

September 14, 1989

Docket No. 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: CORRECTION TO 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 Permit CPPR-127 to reflect a reallocation of ownership interest in the Comanche Peak Steam Electric Station (CPSES), Unit 2. In accordance with your request, the Nuclear Regulatory Commission issued on August 29, 1989 Amendment No. 10 to Construction Permit CPPR-127 for the CPSES, Unit 2, located in Somervell County, Texas.

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

Due to an administrative error, this amendment incorrectly specified the unit number in one place and the construction permit number in another. The Commission has issued the corrected amendment to avoid any potential confusion with regard to the applicable docket for this Amendment No. 10.

A copy of the correction to 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)

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

Enclosures:

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

cc w/enclosures: See next page

DFo1
1/1

DISTRIBUTION

Docket File	JHWilson	BGrimes
NRC PDR	MMalloy	JCalvo
Local PDR	MFields	TBarnhart(4)
DCrutchfield	TQuay	DHagan
ADSP Reading	CThomas	WJJones
CPPD Reading	WLambe	GPA/PA
JPartlow	JPetersen	JGilliland, RIV/PA
CGrimes	OGC	ARM/LFMB
JLyons	FMiraglia	ACRS(10)
RWarnick	EJordan	DMcCaughey

CPPD:NRR	CPPD:NRR	CPPD:NRR	AD:CPPD:NRR	OTSB:NRR	OGC	D:CPPD:NRR
CMorris	MMalloy	MFields	JHWilson:cm	CThomas	JMoore	CIGrimes
09/13/89	09/13/89	09/13/89	09/13/89	09/13/89	09/13/89	09/14/89

8909210181 890914
PDR ADOCK 05000446
A PDC

DFo1
1/1



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

September 14, 1989

Docket No. 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: CORRECTION TO 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 Permit CPPR-127 to reflect a reallocation of ownership interest in the Comanche Peak Steam Electric Station (CPSES), Unit 2. In accordance with your request, the Nuclear Regulatory Commission issued on August 29, 1989 Amendment No. 10 to Construction Permit CPPR-127 for the CPSES, Unit 2, located in Somervell County, Texas.

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

Due to an administrative error, this amendment incorrectly specified the unit number in one place and the construction permit number in another. The Commission has issued the corrected amendment to avoid any potential confusion with regard to the applicable docket for this Amendment No. 10.

A copy of the correction to 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,

A handwritten signature in black ink, reading "C I Grimes".

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

Enclosures:

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

cc w/enclosures: See next page

cc:

Mr. Robert F. Warnick
Assistant Director
for Inspection Programs
Comanche Peak Project Division
U. S. Nuclear Regulatory Commission
P. O. Box 1029
Granbury, Texas 76048

Regional Administrator, Region IV
U. S. Nuclear Regulatory Commission
611 Ryan Plaza Drive, Suite 1000
Arlington, Texas 76011

Ms. Billie Pirner Garde, Esq.
Garde Law Office
104 East Wisconsin Avenue
Appleton, Wisconsin 54911

Mrs. Juanita Ellis, President
Citizens Association for Sound Energy
1426 South Polk
Dallas, Texas 75224

E. F. Ottney
P. O. Box 1777
Glen Rose, Texas 76043

Mr. Roger D. Walker
Manager, Nuclear Licensing
Texas Utilities Electric Company
400 North Olive Street, L. B. 81
Dallas, Texas 75201

Texas Utilities Electric Company
c/o Bethesda Licensing
3 Metro Center, Suite 610
Bethesda, Maryland 20814

William A. Burchette, Esq.
Counsel for Tex-La Electric
Cooperative of Texas
Heron, Burchette, Ruckert & Rothwell
1025 Thomas Jefferson Street, NW
Washington, D.C. 20007

GDS ASSOCIATES, INC.
Suite 720
1850 Parkway Place
Marietta, Georgia 30067-8237

Jack R. Newman, Esq.
Newman & Holtzinger
1615 L Street, NW
Suite 1000
Washington, D.C. 20036

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. 50-446
COMANCHE PEAK STEAM ELECTRIC STATION, UNIT 2
AMENDMENT TO CONSTRUCTION PERMIT

Amendment No. 10 (Corrected Amendment)
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-127 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: September 14, 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.

-
- *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 NO. 50-446TEXAS UTILITIES ELECTRIC COMPANY, ET AL*NOTICE OF ISSUANCE OF CORRECTED AMENDMENT TO CONSTRUCTION PERMIT

On August 29, 1989 (54 FR 37063) the U. S. Nuclear Regulatory Commission (the Commission) issued Amendment No. 10 to Construction Permit No. CPPR-127 for the Comanche Peak Steam Electric Station (CPSES), Unit 2, to show a change in ownership interest.

Due to an administrative error, this amendment did not make clear that the ownership transfer from Tex-La Electric Cooperative of Texas, Inc. to Texas Utilities Electric Company authorized by the amendment was applicable to Unit 2 and Construction Permit CPPR-127.

*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 interest 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.

The Commission has issued a corrected amendment to correctly specify the unit number in one place and the construction permit number in another.

Dated at Rockville, Maryland, this 14th day of September 1989.

FOR THE NUCLEAR REGULATORY COMMISSION

Christopher I. Grimes

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