

DISTRIBUTION:

Central File
L:Rdg.
L:AD/SS
L:CBAB

NOV 27 1974

Daniel R. Muller, Assistant Director for Environmental Projects, L

REVIEW OF DRAFT FES FOR INDIAN POINT 3

PLANT NAME: Indian Point Nuclear Generating Plant, Unit No. 3
LICENSING STAGE: OL
DOCKET NUMBER: 50-286
RESPONSIBLE BRANCH: Environmental Projects Branch 1
PROJECT MANAGER: Mary Jane Oestmann
DATE REQUEST RECEIVED BY CBAB: November 13, 1974
REQUESTED COMPLETION DATE: November 22, 1974
DESCRIPTION OF RESPONSE: Review of draft FES
REVIEW STATUS: Complete as regards cost-benefit analysis

Attached are comments on the draft Final Environmental Statement for Indian Point Unit No. 3. The major ones relate to an error of about \$176,000,000 in calculating the generating costs, the economic unsoundness of the calculation of regional product, and a policy question of how to deal with probable versus possible benefit-cost ratios in connection with the installation of cooling towers to protect aquatic life.

These comments were provided informally to the Environmental Project Manager on November 25.

K Ballard for

Harold R. Denton, Assistant Director
for Site Safety
Directorate of Licensing

Attachment:
As stated

- cc: A. Giambusso J. Panzarella
- W. McDonald A. Kenneke
- J. Hendrie R. Boyd
- S. Hanauer RP Asst. Directors
- H. Denton TR Asst. Directors
- G. Knighton SS Branch Chiefs
- M. J. Oestmann P. Fine

8111120567 741127
ADOCK 05000286

OFFICE	L:CBAB	L:CBAB	L:AD/SS		
SURNAME	PCFine:cs	MBSpangler	HRDenton		
DATE	11/27/74	11/ /74	11/27/74		

COMMENTS ON DRAFT FES. FOR INDIAN POINT 3

In Summary and Conclusions on page iii, the last sentence of item 3.d should be deleted. It reads: "This Unit will contribute electrical energy in support of \$8.8 billion of regional product during 1980". The method of obtaining this number in item 7 on page XI-54 is not economically sound. The use of any such number is likely to be confusing.

Section E of Chapter IV says that any effects of increased traffic and impacts on local communities as to housing, schools, and hospitals from the larger work force used during construction will be temporary. These effects and impacts should be described, even though they are temporary.

On the last page of the text of Chapter VIII in the second sentence of the second paragraph, for the stated discount rate of 10%/year, costs incurred at the end of 30 years should be divided by 17.45, not 10.27, to determine their present worth.

In Chapter X, subsection J.1 on "Recent Experience" concerning the impact of energy conservation and substitution should be updated beyond January 1974. The experience to date this year should affect the wording of the concluding sentence of subsection J.2 and the second sentence of the fourth paragraph of subsection J.3.

The calculations on page XI-54 and XI-55 in item 7 on "Regional Product" are not economically sound. Everything in item 7 should be deleted except the first sentence of the last paragraph on page XI-54, which should be combined with the first sentence on page XI-57. A qualitative discussion of the dependence of economic growth on additional supplies of electrical energy, without attempting to express this in dollars, would be appropriate.

On page XI-57 in the next-to-last line, the discount rate given in parentheses should be 10% per year, not 8.75%.

On page XI-60, the unit costs given for the four species of fish are based on the costs of raising the fish in a hatchery. However, the fourth paragraph on page XI-45 says that a hatchery cannot be accepted as a feasible method of replacing the fish killed. This conflict needs to be resolved.

On page XI-61 in the calculation of generating cost, the figure of \$20,899,000 already represents the present worth of the cost of makeup power, as shown on pages XI-58 and XI-59, and therefore should not be multiplied by the present-worth factor of 9.42691. The value given for generating costs is therefore too high by \$176,144,000. This also affects the generating cost given in Table XI-14.

On pages XI-62 and XI-63, why are costs for the natural-draft tower given in 1980 dollars and the costs for the mechanical-draft tower given in 1978 dollars? Both towers are said to have an in-service date of May 1, 1980.

The subsection starting on page XI-98 on "Benefit-Cost Ratios" in connection with the installation of cooling towers appears to present first the probable ratios which are much less than unity and then the possible ratios at the top of page XI-100 which are greater than unity. It is not clear how the draft FES proceeds from this situation to the conclusion that cooling towers should be installed.