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| FROM:<br>Federal Power Commission<br>Washington, D. C. 20426<br>T. A. Phillips  |                  | DATE OF DOC<br>4-3-74 | DATE REC'D<br>4-4-74 | LTR<br>X   | MEMO   | RPT | OTHER |
| TO:<br>Mr. Muller   |                  | ORIG<br>1 signed      | CC                   | OTHER  | SENT AEC PDR <u>X</u><br>SENT LOCAL PDR <u>X</u> |     |       |
| CLASS   | UNCLASS<br>XXXXX | PROP INFO             | INPUT                | NO CYS REC'D<br>1  | DOCKET NO:<br><u>50-438/439</u>                  |     |       |
| DESCRIPTION:<br>Ltr re our 2-1-74 ltr.....furnishing comments on the Draft Enviro Statement for the Bellefonte Units 1 & 2..... |                  |                       |                      | ENCLOSURES:<br><br><b>ACKNOWLEDGED</b><br><b>Do Not Remove</b> |  |     |       |
| PLANT NAME: Bellefonte Units 1 & 2  |                  |                       |                      |  |  |     |       |

FOR ACTION/INFORMATION

4-4-74

AB

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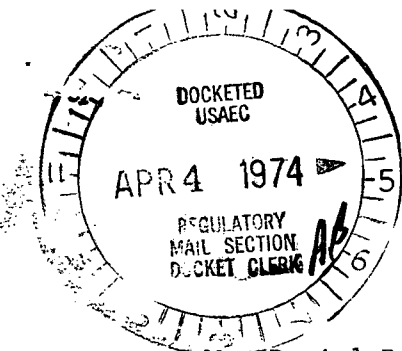
|   |                                       |                        |
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Regulatory

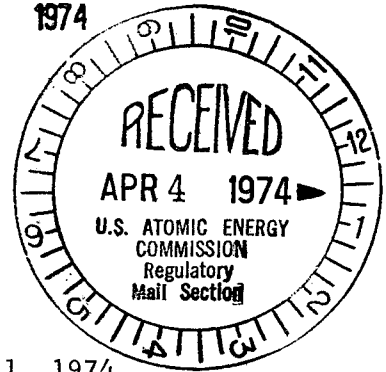
File 07

50-438  
50-439

FEDERAL POWER COMMISSION  
WASHINGTON, D.C. 20426



APR 3 1974



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 dated February 1, 1974, requesting comments on the AEC Draft Environmental Statement related to the proposed issuance of construction permits to the Tennessee Valley Authority (TVA) (Applicant) for the construction of the Bellefonte Nuclear Plant Units 1 and 2 (Docket Nos. 50-438 and 50-439). The 1,221 megawatts each proposed Units 1 and 2 are scheduled for commercial service in September 1979 and June 1980, respectively. The proposed site is a 1,500-acre tract of land on a peninsula at Tennessee River Mile (TRM) 392 on the west shore of Guntersville Lake about six miles east-northeast of Scottsboro, Alabama.

These comments by the Federal Power Commission's Bureau of Power staff are made 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 represented by the Bellefonte Nuclear Plant, and to related bulk power supply matters.

In preparing these comments, the Bureau of Power staff has considered the AEC Draft Environmental Statement; the TVA Draft Environmental Statement and TVA's responses to AEC comments thereto; related reports made in accordance with the Commission's Statement of 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 for a specific bulk power 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 each of the Bellefonte generating units is expected to be 30 years or more. During that period, each unit will make a significant contribution to the reliability and adequacy of electric power supply in the Applicant's service area.

The Applicant is the largest member system of the Southeastern Electric Reliability Council (SERC). SERC coordinates the planning of the members' bulk power facilities. The Applicant's system and other utility systems of the Council, serve the area which includes Tennessee, North Carolina, Georgia, South Carolina, Florida, Alabama, and portions of Mississippi, Virginia and Kentucky. The Applicant's system is strongly interconnected with adjoining utility systems of the SERC region and adjacent regions. These interconnections provide for intra and inter-regional power exchanges, including operating contingency support of the interconnected systems, thereby improving the reliability of bulk power supply.

The Applicant's system is winter peaking. The Applicant minimizes investment in generating plant dedicated to peaking applications by entering into coordinated power interchanges with summer peaking systems within and adjoining the SERC area.

The Bureau of Power staff notes that the projected annual rate of load growth by the Applicant is 6.4 percent for the 1973-81 period, which is not inconsistent with the Applicant's history or that of other utilities of the region. The Applicant, and other regional utilities have experienced higher growth rates over several years in the immediate past. Planned new generation for 1973-81 would provide an annual growth rate of generating capacity of 7.5 percent, which would result in an increase in the reserve margin from 16.5 percent of the 1973 annual peak load to 19.0 percent of the 1980-1981 annual winter peak. This assumes that all new planned generation will be in commercial service when scheduled; however, experience during the 1970-1973 period indicates that many large new units have suffered delays in coming into commercial service.

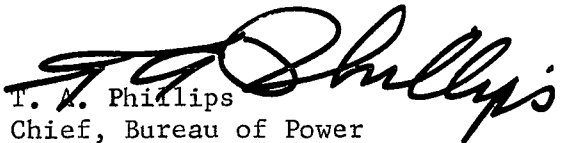
The Applicant states that a reserve margin of 20 percent to 23.5 percent of annual peak load is generally required to meet a reliability criterion that the probability of loss of load should not occur more than one time in ten years. The Applicant's projected reserve margins for the 1973-1981 period generally fall short of its criterion, but do fall within the 15 to 25 percent range generally reported to the Federal Power Commission by electric utility industry entities.

The capacity of the Bellefonte units is included in the projected capacity of 156,000 megawatts for the SERC region in the summer of 1980. With these units available, the projected reserve margin for the SERC region is expected to be 18.1 percent.

Without them, the reserve would be decreased to 16.3 percent of peak load. These projections are based on the assumption that all of the capacity additions planned for the SERC region will be accomplished on schedule.

The Bureau of Power staff concludes that additional capacity equivalent to that represented by the proposed Bellefonte Units 1 and 2 is necessary to provide for the projected load growth of the affected systems and to provide the level of reserve capacity the Applicant's criterion requires to meet normally encountered contingencies.

Very truly yours,

  
T. A. Phillips  
Chief, Bureau of Power