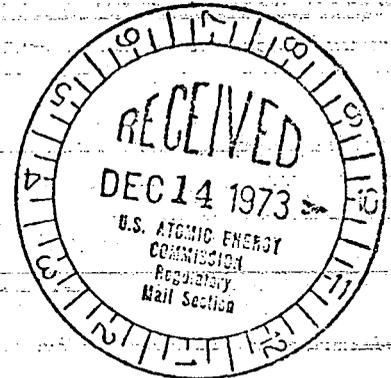


FEDERAL POWER COMMISSION
WASHINGTON, D.C. 20426

50-286

December 13, 1973

Mr. Daniel R. Muller
Assistant Director
for Environmental Projects
Directorate of Licensing
Office of Regulation
U. S. Atomic Energy Commission
Washington, D. C. 20545



Dear Mr. Muller:

This is in response to your letter of October 17, 1973, requesting comment on the AEC's Draft Environmental Statement related to the proposed issuance of an operating license to the Consolidated Edison Company of New York, Inc. for the Indian Point Nuclear Generating Plant, Unit No. 3 (Docket No. 50-286), located in Westchester County in the State of New York. Two operating nuclear generating units are located on the site.

These comments by the Federal Power Commission's Bureau of Power staff are submitted in compliance with the National Environmental Policy Act of 1969, and the August 1, 1973, Guidelines of the Council on Environmental Quality, and are directed to the need for the capacity of the 965-megawatt Indian Point Unit No. 3, and related bulk power supply matters.

In preparation of these comments, the Bureau of Power staff has considered the AEC's Draft Environmental Statement, the Applicant's Environmental Report and Supplements thereto, related reports made in accordance with the Commission's Statement of Policy on Reliability and Adequacy of Electric Service (Docket No. R-362); and the staff's analysis of these documents, together with related information from other FPC reports. The staff generally bases its evaluation of the need

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for a specific bulk power supply facility upon long-term considerations as well as upon the load supply situation for the peak load period immediately following the availability of the new facility. It should be noted that the useful life of Indian Point Unit No. 3 is expected to be 30 years or more. During that period the unit will make a significant contribution to the reliability and adequacy of the electric power supply in the Applicant's service area.

The Applicant is an electric utility, whose service area includes New York City and the major portion of Westchester County. The Applicant is a member of the Northeast Power Coordinating Council (NPCC), which coordinates the planning of members' bulk power generating and transmission facilities for the regional area which includes New England, New York, and the Canadian provinces of New Brunswick and Ontario. In addition, the Applicant is a member of the New York Power Pool (NYPP), the operating pool for the State of New York, which coordinates the planning and operation of the members' generating and transmission facilities. NYPP has established a regional reliability standard which requires each member system by 1975 to maintain an installed reserve capacity at least equal to that required to provide an 18 percent reserve margin during its most recent annual peak load period. NYPP utilizes centralized economic dispatch techniques to operate the members' bulk power facilities on a single control area basis.

The discussion and conclusions regarding the need for the capacity of the 965-megawatt Indian Point Unit 3, contained in the AEC's Draft Environmental Statement, are concurred in by the staff of the Bureau of Power. The capacity, load, and reserve data presented in the draft environmental statement agree with the latest information available to the staff, and demonstrate the need for the unit on the Applicant's, the NYPP, and the NPCC systems.

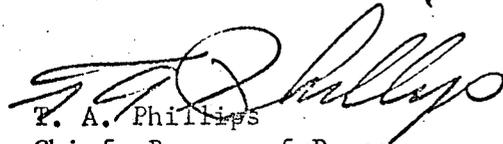
Since the publication of the draft environmental statement, fuel oil supplies from the Middle East have been curtailed. With the exception of 1,130 megawatts of baseload nuclear capability, the Applicant's baseload and peaking generating capability is dependent upon oil and natural gas fuels. About

3,350 megawatts of oil-fired baseload capacity could be converted to pulverized coal fuel, if an adequate coal supply could be established. However, in view of the impact that the current oil shortage is having on the electric utility industry, it seems prudent to make use of nuclear power sources to the extent possible.

The discussion of alternatives to the Indian Point Unit 3 and associated transmission lines is considered adequate.

The Bureau of Power staff concurs with the conclusion that new capacity such as that represented by the 965-megawatt Indian Point Unit 3 is needed to meet the projected load requirements and provide reliability of bulk power supply in the power supply areas involved.

Very truly yours,



T. A. Phillips
Chief, Bureau of Power