

DEC 18 1979

Docket Nos. 50-445  
and 50-446

Mr. R. J. Gary  
Executive Vice President  
and General Manager  
Texas Utilities Generating Company  
2001 Bryan Towers  
Dallas, Texas 75201

Dear Mr. Gary:

SUBJECT: AMENDMENTS TO CONSTRUCTION PERMITS FOR COMANCHE PEAK STEAM ELECTRIC  
STATION, UNITS 1 AND 2

Your letter of December 26, 1978, supplemented by your letters of December 14 and 22, 1978, February 22, March 1, July 19, September 18, November 6 and 19, 1979, transmitted an application for amendments to the Comanche Peak construction permits to add the Texas Municipal Power Agency (TMPA) and the Brazos Electric Power Cooperative, Inc. (BEPC) as co-owners of the Comanche Peak Steam Electric Station, Units 1 and 2.

We have reviewed your application and have concluded that Texas Municipal Power Agency and Brazos Electric Power Cooperative, Inc. are financially qualified to participate in the ownership of Comanche Peak and that this action does not involve a significant hazards consideration, does not constitute an unreasonable risk to the health and safety of the public, and is not inimical to the common defense and security. The bases for these conclusions are set forth in the enclosed Safety Evaluation.

We have also concluded that there will be no environmental impact attributable to the proposed action that was not considered in our Final Environmental Statement, and that therefore no environmental impact statement need be prepared for the proposed action. The bases for these conclusions are set forth in the enclosed Environmental Impact Appraisal. Also enclosed is the applicable Negative Declaration.

In response to our request, we have received advice from the Attorney General of the United States. Notice of the receipt of the Attorney General's advice was published in the Federal Register on September 14, 1979 (44 F.R. 53594) for TMPA and on October 10, 1979 (44 F.R. 58558) for BEPC.

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The Attorney General found that both TMPA and BEPC are parties to agreements with Texas Utilities Companies that the Justice Department has construed as preventing or limiting BEPC and TMPA from operating in, or interconnecting with other electric utilities that are operating in interstate commerce. In order to avoid an antitrust hearing, both TMPA and BEPC have agreed that they "would not object to such provisions being deleted from the contracts or enjoined, should such deletion be ordered or an injunction be issued in an administrative or judicial proceeding or be agreed to by the other signatories to the contracts." In addition, BEPC and TMPA have agreed to be bound by the outcome of the ongoing Comanche Peak operating license antitrust proceeding, including any conditions that are attached to the operating licenses as a result of that proceeding. The amendments contain antitrust conditions to reflect these commitments.

Enclosed are Amendment No. 3 to CPPR-126 and Amendment No. 3 to CPPR-127 for Comanche Peak which reflect the changes discussed above, and a copy of a related notice which has been forwarded to the Office of the Federal Register for publication.

Sincerely,

D. B. Vassallo, Acting Director  
 Division of Project Management  
 Office of Nuclear Reactor Regulation

Enclosures:

1. Amendment 3 to CPPR-126
2. Amendment 3 to CPPR-127
3. Safety Evaluation
4. Negative Declaration
5. Environmental Impact Appraisal
6. Federal Register Notice

ccs w/enclosures:  
 See next page

SEE DOCKET NO. 50-445 FOR CONCURRENCES

\*SEE PREVIOUS YELLOW FOR CONCURRENCES

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 JRutberg  
 12/11/79

ELD  
 LChandler  
 12/ /79

OFFICE	DPM:LWR #2	DPM:LWR #2*	DPM:LWR #2	OIA	DPM:LWR:A/AD	DPM:A/D
SURNAME	JLee:ab	SBurwell	RLBaer	JSaltzman	SAVarga	DBVassallo
DATE	12/ /79	12/06/79	12/11/79	12/ /79	12/ /79	12/ /79

Mr. R. J. Gary

The Attorney General found that both TMPA and BEPC are parties to agreements with Texas Utilities Companies that the Justice Department has construed as preventing or limiting BEPC and TMPA from operating in, or interconnecting with other electric utilities that are operating in interstate commerce. In order to avoid an antitrust hearing, both TMPA and BEPC have agreed that they "would not object to such provisions being deleted from the contracts or enjoined, should such deletion be ordered or an injunction be issued in an administrative or judicial proceeding or be agreed to by the other signatories to the contracts." In addition, BEPC and TMPA have agreed to be bound by the outcome of the ongoing Comanche Peak operating license antitrust proceeding, including any conditions that are attached to the operating licenses as a result of that proceeding. The amendments contain antitrust conditions to reflect these commitments.

Enclosed are Amendment No. 3 to CPPR-126 and Amendment No. 3 to CPPR-127 for Comanche Peak which reflect the changes discussed above, and a copy of a related notice which has been forwarded to the Office of the Federal Register for publication.

Sincerely,

Robert L. Baer, Chief  
Light Water Reactors Branch No. 2  
Division of Project Management

Enclosures:

1. Amendment 3 to CPPR-126
2. Amendment 3 to CPPR-127
3. Safety Evaluation
4. Negative Declaration
5. Environmental Impact Appraisal
6. Federal Register Notice

ccs w/enclosures:  
See next page

OFFICE	DEM:LWR #2	DEM:LWR #2	OAI	ELD	ELD	DEM:LWR #2
SURNAME	Jice:ab	SBurwell	JSaltzman	JRutberg	LChandler	RLBaer
DATE	12/6/79	12/6/79	12/ /79	12/ /79	12/ /79	12/17/79

Mr. R. J. Gary

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Project Manager - Nuclear Plants  
Texas Utilities Generating Company  
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Dallas, Texas 75201

Mr. H. R. Rock  
Gibbs and Hill, Inc.  
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New York, New York 10001

Mr. A. T. Parker  
Westinghouse Electric Corporation  
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Environmental Protection Division  
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Mr. R. J. Gary

Ms. Nancy Holdam Jacobson  
 Citizens for Fair Utility  
 Regulation  
 1400 Hemphill  
 Fort Worth, Texas 76104

Mr. Richard Fouke  
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 Arlington, Texas 76010

Resident Inspector/Comanche Peak Nuclear Power Station  
 c/o U. S. Nuclear Regulatory Commission  
 P. O. Box 38  
 Glen Rose, Texas 70642

Director, Technical Assessment Division  
 Office of Radiation Programs  
 U. S. Environmental Protection Agency  
 Crystal Mall #2  
 Arlington, Virginia 20460

U. S. Environmental Protection Agency  
 ATTN: EIS Coordinator  
 Region IV Office  
 1201 Elm Street  
 First International Building  
 Dallas, Texas 75270

Director  
 Governor's Budget and Planning Office  
 Executive Office Building  
 411 West 13th Street  
 Austin, Texas 78701

The Honorable Samuel Freas  
 County Judge  
 P. O. Box 859  
 Glen Rose, Texas 76043

Dallas Power and Light Company  
 1506 Commerce Street  
 Dallas, Texas 75201

Texas Electric Service Company  
 115 West Seventh Street  
 Fort Worth, Texas 76201

Mr. R. J. Gary

cc: Texas Power and Light Company  
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Dallas, Texas 75201

Texas Municipal Power Agency  
500 Arlington Downs Tower  
2225 Randol Mill Road  
Arlington, Texas 76011

Brazos Electric Power Cooperative, Inc.  
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2404 LaSalle Avenue  
Waco, Texas 76706

Mr. Paul Gosselink  
Texas Attorney General's Office  
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Capitol Station  
Austin, Texas 78711

Federal Energy Regulatory Commission  
825 North Capitol Street, N. E.  
Washington, D. C. 20426

Chairman  
Texas Public Utility Commission  
7800 Shoal Creek Boulevard  
Suite 400N  
Austin, Texas 78757

TEXAS UTILITIES GENERATING COMPANY  
DALLAS POWER AND LIGHT COMPANY  
TEXAS ELECTRIC SERVICE COMPANY  
TEXAS POWER AND LIGHT COMPANY  
TEXAS MUNICIPAL POWER AGENCY  
BRAZOS ELECTRIC POWER COOPERATIVE, INC.

DOCKET NO. 50-445

COMANCHE PEAK STEAM ELECTRIC STATION, UNIT NO. 1

CONSTRUCTION PERMIT

Amendment No. 3  
Construction Permit No. CPPR-126

1. The Nuclear Regulatory Commission (the Commission) having found that:
  - A. The application for amendment to Construction Permit No. CPPR-126 transmitted by Texas Utilities Generating Company letters dated December 26, 1978, supplemented by letters dated December 14 and 22, 1978, February 22, March 1, July 19, September 18, November 6 and 19, 1979 for the purpose of adding Texas Municipal Power Agency and Brazos Electric Power Cooperative, Inc. as co-owners of Comanche Peak Steam Electric Station, Unit 1 (the facility) complies with the standards and requirements of the Atomic Energy Act of 1954, as amended, and the Commission's rules and regulations set forth in 10 CFR Chapter I;
  - B. The Texas Municipal Power Agency and Brazos Electric Power Cooperative, Inc. are qualified to finance their ownership interests in the facility;
  - C. 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
  - D. Issuance of this amendment will result in no environmental impacts not previously considered.
2. Accordingly, Construction Permit No. CPPR-126 is amended to reflect a change in the ownership of the facility, as follows:
  - A. All references to Applicants (except as specified in Paragraph 3.D) shall include Texas Municipal Power Agency and Brazos Electric Power Cooperative, Inc.
  - B. Paragraph 2 is amended by adding the following sentence: Texas Utilities Generating Company has sole responsibility for the design, construction, operation and maintenance of the facility.

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C. Paragraph 3.D(1) is revised as follows:

"(1) The following definitions apply to paragraph 3.D(2):"

D. Paragraph 3.D(2) is revised as follows:

"(2) The applicants defined in Paragraph 3.D(1)(a) are subject to the following antitrust conditions:"

E. The following Paragraph 3.D(3) is added:

"(3) Brazos Electric Power Cooperative, Inc. and Texas Municipal Power Agency are subject to the following antitrust conditions:

(a) Brazos Electric Power Cooperative, Inc. and Texas Municipal Power Agency will not object to the deletion of contractual provisions preventing or limiting them from operating in, or interconnecting with other electric utilities that are operating in interstate commerce, should such deletion be ordered or an injunction be issued in an administrative or judicial proceeding or be agreed to by the other signatories to the contracts.

(b) Brazos Electric Power Cooperative, Inc. and Texas Municipal Power Agency agree to be bound by the outcome of the operating license antitrust proceeding for Comanche Peak, including any conditions that are attached to the operating licenses as a result of that proceeding."

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

FOR THE NUCLEAR REGULATORY COMMISSION

D. B. Vassallo, Acting Director  
Division of Project Management  
Office of Nuclear Reactor Regulation

Date of Issuance: DEC 18 1979

SEE DOCKET NO. 50-445 FOR CONCURRENCES

\*SEE PREVIOUS YELLOW FOR CONCURRENCES

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JRutberg  
12/11/79

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LChandler  
12/ /79

OFFICE	DPM:LWR #2	DPM:LWR #2*	OAI	DPM:LWR #2	DPM:LWR:A/AD	DPM:A/D
SURNAME	JLab	SBurwell	JSaltzman	RLBaer	SAVarga	DBVassallo
DATE	12/3/79	12/06/79	12/ /79	12/11/79	12/ /79	12/ /79

C. Paragraph 3.D(1)(a) is replaced as follows:

"Applicants" means severally and jointly Texas Utilities Generating Company, Dallas Power and Light Company, Texas Electric Service Company, Texas Power and Light Company, Texas Utilities Company, Texas Municipal Power Agency, Brazos Electric Power Cooperative, Inc. and each other subsidiary, affiliate or successor company engaged in the generation, transmission and/or the distribution of electric power in the State of Texas.

D. Paragraphs 3.D(2)(1) and 3.D(2)(m) are added as follows:

(1) Brazos Electric Power Cooperative, Inc. and Texas Municipal Power Agency will not object to the deletion of contractual provisions preventing or limiting them from operating in, or interconnecting with other electric utilities that are operating in interstate commerce, should such deletion be ordered or an injunction be issued in an administrative or judicial proceeding or be agreed to by the other signatories to the contracts.

(m) Brazos Electric Power Cooperative, Inc. and Texas Municipal Power Agency agree to be bound by the outcome of the operating license antitrust proceeding for Comanche Peak, including any conditions that are attached to the operating licenses as a result of that proceeding.

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

FOR THE NUCLEAR REGULATORY COMMISSION.

D. B. Vassallo, Acting Director  
Division of Project Management  
Office of Nuclear Reactor Regulation

Date of Issuance:

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OFFICE	DPM:LWR #2	DPM:LWR #2	OAI	DPM:LWR #2	DPM:LWR:A/AD	DPM:A/D
SURNAME	JLize	SBurwell	JSaltzman	RIBaer	SVarga	DBVassallo
DATE	12/ /79	12/66/79	12/ /79	12/ /79	12/ /79	12/ /79

TEXAS UTILITIES GENERATING COMPANY  
DALLAS POWER AND LIGHT COMPANY  
TEXAS ELECTRIC SERVICE COMPANY  
TEXAS POWER AND LIGHT COMPANY  
TEXAS MUNICIPAL POWER AGENCY  
BRAZOS ELECTRIC POWER COOPERATIVE, INC.

DOCKET NO. 50-446

COMANCHE PEAK STEAM ELECTRIC STATION, UNIT NO. 2

CONSTRUCTION PERMIT

Amendment No. 3  
Construction Permit No. CPPR-127

1. The Nuclear Regulatory Commission (the Commission) having found that:
  - A. The application for amendment to Construction Permit No. CPPR-127 transmitted by Texas Utilities Generating Company letters dated December 26, 1978, supplemented by letters dated December 14 and 22, 1978, February 22, March 1, July 19, September 18, November 6 and 19, 1979 for the purpose of adding Texas Municipal Power Agency and Brazos Electric Power Cooperative, Inc. as co-owners of Comanche Peak Steam Electric Station, Unit 2 (the facility) complies with the standards and requirements of the Atomic Energy Act of 1954, as amended, and the Commission's rules and regulations set forth in 10 CFR Chapter I;
  - B. The Texas Municipal Power Agency and Brazos Electric Power Cooperative, Inc. are qualified to finance their ownership interests in the facility;
  - C. 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
  - D. Issuance of this amendment will result in no environmental impacts not previously considered.
2. Accordingly, Construction Permit No. CPPR-127 is amended to reflect a change in the ownership of the facility, as follows:
  - A. All references to Applicants (except as specified in Paragraph 3.D) shall include Texas Municipal Power Agency and Brazos Electric Power Cooperative, Inc.
  - B. Paragraph 2 is amended by adding the following sentence: Texas Utilities Generating Company has sole responsibility for the design, construction, operation and maintenance of the facility.

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DATE					

C. Paragraph 3.D(1) is revised as follows:

"(1) The following definitions apply to paragraph 3.D(2):"

D. Paragraph 3.D(2) is revised as follows:

"(2) The applicants defined in Paragraph 3.D(1)(a) are subject to the following antitrust conditions:"

E. The following Paragraph 3.D(3) is added:

"(3) Brazos Electric Power Cooperative, Inc. and Texas Municipal Power Agency are subject to the following antitrust conditions:

(a) Brazos Electric Power Cooperative, Inc. and Texas Municipal Power Agency will not object to the deletion of contractual provisions preventing or limiting them from operating in, or interconnecting with other electric utilities that are operating in interstate commerce, should such deletion be ordered or an injunction be issued in an administrative or judicial proceeding or be agreed to by the other signatories to the contracts.

(b) Brazos Electric Power Cooperative, Inc. and Texas Municipal Power Agency agree to be bound by the outcome of the operating license antitrust proceeding for Comanche Peak, including any conditions that are attached to the operating licenses as a result of that proceeding."

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

FOR THE NUCLEAR REGULATORY COMMISSION

Original signed by

D. B. Vassallo, Acting Director  
Division of Project Management  
Office of Nuclear Reactor Regulation

Date of Issuance:

SEE DOCKET NO. 50-445 FOR CONCURRENCES

\*SEE PREVIOUS YELLOW FOR CONCURRENCES

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JRutberg    LChandler  
12/11/79    12/ /79

OFFICE	DPM:LWR #0	DPM:ENR #2*	ORI	DPM:LWR #2	DPM:LWR:A/AD	DPM:A/D
SURNAME	JLee:ab	SBurwell	JSaltzman	RLBaer	SAVarga	DBVassallo
DATE	12/13/79	12/06/79	12/ /79	12/17/79	12/ /79	12/ /79

C. Paragraph 3.D(1)(a) is replaced as follows:

"Applicants" means severally and jointly Texas Utilities Generating Company, Dallas Power and Light Company, Texas Electric Service Company, Texas Power and Light Company, Texas Utilities Company, Texas Municipal Power Agency, Brazos Electric Power Cooperative, Inc. and each other subsidiary, affiliate or successor company engaged in the generation, transmission and/or the distribution of electric power in the State of Texas.

D. Paragraphs 3.D(2)(1) and 3.D(2)(m) are added as follows:

(1) Brazos Electric Power Cooperative, Inc. and Texas Municipal Power Agency will not object to the deletion of contractual provisions preventing or limiting them from operating in, or interconnecting with other electric utilities that are operating in interstate commerce, should such deletion be ordered or an injunction be issued in an administrative or judicial proceeding or be agreed to by the other signatories to the contracts.

(m) Brazos Electric Power Cooperative, Inc. and Texas Municipal Power Agency agree to be bound by the outcome of the operating license antitrust proceeding for Comanche Peak, including any conditions that are attached to the operating licenses as a result of that proceeding.

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

FOR THE NUCLEAR REGULATORY COMMISSION.

D. B. Vassallo, Acting Director  
Division of Project Management  
Office of Nuclear Reactor Regulation

Date of Issuance:

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SURNAME ▶	JLerab	SBurwell	JSaltzman	RLBaer	SVarga	DBVassallo
DATE ▶	12/6/79	12/6/79	12/ /79	12/ /79	12/ /79	12/ /79

## SAFETY EVALUATION

### SUPPORTING AMENDMENT NO. 3 TO CPPR-126 AND CPPR-127

#### INTRODUCTION

On December 19, 1974, Construction Permits CPPR-126 and CPPR-127 were issued to the Texas Utilities Generating Company, Dallas Power and Light Company, Texas Electric Service Company and Texas Power and Light Company for the Comanche Peak Steam Electric Station, Units 1 and 2. Amendments 1 and 2 to these construction permits modified the Conditions 3.E.(7) and 3.E.(8) relative to the protection of the environment. Amendments 1 and 2 were issued December 4, 1978; and November 16, 1979 respectively.

By its letter of December 26, 1978, the Texas Utilities Generating Company submitted an "Application for Amendment of Construction Permits to Reflect Additional Ownership Interests" on behalf of itself, the above named co-owners and the Texas Municipal Power Agency (as future co-owners) and the Brazos Electric Power Cooperative, Inc. (as future co-owners). The application for amendment stated that the Joint Ownership Agreement provides for transfer of ownership interests aggregating 10 percent from the Dallas Power and Light Company such that Texas Municipal Power Agency acquires a 6.2 percent interest and Brazos Electric Power Cooperative, Inc. acquires a 3.8 percent interest. Dallas Power and Light Company's interest will be reduced to 23-1/3 percent while Texas Power and Light Company and Texas Electric Service Company each will retain its 33-1/3 percent ownership share. Entitlements to output correspond to ownership shares.

By its letter of November 19, 1979, the Texas Utilities Generating Company submitted an "Amendment 1 to Application for Amendment of Construction Permits to Reflect Additional Ownership Interests." This submittal requested that the amendments to the construction permits be issued in two parts; i.e., the first part to be issued promptly upon completion of the NRC staff review of either proposed co-owner, and the second part to be issued upon completion of the NRC staff review of the other proposed co-owner. This change in the request provides for the issuance of the requested amendments in two parts so that any delay in completing the review as to the acquisition of an ownership interest by one party need not delay the acquisition of an ownership interest by the other party. We find the course of action requested by this letter to be no longer desirable for reasons explained below.

On December 3, 1979, the Rural Electrification Administration issued a Loan Guarantee Notice to Brazos Electric Power Cooperative, Inc. A loan to be obtained from the Federal Financing Bank is to be used to finance the Cooperative's 3.8 percent undivided ownership interest in the Comanche Peak Steam Electric Station, Units 1 and 2 and in related transmission facilities.

At this time the NRC staff has completed its review of all safety-significant matters related to the issuance of construction permit amendments as requested in the December 1978 application. This Safety Evaluation is therefore issued.

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in support of Amendments No. 3 to Construction Permits CPPR-126 and CPPR-127 admitting both the Texas Municipal Power Agency and Brazos Electric Power Cooperative, Inc. as co-applicants for the Comanche Peak facility.

The purpose of this Safety Evaluation is to examine the impact of the proposed change in ownership shares as described above on the conclusions presented in Section 21.0 of the "Safety Evaluation of the Comanche Peak Steam Electric Station, Units 1 and 2," issued September 3, 1974. Specifically, the evaluation will address the resultant changes or lack of changes:

1. In the design of the facility or requirements for safety-related information (Items 1 through 4).
2. In the technical qualifications of the applicants to design and construct the proposed facility (Item 5).
3. In the financial qualifications of the applicants; i.e., the qualifications of the proposed new co-owners to share in the design and construction of the facility (Item 6).
4. In the conclusions concerning the common defense and security (Item 7).
5. In the conclusions concerning the health and safety of the public (Item 7).

In accordance with ALAB-459 (Marble Hill), February 16, 1978 which held that co-owners will be deemed to be co-applicants, this application for amendments is construed to include Texas Municipal Power Agency and Brazos Electric Power Corporation, Inc., each as a co-applicant as well as a co-owner.

EVALUATION

We have reviewed this application for amendment submitted on December 26, 1978, and supplemented by letters of July 19, September 18, November 6, and November 19, 1979. Our review of safety-related matters and our conclusions concerning each item are described in the following subsections of this evaluation report.

Design of the Facility

We have reviewed the application for amendments submitted by the letter of December 26, 1978, and find no information which leads us to conclude that the requested amendments to the construction permits will result in design changes to the facility. We note the above dated letter states "...the proposed amendments are pro forma, administrative in nature and have no safety or environmental significance..." We interpret that quote to be a statement of the applicants' intent regarding the requested action. We have also reviewed the Joint Ownership Agreement submitted by the letter of September 18, 1979, and find no information which leads us to conclude that the requested amendments to the construction permits will result in design changes to the facility.

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In addition, the Texas Utilities Generating Company in a letter dated November 6, 1979 states, "there will be no changes in plant design as a result of TMPA and BEPC becoming part owners of Comanche Peak."

On the basis of our review of the application for amendments, the Joint Ownership Agreement, and the above statement by the Texas Utilities Generating Company, we conclude that the participation of either or both of the two proposed new co-owners in the manner described will not result in safety-significant design changes to the facility. Further, we find that our conclusions (1) through (4) in Section 21.0 of the Safety Evaluation of the Comanche Peak Steam Electric Station, Units 1 and 2, will not be altered by the issuance of the requested amendments to the construction permits.

Technical Qualifications of the Applicants

In Section 13 of the Safety Evaluation of the Comanche Peak Steam Electric Station, Units 1 and 2, we noted, "The Texas Utilities Generating Company will be responsible for the design, construction, operation and maintenance of the Comanche Peak Steam Electric Station, Units 1 and 2." The application for amendments states that, "TUGCO (Texas Utilities Generating Company) will retain exclusive responsibility for the design, construction, operation and maintenance of CPSES..." We conclude that the responsible corporate body with its organizational structure and staff previously found acceptable remain unchanged upon the addition of either or both the two proposed new co-owners. Further, we find that the technical qualifications of the applicants as a collective body remain undiminished and that our conclusion (5) in Section 21.0 of the Safety Evaluation of the Comanche Peak Steam Electric Station, Units 1 and 2, will not be altered by the issuance of the requested amendments to the construction permits.

Financial Qualifications of the Applicants, Scope of Review

Texas Utilities Generating Company, Dallas Power and Light Company, Texas Electric Service Company, and Texas Power and Light Company are presently holders of Construction Permits CPPR-126 and 127 for the Comanche Peak Steam Electric Station, Unit Nos. 1 and 2. By letter dated December 26, 1978, Texas Utilities Generating Company, which is the lead applicant and agent for the owners, requested that CPPR-126 and CPPR-127 be amended to provide that the Texas Municipal Power Agency and Brazos Electric Power Cooperative, Inc. be included as co-owners in the Comanche Peak facility. An evaluation of the proposed new applicants' financial qualifications is presented here.

The NRC regulations relating to the determination of an applicant's financial qualifications appear in Section 50.33(f) and Appendix C to 10 CFR Part 50. These regulations state that there must be reasonable assurance that an applicant can obtain the necessary funds to cover the estimated construction cost of a proposed nuclear power plant and its related fuel cycle costs. This standard of reasonable assurance, however, must be viewed in light of the extended period

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of time from the start of construction to the date of commercial operation. The dates for commercial operation of the proposed Comanche Peak facility is estimated in the Joint Ownership Agreement to be January 1981 for Unit 1 and January 1983 for Unit 2. Consequently, we must make certain basic assumptions in our financial analysis about future conditions. Our analysis of the applicants' financial qualifications assumes that there will be rational regulatory policies with respect to the setting of rates and that viable capital markets will exist. The former assumption implies that rates will be set by the appropriate regulatory agencies to at least cover the cost of service, including the cost of capital. The latter assumption implies that capital will be available at some price. Given these fundamental assumptions our evaluation is then focused on the reasonableness of the applicant's financial planning.

The applicants have submitted financial information in support of their application. The following analysis summarizes our review of the information, and gives the qualifications of the applicants to finance their share of the costs of the design and construction of the proposed Comanche Peak Station.

Construction Cost Estimates

The most recent cost estimates for the Comanche Peak facility are provided in the applicants' letter of December 26, 1978. The cost estimates are summarized as follows:

(millions of dollars)

Total nuclear production plant costs \$1,395.7

We have compared the cost of the proposed nuclear production plant estimated by the applicants' with the cost projected by the costing model (CONCEPT) developed by the Department of Energy. This analytical model projected the cost of the Comanche Peak facility to be \$1,517.0 million, compared with the applicants' estimate of \$1,395.7 million. The CONCEPT estimates are based on industry-wide costs and take into account items of overhead and other costs that are generally found in the construction of a facility. Since the CONCEPT model is used primarily as a rough check of the cost estimate made by the applicants' and is not intended to be a substitute for detailed engineering cost estimates, we conclude that it is reasonable to use the applicants' estimate in our financial analysis.

Source of Construction Funds

The Joint Ownership Agreement describes the shared ownership in the project and fuel as co-tenants with an undivided interest, having the related rights and obligations according to the following percentages:

Dallas Power and Light Company 23-1/3%  
Texas Electric Service Company 33-1/3%  
Texas Power and Light Company 33-1/3%

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Texas Municipal Power Agency	6.2%
Brazos Electric Power Cooperative, Inc.	<u>3.8%</u>
TOTAL	100.00%

Texas Utilities Generating Company, while having no ownership interest in the project, acts as an agent for all the participants in matters relating to the design, construction and operation of the project. The percent allocation is based on the Joint Ownership Agreement, which will become effective at the time the amendment to the construction permits are issued by the NRC. Under the terms of the Joint Ownership Agreement, the Texas Municipal Power Agency and Brazos Electric Power Cooperative will pay their pro-rata share for all construction completed at the time of closing, and make periodic payments on a monthly basis for their pro-rata share of construction costs after closing.

Financial Analysis of the Texas Municipal Power Agency

The Legislature of the State of Texas on May 8, 1975 enacted legislation that enables municipal electric systems in the State of Texas to jointly plan, develop, construct and operate generation and transmission facilities. The legislation also permitted the issuance of revenue bonds to finance the construction of jointly-owned facilities.

The Texas Municipal Power Agency was created in July 1975, by the cities of Bryan, Denton, Garland and Greenville, Texas to be the entity responsible for coordinating the planning, construction, operation and financing of jointly-owned power facilities. In addition to the 6.2% ownership interest in the Comanche Peak facility, the Agency also has under construction a lignite-fired 400 MW Gibbons Creek Steam Generating Station. At present, the Agency has no operational facilities, but it expects to become a wholesale supplier as the above-noted facilities come into operation.

The Texas Municipal Power Agency will finance its share of the cost of construction for the Comanche Peak facility through the issuance of revenue bonds. The Agency is authorized by law to issue revenue bonds to finance the construction of the proposed ownership participation. On August 15, 1978, \$250,000,00.00 in 1978 Series revenue bonds were sold. The issue was rated A+ by Standard and Poor's Corporation and A by Moody's Investor's Service. An A rating by either service indicates good grade bonds, with principal and interest payments regarded as safe. This, coupled with an earlier \$50,000,000.00 Series 1976 bond issue brought the Agency's total indebtedness to \$300,000,000.00 at the time the application for amendments was submitted. Additional bonds will be issued to finance the balance of the amount owed for the Agency's ownership interest in the Comanche Peak facility.

To support the repayment of the bonded debt, the Texas Municipal Power Agency has entered into Power Sales Contracts with the cities of Bryan, Denton, Garland and Greenville. Under the terms of the contracts, the municipalities are obligated to purchase, if available, all of the municipalities' power and energy

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requirements in excess of the amounts generated by the cities' existing municipal systems. Additionally, under the terms of the Power Sales Contract between the Agency and the municipalities, the participating municipalities agree to establish rates sufficient to pay the Texas Municipal Power Agency all amounts required to fully amortize all bonded indebtedness and cover all other operating costs.

The Agency was empowered to establish and maintain rates which will be reasonable and in accordance with prudent utility practices, under the 1975 legislation providing for the creation of joint power agencies. This legislation also provided that the Texas Municipal Power Agency secure the approval of the Attorney General of Texas for all bond issues. Past issues of the Agency's bonds have been approved by the Attorney General.

Financial Analysis of the Brazos Electric Power Cooperative, Inc.

Brazos Electric Power Cooperative, Inc. was incorporated under the Rural Electric Cooperative Act of the State of Texas in 1941. Brazos was formed for the purpose of providing power at wholesale rates to rural electric distribution cooperatives. Brazos is presently owned by and serves the following nineteen (19) rural electric distribution cooperatives which were organized and are operating under the Rural Electric Cooperative Act of the State of Texas:

- Bartlett Electric Coop., Inc.
- Belfalls Electric Coop., Inc.
- Hill County Electric Coop., Inc.
- Limestone County Electric Coop., Inc.
- Denton County Electric Coop., Inc.
- McLennan County Electric Coop., Inc.
- Navarro County Electric Coop., Inc.
- Cooke County Electric Coop., Inc.
- Erath County Electric Coop., Assn.
- Hamilton County Electric Coop., Assn.
- J-A-C Electric Cooperative Assn.
- Johnson County Electric Coop., Assn.
- Wise Electric Coop., Inc.
- Comanche County Electric Coop., Assn.
- Fort Belknap Electric Coop., Inc.
- Tri-County Electric Coop., Inc.
- Mid-South Electric Coop., Assn.
- Robertson Electric Coop., Inc.
- B-K Electric Cooperative, Inc.

Brazos has both generation and transmission capability. The 3.8% ownership interest in the Comanche Peak facility will enable the Cooperative to have a diversified fuel mix in its generation capability.

The major part of the facilities constructed by the Brazos Electric Power Cooperative, Inc. have been financed by loans from the Rural Electrification Administration. Since 1941, Brazos Electric Power Cooperative, Inc. has obtained

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approved loans from the Rural Electrification Administration, the National Rural Utilities Cooperative Finance Corporation, and the Federal Financing Bank in the sum of \$178,698,000.00, plus assuming debts of its members in the sum of \$183,870.88.

Brazos Electric Power Cooperative, Inc. will finance its share of the cost of construction of the Comanche Peak facility through loans guaranteed by the Rural Electrification Administration. On May 30, 1979, the Board of Directors for the Brazos Electric Power Cooperative, Inc. passed a resolution that it make application to the Rural Electrification Administration for a loan guarantee in the amount of \$97,504,000.00. The loan is to be used to finance a 3.8 percent ownership participation in the Comanche Peak Steam Electric Station, Units 1 and 2, and in related transmission facilities.

On December 3, 1979, the Rural Electrification Administration issued a Loan Guarantee Commitment in the amount of \$97,500,000 to Brazos Electric Power Cooperative, Inc. On the same date the Rural Electrification Administration issued a Commitment Notice confirming that by agreement between itself and the Federal Financing Bank, the latter is committed to provide a loan to Brazos Electric Power Cooperative, Inc. in the above amount. With these commitments we conclude that Brazos Electric Power Cooperative, Inc. has provided reasonable assurance that funds can be obtained to finance its share in the Comanche Peak facility.

Brazos Electric Power Cooperative, Inc. is under the jurisdiction of the Texas Public Utility Commission. This matter, however, is currently being litigated by the cooperatives on the basis that the federal government has the ultimate power to regulate rates through its lending authority. The Texas Public Utility Commission has recognized the validity of the Rural Electrification Administration Mortgage requirements. Furthermore, Brazos sells power and the member distribution cooperatives purchase power under an all requirements contract which allows Brazos to meet its financial obligations and requires the member distribution cooperatives to purchase all power requirements from Brazos.

Financial Qualification Conclusions

Based on our analysis, we have concluded that the Texas Municipal Power Agency and the Brazos Electric Power Cooperative, Inc. have financing plans that provide a reasonable assurance that funds can be obtained to finance their respective shares in the Comanche Peak facility. We have determined that the proposed new co-applicants are financially qualified to participate in the design and construction of the subject facility in the ratio of their percentage as set forth above. This conclusion is based on the determination that both proposed new co-applicants have reasonable assurance of obtaining the required capital funds. Furthermore, both proposed new co-applicants have a rate-setting authority that permits them to set rates at such levels that will enable them to secure adequate financing. Therefore, we find that our conclusion (6) in Section 21.0 of the Safety Evaluation of the Comanche Peak Steam Electric Station, Units 1 and 2, will not be altered by the issuance of the requested amendments to the construction permits.

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Common Defense and Security

The application for amendments states that neither Texas Municipal Power Agency nor Brazos Electric Power Cooperative, Inc., is owned, controlled or dominated by an alien, a foreign corporation or a foreign government. In the application for amendments Texas Municipal Power Agency and Brazos Electric Power Cooperative, Inc., each agree that it will not permit any individual to have access to Restricted Data until the NRC has determined that such access will not endanger the common defense and security. On the basis of the above statement and agreement, we conclude that the issuance of the requested amendments to the construction permit adding either or both of the above utilities as co-applicants will not be inimical to the common defense and security. Further, we find that our conclusion (7) regarding common defense and security in Section 21.0 of the Safety Evaluation of the Comanche Peak Steam Electric Station, Units 1 and 2 will not be altered by the issuance of the requested amendments to the construction permits.

SUMMARY OF THE SAFETY EVALUATION

We have examined the impact on safety considerations of amending Construction Permits CPPR-126 and CPPR-127 to add the Texas Municipal Power Agency and Brazos Electric Power Cooperative, Inc. as co-applicants and co-owners of undivided shares in the Comanche Peak Steam Electric Station, Units 1 and 2. We have concluded that:

1. The requested amendments will not result in safety significant design changes to the facility,
2. The technical qualifications of the applicants will not be diminished,
3. The two new proposed co-applicants are financially qualified to participate as described in the design and construction of the facility; and
4. The requested amendments will not endanger the common defense and security.

On the basis of the above conclusions, we find that the issuance of the requested amendments adding the Texas Municipal Power Agency and the Brazos Electric Power Cooperative, Inc. as co-applicants will not be inimical to the health and safety of the public, and that our conclusion (7) regarding this matter in Section 21.0

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of the Safety Evaluation of the Comanche Peak Steam Electric Stations, Units 1 and 2 will remain unaltered. Further, we find that the requested amendments do not involve a significant hazards consideration because this action will not involve a significant increase in the probability or consequences of an accident, and this action will not involve a significant decrease in safety margin.

Original signed by

Spottswood B. Burwell, Project Manager  
Light Water Reactors Branch No. 2  
Division of Project Management

Original signed by  
Robert L. Baer

Robert L. Baer, Chief  
Light Water Reactors Branch No. 2  
Division of Project Management

Dated: DEC 18 1979

SEE DOCKET NO. 50-445 FOR CONCURRENCES

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DATE	12/04/79	12/1/79	12/1/79	12/17/79		

NEGATIVE DECLARATION

SUPPORTING AMENDMENTS NO. 3 TO CPPR-126 AND CPPR-127

RELATING TO CHANGE IN OWNERSHIP INTERESTS

COMANCHE PEAK STEAM ELECTRIC STATION UNIT NOS. 1 AND 2

TEXAS UTILITIES GENERATING COMPANY, ET AL.

DOCKET NOS. 50-445 AND 50-446

The U. S. Nuclear Regulatory Commission (the Commission) has reviewed the amendments to Construction Permits CPPR-126 and CPPR-127 relating to changes in ownership interests in the Comanche Peak Steam Electric Station, Unit Nos. 1 and 2, located in Somervell County, Texas. The construction permits are issued to the Texas Utility Generating Company. The amendments would include the Texas Municipal Power Agency and the Brazos Electric Power Cooperative, Incorporated, as co-owners of the facility with the present owners.

In accordance with 10 CFR Part 51, the Commission's Division of Site Safety and Environmental Analysis has prepared an environmental impact appraisal (EIA) for the amendment. The Commission has concluded that an environmental impact statement for this action is not warranted, because there will be no adverse environmental impacts affecting the quality of the human environment attributable to the proposed action that would be in addition to those impacts evaluated in the Commission's Final Environmental Statement for Comanche Peak Steam Electric Station, Unit Nos. 1 and 2, issued in June 1974. A negative declaration is, therefore, appropriate.

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The environmental impact appraisal is available for public inspection at the Commission's Public Document Room, 1717 H Street, NW, Washington, DC, and at the local public document room located at the Somervell County Public Library, P. O. Box 417, Glen Rose, Texas. A copy of the EIA may be obtained upon request addressed to the U.S. Nuclear Regulatory Commission, Washington, DC, 20555, Attention: Director, Division of Site Safety and Environmental Analysis.

Dated at Bethesda, Maryland, this 18th day of December 1979.

FOR THE NUCLEAR REGULATORY COMMISSION

Original signed by

Ronald L. Ballard, Chief  
Environmental Projects Branch 1  
Division of Site Safety and  
Environmental Analysis

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DATE	12/5/79	12/ /79				

ENVIRONMENTAL IMPACT APPRAISAL

BY THE DIVISION OF SITE SAFETY AND ENVIRONMENTAL ANALYSIS

SUPPORTING AMENDMENTS NO. 3 TO CPPR-126 AND CPPR-127

RELATING TO CHANGE IN OWNERSHIP INTEREST IN

COMANCHE PEAK STEAM ELECTRIC STATION UNIT NOS. 1 AND 2

DOCKET NOS. 50-445 AND 50-446

Description of the Proposed Action

By letter dated December 26, 1978, and as updated by letter dated November 19, 1979, Texas Utilities Generating Company (TUGCO) filed a request with the Nuclear Regulatory Commission to reflect additional ownership interest in the Comanche Peak Steam Electric Station, Unit Nos. 1 and 2 (the Station). The action proposed by the permittee is the issuance of amendments to Construction Permits CPPR-126 and CPPR-127 that would specify the Texas Municipal Power Agency (TMPA) and the Brazos Electric Power Cooperative, Incorporated (BEPC) as additional co-owners of the Station. At this time, Station ownership rests with Dallas Power & Light Company (DP&L), Texas Power & Light Company (TP&L), and Texas Electric Service Company (TESCO), each of whom has a 33-1/3% ownership in the Station. The amendments would reduce the DP&L interest to 23-1/3% and would assign a 6.2% interest to TMPA and a 3.8% interest to BEPC. TUGCO, the present holder of Construction Permits CPPR-126 and CPPR-127, will retain exclusive responsibility for the design, construction, operation, and maintenance of the Station, and will act as agent for all owners in connection with all aspects of NRC licensing and regulation.

The staff's final Environmental Statement (FES) relating to construction of the Station was published in June 1974.

Environmental Impact of the Proposed Action

TMPA was created in July 1975 by the cities of Bryan, Denton, Garland, and Greenville, Texas, to obtain the economic advantages of jointly financing, constructing, and operating large generating units to supply the growing energy needs of the cities. The major generation facilities of this program are the lignite-fired 400 MW Gibbons Creek Steam Electric Station scheduled for service in 1982 and the proposed 6.2% ownership interest in the Comanche Peak Steam Electric Station. TMPA expects to become a wholesale supplier of electricity to the cities noted earlier when these facilities

begin operation. 3/

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BEPC was incorporated under the Rural Electric Cooperative Act of the State of Texas in 1941. The cooperative presently serves 19 rural electric distribution cooperatives of Texas. From its inception, BEPC has provided generation and transmission services to its members and presently has in operation three generating stations with a combined output of 465 MW of thermal generation and 53 MW of hydro generation. BEPC is presently constructing an additional 400 MW of thermal generation through association with another Texas cooperative. BEPC has approximately 2000 miles of transmission facilities serving its members in 55 central and north Texas counties. The 3.8% ownership interest in the Station will integrate into BEPC's long-range generation plans and will provide an additional fuel supply for use in meeting future generation requirements.<sup>1/</sup>

No additional transmission facilities or facility modifications will be required as a result of including TMPA and BEPC as co-owners of the Station.<sup>2/</sup> No changes in the plant design will be required as a result of this action,<sup>2/</sup> and TUGCO will remain the organization responsible for Station design, construction, and operation.

Conclusion and Basis for Negative Declaration

On the basis of the foregoing information, the NRC concludes that there will be no environmental impacts resulting from the proposed action in addition to those impacts predicted and evaluated in the Commission's Final Environmental Statement issued in June 1974, the Atomic Safety and Licensing Board's Partial Initial Decision of October 11, 1974, and that Board's Initial Decision of December 12, 1974. Having reached this conclusion, the staff has further concluded that no environmental impact statement for the proposed action need be prepared, and that a negative declaration to this effect is appropriate.

Dated: DEC 13 1979

R. W. Froelich, Project Manager  
 Environmental Projects Branch 1  
 Division of Site Safety and  
 Environmental Analysis

Ronald L. Ballard, Chief  
 Environmental Projects Branch 1  
 Division of Site Safety and  
 Environmental Analysis

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UNITED STATES NUCLEAR REGULATORY COMMISSION  
DOCKET NOS. 50-445 AND 50-446

TEXAS UTILITIES GENERATING COMPANY  
DALLAS POWER AND LIGHT COMPANY  
TEXAS ELECTRIC SERVICE COMPANY  
TEXAS POWER AND LIGHT COMPANY  
TEXAS MUNICIPAL POWER AGENCY  
BRAZOS ELECTRIC POWER COOPERATIVE, INC.

NOTICE OF ISSUANCE OF AMENDMENTS TO CONSTRUCTION PERMITS

Notice is hereby given that the U. S. Nuclear Regulatory Commission (the Commission) has issued Amendment No. 3 to Construction Permit No. CPPR-126 and Amendment No. 3 to Construction Permit No. CPPR-127. The amendment reflects the addition of two new co-owners of the Comanche Peak Steam Electric Station, Units 1 and 2 (the facilities). Initially, the construction permits were issued to Texas Utilities Generating Company, Dallas Power and Light Company, Texas Electric Service Company, and Texas Power and Light Company. Amendment No. 3 adds as co-owners the Texas Municipal Power Agency and Brazos Electric Power Cooperative Inc. Texas Utilities Generating Company has sole responsibility for the design, construction, and operation of the facilities, which are located in Somervell County, Texas.

The application for the amendments complies 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 amendments.

Prior public notice of the amendments was not required since the amendments do not involve a significant hazards consideration.

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For further details with respect to this action, see (1) the application for amendment dated December 26, 1978, and supplementary information dated December 14 and 22, 1978, February 22, March 1, July 19, September 18, November 6 and 19, 1979, (2) Amendment No. 3 to Construction Permit No. CPPR-126, (3) Amendment No. 3 to Construction Permit No. CPPR-127, (4) the Commission's related Safety Evaluation, (5) the Environmental Impact Appraisal and (6) the Negative Declaration supporting the amendments to the construction permits. 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 Somervell County Public Library, On the Square, Glen Rose, Texas 76043. In addition, a copy of the above items (2), (3), (4), (5) and (6) may be obtained upon request addressed to the U. S. Nuclear Regulatory Commission, Washington, D. C. 20555, Attention: Director, Division of Project Management, Office of Nuclear Reactor Regulation.

Dated at Bethesda, Maryland this 18<sup>th</sup> day of December 1979 .

FOR THE NUCLEAR REGULATORY COMMISSION.

Officially signed by  
Robert L. Baer

Robert L. Baer, Chief  
Light Water Reactors Branch No. 2  
Division of Project Management  
Office of Nuclear Reactor Regulation

\*SEE DOCKET NO. 50-445 FOR CONCURRENCES

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SURNAME ▶	J Lee:ab	Sturwell	LChandler	RLBaer	
DATE ▶	12/6/79	12/08/79	12/ /79	12/11/79	

Distribution

Docket File  
NRC PDR  
Local PDR  
LWR #2 File  
MUIman  
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WMiller  
IDinitz  
RDeYoung  
VAMoore  
RHVolmer  
MLErnst  
RLessey, Jr.  
RCleveland  
MSlater

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NSIC  
TIC  
Akosenthal  
JYore  
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