written notification to the Director of Licensing;
 3. If unexpected harmful effects or evidence of irreversible damage are detected during facility construction, the applicants shall provide an acceptable analysis of the problem and a plan of action to eliminate or significantly reduce the harmful effects or damage.

4. This permit is subject to the limitation that a license authorizing operation of the facility will not be issued by the Commission unless (a) the applicants submit to the Commission the complete final safety analysis report, portions of which may be submitted and evaluated from time to time; (b) the Commission finds that the final design provides reasonable assurance that the health and safety of the public will not be endangered by the operation of the facility in accordance with procedures approved by it in connection with the issuance of said license; (c) the Commission finds that operation of the facility will be in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements of said Part 51 were satisfied; and (d) the applicants submit proof of financial protection and the execution of an indemnity agreement as required by Section 140 of the Act.
5. This permit is effective as of its date of issuance and shall expire on the latest completion date indicated in paragraph 3.A above.

FOR THE ATOMIC ENERGY COMMISSION



A. Giambusso, Deputy Director
for Reactor Projects
Directorate of Licensing

Date of Issuance: SEP 4 1974

UNITED STATES ATOMIC ENERGY COMMISSION

DOCKET NOS. 50-416 AND 50-417

MISSISSIPPI POWER & LIGHT COMPANY

MIDDLE SOUTH ENERGY, INC.

NOTICE OF AVAILABILITY OF INITIAL DECISIONS OF THE ATOMIC
SAFETY AND LICENSING BOARD FOR THE GRAND GULF NUCLEAR STATION,
UNITS 1 & 2 AND ISSUANCE OF CONSTRUCTION PERMITS

Pursuant to the National Environmental Policy Act of 1969 and the United States Atomic Energy Commission's regulations in Appendix D to 10 CFR Part 50, Section A.9 and A.11, notice is hereby given that a partial Initial Decision on environmental issues dated April 5, 1974 and an Initial Decision dated August 30, 1974, by the Atomic Safety and Licensing Board in the above captioned proceeding authorizing issuance of construction permits to the Mississippi Power & Light Company and Middle South Energy, Inc. for construction of the Grand Gulf Nuclear Station, Units 1 & 2 located in Claiborne County, Mississippi, are available for inspection by the public in the Commission's Public Document Room at 1717 H Street, N.W., Washington, D.C. and in the Chancery Clerk's Office, Claiborne County Courthouse, Port Gibson, Mississippi 39150.

The Initial Decision of August 30, 1974, which incorporated by reference the partial Initial Decision of April 5, 1974, is subject to review by an Atomic Safety and Licensing Appeal Board prior to its becoming final. Any decision or action taken by an Atomic Safety and

Licensing Appeal Board in connection with the Initial Decision may be reviewed by the Commission.

The Initial Decision and partial Initial Decision are also being made available at the Coordinator, Federal-State Programs, Room 510, Lamar Life Building, Jackson, Mississippi 39201 and at the Southwest Mississippi Planning & Development District, P. O. Box 686, McComb, Mississippi 39648.

Based upon the record developed in the public hearing in the above captioned matter, the Initial Decision, together with the partial Initial Decision, modified in certain respects the contents of the Final Environmental Statement relating to the construction of the Grand Gulf Nuclear Station, Units 1 & 2, prepared by the Commission's Directorate of Licensing. Pursuant to the provisions of 10 CFR Part 50, Appendix D, Section A.11, the Final Environmental Statement is deemed modified to the extent that the findings and conclusions relating to environmental matters contained in the Initial Decision are different from those contained in the Final Environmental Statement, dated August 1973. A copy of the Initial Decision dated August 30, 1974 and a copy of the partial Initial Decision dated April 5, 1974, which modify the Final Environmental Statement, have been transmitted to the Council on Environmental Quality and distributed to the Environmental Protection Agency and other interested agencies and persons.

Pursuant to the above mentioned Initial Decision, the Atomic Energy Commission (the Commission) has issued Construction Permits CPPR-118 and

CPPR-119 to the Mississippi Power & Light Company and Middle South Energy, Inc., for construction of two nuclear reactors, known as the Grand Gulf Nuclear Station, each designed for a rated power of approximately 3833 megawatts thermal with a net electrical output of approximately 1250 megawatts.

The Commission has made appropriate findings as required by the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations in 10 CFR Chapter I, which are set forth in the construction permits. The application for the construction permits complies with the standards and requirements of the Act and of the Commission's rules and regulations.

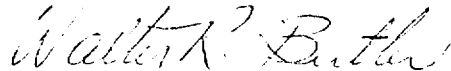
The construction permits are effective as of their date of issuance. The earliest date for the completion of Unit 1 is April 1, 1979, and the latest date for completion is October 1, 1979. The earliest date for the completion of Unit 2 is October 1, 1980, and the latest date for completion is April 1, 1981. Each permit will expire on the latest date for completion of the facility.

In addition to the Initial Decision and partial Initial Decision, copies of (1) Construction Permits CPPR-118 and CPPR-119; (2) the report of the Advisory Committee on Reactor Safeguards, dated May 15, 1974; (3) the Directorate of Licensing's Safety Evaluation, dated January 1974; (4) Supplement No. 1 to the Safety Evaluation, dated April 21, 1974; (5) Supplement No. 2 to the Safety Evaluation, dated June 21, 1974; (6) Supplement No. 3 to the Safety Evaluation, dated June 28, 1974; (7) Supplement No. 4 to the Safety Evaluation, dated July 24, 1974; (8) the Preliminary Safety Analysis Report and amendments

thereto; (9) the Draft Environmental Statement, dated April 1973; and (10) the Final Environmental Statement, dated August 1973, are also available for public inspection at the above-designated locations in Washington, D.C. and Mississippi. Single copies of the Initial Decision and partial Initial Decision of the Atomic Safety and Licensing Board, the construction permits, the Final Environmental Statement, and the Safety Evaluation may be obtained upon request addressed to the U. S. Atomic Energy Commission, Washington, D.C. 20545, Attention: Deputy Director for Reactor Projects, Directorate of Licensing, Regulation.

Dated at Bethesda, Maryland, this 4th day of September 1974.

FOR THE ATOMIC ENERGY COMMISSION



Walter R. Butler, Chief
Light Water Reactors Branch No. 1-2
Directorate of Licensing