

August 29, 1989

Docket Nos. 50-445
and 50-446

Mr. William J. Cahill, Jr.
Executive Vice President, Nuclear
Texas Utilities Electric Company
400 No. Olive Street, L.B. 81
Dallas, Texas 75201

Dear Mr. Cahill:

SUBJECT: AMENDMENT NO. 11 TO CONSTRUCTION PERMIT CPPR-126 -
COMANCHE PEAK STEAM ELECTRIC STATION, UNIT 1

AMENDMENT NO. 10 TO CONSTRUCTION PERMIT CPPR-127 -
COMANCHE PEAK STEAM ELECTRIC STATION, UNIT 2

By your letter dated May 4, 1989, you requested Amendment of Construction Permits CPPR-126 and CPPR-127 to reflect a reallocation of ownership interest in the Comanche Peak Steam Electric Station (CPSES), Units 1 and 2. In accordance with your request, the Nuclear Regulatory Commission has issued the enclosed Amendment No. 11 to Construction Permit CPPR-126 and Amendment No. 10 to Construction Permit CPPR-127 for the CPSES, Units 1 and 2, located in Somervell County, Texas.

Each amendment allows a transfer in ownership of the respective CPSES unit from Tex-La Electric Cooperative of Texas, Inc. to Texas Utilities Electric Company in the amount of 2-1/6%.

A copy of Amendment No. 11 to Construction Permit CPPR-126 and Amendment No. 10 to Construction Permit CPPR-127, the NRC's related staff safety evaluation, and a related notice, the original of which has been forwarded to the Office of the Federal Register for publication, are enclosed.

Sincerely,

Original signed by C. I. Grimes
Christopher I. Grimes, Director
Comanche Peak Project Division
Office of Nuclear Reactor Regulation

Enclosures:

- 1. Amendment No. 11 to CPPR-126
- 2. Amendment No. 10 to CPPR-127
- 3. Safety Evaluation
- 4. Federal Register Notice

cc w/enclosures: See next page

DISTRIBUTION

Docket File ✓	JHWilson	BGrimes
NRC PDR	MMalloy	JCalvo
Local PDR	MFields	TBarnhart
DCrutchfield	TQuay	(4 cys. ea. Docket No.)
ADSP Reading	CThomas	DHagan
CPPD Reading	WLambe	WJJones
JPartlow	JPetersen	GPA/PA
CGrimes	OGC	JGilliland, RIV/PA
PMcKee	FMiraglia	ARM/LFMB
JLyons	EJordan	ACRS(10)
RWarnick		DMcCaughy

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PDR ADOCK 05000445
PDC

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*SEE PREVIOUS CONCURRENCE								
CPPD:NRR	CPPD:NRR	CPPD:NRR	AD:CPPD:NRR	OTSB:NRR	OGC **	DD:CPPD:NRR	D:CPPD:NRR	
CVMorris*	MMalloy*	MFields*	JHWilson:cm*	CThomas*	JMoore*	PMcKee	CIGrimes	
08/7 /89	08/ 7/89	08/7 /89	08/7 /89	08/7 /89	08/23/89	08/21/89	08/27 89	

**Concurrence subject to prior issuance of an EA.

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Christopher I. Grimes, Director
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RWarnick		DMcCaughy

CPPD:NRR CVMorris 08/7/89	CPPD:NRR MMalloy 08/7/89	CPPD:NRR MFields 08/7/89	AD:CPPD:NRR JHWilson 08/7/89	OGC:NRR CThomas 08/7/89	OGC JMoone* 08/7/89	DD:CPPD:NRR PMcKee 08/7/89	D:CPPD:NRR CIGrimes 08/7/89
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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

August 29, 1989

Docket Nos. 50-445
and 50-446

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Each amendment allows a transfer in ownership of the respective CPSES unit from Tex-La Electric Cooperative of Texas, Inc. to Texas Utilities Electric Company in the amount of 2-1/6%.

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Christopher I. Grimes, Director
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Mr. W. J. Cahill, Jr.

- 2 -

cc:

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Chief, Texas Bureau of Radiation Control
Texas Department of Health
1100 West 49th Street
Austin, Texas 78756

Honorable George Crump
County Judge
Glen Rose, Texas 76043



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

TEXAS UTILITIES ELECTRIC COMPANY, ET AL*
DOCKET NO. 50-445
COMANCHE PEAK STEAM ELECTRIC STATION, UNIT 1
AMENDMENT TO CONSTRUCTION PERMIT

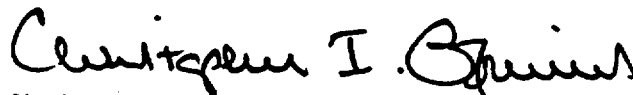
Amendment No. 11
Construction Permit No. CPPR-126

1. The issuance of this amendment complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act) and the Commission's regulations set forth in 10 CFR Chapter I;
 - B. 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
 - C. The issuance of this amendment will not result in any environmental impacts not previously considered in accordance with 10 CFR Part 51.
2. Accordingly, Construction Permit No. CPPR-126 is amended to show the transfer of 2-1/6% ownership interest from Tex-La Electric Cooperative of Texas, Inc. to Texas Utilities Electric Company.

All references to "applicants" shall exclude: Tex-La Electric Cooperative of Texas, Inc.

3. This amendment is effective as of the date of the completion of the transfer of the ownership interest herein described.

FOR THE NUCLEAR REGULATORY COMMISSION


Christopher I. Grimes, Director
Comanche Peak Project Division
Office of Nuclear Reactor Regulation

Date of Issuance: August 29, 1989

* The current Construction Permit holders for the Comanche Peak Steam Electric Station are: Texas Utilities Electric Company and Texas Municipal Power Agency. Transfer of ownership from Texas Municipal Power Agency to Texas Utilities Electric Company was previously authorized by Amendments No. 9 and No. 8 to Construction Permits CPPR-126 and CPPR-127, respectively, on August 25, 1988 to take place in 10 installments as set forth in the Agreement attached to the application for Amendment dated March 4, 1988. At the completion thereof, Texas Municipal Power Agency is no longer an applicant or construction permit holder.

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

TEXAS UTILITIES ELECTRIC COMPANY, ET AL*
DOCKET NO. 50-446
COMANCHE PEAK STEAM ELECTRIC STATION, UNIT 1
AMENDMENT TO CONSTRUCTION PERMIT

Amendment No. 10
Construction Permit No. CPPR-127

1. The issuance of this amendment complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act) and the Commission's regulations set forth in 10 CFR Chapter I;
 - B. 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
 - C. The issuance of this amendment will not result in any environmental impacts not previously considered in accordance with 10 CFR Part 51.
2. Accordingly, Construction Permit No. CPPR-126 is amended to show the transfer of 2-1/6% ownership interest from Tex-La Electric Cooperative of Texas, Inc. to Texas Utilities Electric Company.

All references to "applicants" shall exclude: Tex-La Electric Cooperative of Texas, Inc.
3. This amendment is effective as of the date of the completion of the transfer of the ownership interest herein described.

FOR THE NUCLEAR REGULATORY COMMISSION

Christopher I. Grimes
Christopher I. Grimes, Director
Comanche Peak Project Division
Office of Nuclear Reactor Regulation

Date of Issuance: August 29, 1989

* The current Construction Permit holders for the Comanche Peak Steam Electric Station are: Texas Utilities Electric Company and Texas Municipal Power Agency. Transfer of ownership from Texas Municipal Power Agency to Texas Utilities Electric Company was previously authorized by Amendments No. 9 and No. 8 to Construction Permits CPPR-126 and CPPR-127, respectively, on August 25, 1988 to take place in 10 installments as set forth in the Agreement attached to the application for Amendment dated March 4, 1988. At the completion thereof, Texas Municipal Power Agency is no longer an applicant or construction permit holder.



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION
RELATING TO AMENDMENT NO. 11 TO CONSTRUCTION PERMIT CPPR-126
AND AMENDMENT NO. 10 TO CONSTRUCTION PERMIT CPPR-127
TEXAS UTILITIES ELECTRIC COMPANY, ET AL*
COMANCHE PEAK STEAM ELECTRIC STATION, UNITS 1 AND 2
DOCKET NOS. 50-445 AND 50-446

INTRODUCTION

By a letter dated May 4, 1989, Texas Utilities Electric Company (TU Electric) requested an amendment to Construction Permit Nos. CPPR-126 and CPPR-127 to permit a reallocation of ownership interest in the Comanche Peak Steam Electric Station (CPSES), Units 1 and 2.

EVALUATION

Amendment No. 11 to Construction No. CPPR-126 and Amendment No. 10 to Construction Permit No. CPPR-127 authorize the transfer of a 2-1/6% ownership interest in the Comanche Peak Steam Electric Station, Units 1 and 2, from Tex-La Electric Cooperative of Texas, Inc. (Tex-La) to TU Electric. Issuance of Amendment No. 11 and Amendment No. 10 would delete Tex-La as an owner on the construction permits and increase TU Electric's aggregate ownership to 100%.**

Antitrust Matters

All existing CPSES owners (licensees) have been subjected to antitrust review. In addition, extensive antitrust license conditions that apply to TU Electric have been attached to the CPSES construction permits. The proposed reallocation of ownership interest does not provide for a new owner or licensee, only a repurchase of interest by the lead applicant, TU Electric.

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- *The current Construction Permit holders for the Comanche Peak Steam Electric Station are: Texas Utilities Electric Company and Texas Municipal Power Agency. Transfer of ownership from Texas Municipal Power Agency to Texas Utilities Electric Company was previously authorized by Amendments No. 9 and No. 8 to Construction Permits CPPR-126 and CPPR-127, respectively, on August 25, 1988 to take place in 10 installments as set forth in the agreement attached to the application for Amendment dated March 4, 1988. At the completion thereof, Texas Municipal Power Agency is no longer an applicant or construction permit holder.
- **The aggregate ownership amount takes into consideration the presently incomplete transfer of 6.2% ownership interest from the Texas Municipal Power Agency to TU Electric which the staff approved in August 1988.

The license conditions attached to the CPSES construction permit required TU Electric to offer ownership access to entities in a specified area of the state of Texas. As a result of the conditions, several smaller power systems purchased shares in the plant, including Tex-La. For a number of reasons, Tex-La now wishes to sell its 2-1/6% interest in the CPSES back to TU Electric. On March 23, 1989, TU Electric and Tex-La entered into a settlement agreement that provides for the purchase by TU Electric of all of Tex-La's ownership interest in the CPSES and also terminates all pending litigation between the two parties in various District Court proceedings in Texas originating from Tex-La's participation in the CPSES.

Staff review of the request for amendment concluded that a formal antitrust review is not required in view of NRC's determination that the proposed ownership transfer will not adversely impact the existing CPSES antitrust license conditions, nor significantly impact competition in bulk power services in the North Texas area. In light of the fact that there will be no new owners as a result of the proposed amendment, and TU Electric, the recipient of Tex-La's share, is obligated to extensive license conditions, staff concluded that the 2-1/6% increase in TU Electric's ownership interest in the CPSES to 100% will not significantly impact competition in the north Texas area.

Financial Matters

The staff performed a financial qualification review of TU Electric pursuant to the provisions of 10 CFR 50.33(f) and Appendix C to 10 CFR Part 50. These provisions require an applicant to demonstrate that it has reasonable assurance of obtaining the funds necessary to cover estimated construction costs and related fuel cycle costs. TU Electric is planning to finance the cost of purchasing the additional interest in CPSES in the same manner as it finances its overall construction program, including present and previous financing of the CPSES. TU Electric obtains its construction financing in the same general manner and from the same general sources as do most investor-owned electric utilities. Those sources include primarily funds from operations (internal sources), combined with funds obtained from external financing. TU Electric, being a wholly-owned subsidiary of Texas Utilities (TU), sells its common stock to TU, which in turn issues securities to the public. TU Electric sells its preferred stock and bonds directly to the public. To provide for immediate cash requirements during periods between long-term financings, TU Electric obtains short-term loans from TU, which had lines of credit with commercial banks aggregating \$1.0 billion at December 31, 1988.

The financing of the cost of the additional 2-1/6% interest in the CPSES is placed in perspective by reviewing TU Electric's successfully completed construction financing over the past several years and projected financing for the next several years. For calendar years 1986, 1987, and 1988, TU Electric financed total construction expenditures averaging \$1.3 billion per year. These expenditures were covered by internal sources of cash (from electric operations) and external financing. A portion of the funds was used to cover working capital requirements but the majority was used for construction, including the CPSES.

TU Electric's projected system-wide construction program (including the 100% interest in the CPSES) for calendar years 1989, 1990, and 1991 calls for total expenditures averaging \$931 million per year. These projected construction expenditures are in the same general range as actual expenditures for the previous years. The annual cost of the additional interest in CPSES is a small fraction of TU Electric's recent and projected annual construction expenditures and sources of funds.

TU Electric has presented a reasonable financing plan for the additional 2-1/6% interest in the CPSES that it proposes to purchase. Thus, it has demonstrated reasonable assurance that it can obtain the funds to purchase the interest. The staff has concluded that TU Electric is financially qualified to acquire the additional ownership interest in the CPSES.

ENVIRONMENTAL CONSIDERATION

Pursuant to 10 CFR 51.21, 51.32, and 51.35, an environmental assessment and finding of no significant impact has been prepared and published in the Federal Register on August 29, 1989 (54 FR 35737). Accordingly, based on the environmental assessment, the Commission has determined that the issuance of this amendment will not have a significant impact on the quality of the human environment.

CONCLUSION

Amendment No. 11 to Construction Permit No. CPPR-126 and Amendment No. 10 to Construction Permit CPPR-127 are strictly administrative in nature for the purpose of reallocating ownership interest only. No technical conditions have been added or deleted from the construction permits. The staff concludes that: (1) the proposed amendments to Construction Permit Nos. CPPR-126 and CPPR-127, permitting the transfer of ownership interest, do not involve a significant increase in the probability or consequences of accidents previously considered, do not create the possibility of an accident of a type different from any evaluated previously, do not involve a significant decrease in a safety margin, and thus do not involve a significant hazards consideration; (2) there is reasonable assurance that the health and safety of the public will not be endangered by construction and operation in the proposed manner; and (3) such activities will be in compliance with the Commission's regulations, and the issuance of the amendments will not be inimical to the common defense and security or to the health and safety of the public.

Date of Issuance: August 29, 1989

Principal Contributors: W. Lambe, PTSB
J. Petersen, PTSB

UNITED STATES NUCLEAR REGULATORY COMMISSIONDOCKET NOS. 50-445 AND 50-446TEXAS UTILITIES ELECTRIC COMPANY, ET AL*NOTICE OF ISSUANCE OF AMENDMENT TO CONSTRUCTION PERMITS

The U. S. Nuclear Regulatory Commission (the Commission) has issued Amendment No. 11 to Construction Permit CPPR-126 and Amendment No. 10 to Construction Permit CPPR-127 for the Comanche Peak Steam Electric Station (CPSES), Units 1 and 2, respectively, to show a change in ownership interest.

By letter dated May 4, 1989, Texas Utilities Electric Company (TU Electric) requested amendment of Construction Permit Nos. CPPR-126 and CPPR-127 for the CPSES, Units 1 and 2, to reflect the transfer of a 2-1/6% interest in CPSES ownership from Tex-La Electric Cooperative of Texas, Inc. to TU Electric. These amendments will become effective as of the date of completion of the transfer of the ownership interest.

The issuance of these amendments to Construction Permit Nos. CPPR-126 and CPPR-127 complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations. The Commission has made appropriate findings as required by the Act and the

* The current construction permit holders for the Comanche Peak Steam Electric Station are: Texas Utilities Electric Company (TU Electric) and Texas Municipal Power Agency (TMPA). Transfer of ownership from TMPA to TU Electric was previously authorized by Amendments No. 9 and No. 8 to Construction Permits CPPR-126 and CPPR-127, respectively, on August 25, 1988 to take place in 10 installments as set forth in the agreement attached to the application for amendment dated March 4, 1988. At the completion thereof, TMPA is no longer an applicant or construction permit holder.

regulations in 10 CFR Chapter I, which are set forth in Amendments No. 11 and No. 10. Prior public notice of Amendments No. 11 and No. 10 was not required since the amendments do not involve a significant hazards consideration.

The staff has prepared an Environmental Assessment and Finding of No Significant Impact which was published in the Federal Register on August 29, 1989 (54 FR 35737). The staff has concluded that this action will not have a significant impact on the quality on the human environment.

For further details with respect to this action, see (1) the application for amendment dated May 4, 1989, (2) Amendments No. 11 and No. 10 to Construction Permit Nos. CPPR-126 and CPPR-127, respectively, and (3) the Commission's related safety evaluation. All of these items are available for public inspection at the Commission's Public Document Room, 2120 L Street, N. W., Washington, D. C. 20555, and the local public document room at Somervell County Library on the Square, P. O. Box 1417, Glen Rose, Texas 76043.

In addition, copies of items (2) and (3) may be obtained upon request addressed to the U. S. Nuclear Regulatory Commission, Washington, D. C. 20555, Attention: Director, Comanche Peak Project Division, Office of Nuclear Reactor Regulation.

Dated at Rockville, Maryland, this 29th day of August, 1989.

FOR THE NUCLEAR REGULATORY COMMISSION



Christopher I. Grimes, Director
Comanche Peak Project Division
Office of Nuclear Reactor Regulation