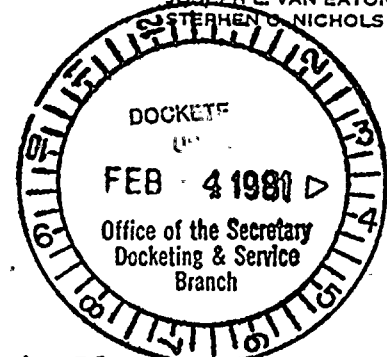


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February 4, 1981



Ivan W. Smith, Esquire, Chairman  
Atomic Safety & Licensing Board  
Nuclear Regulatory Commission  
Washington, D.C. 20555

RE: Florida Power & Light Company (St. Lucie Plant, Unit No. 2), Docket No. 50-389A

Dear Judge Smith:

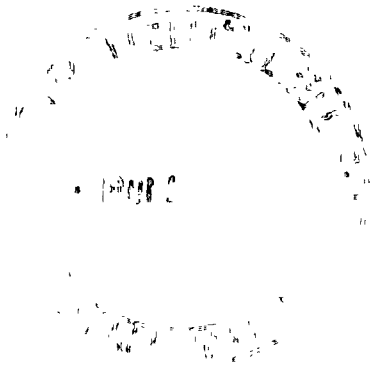
The purpose of this letter is to set forth the conditions which Florida Cities are requesting to the ordering of "immediate implementation" of the FP&L/Government settlement as you requested during oral argument and to provide the page references of the "Reply of Florida Cities to Florida Power & Light Company's Response to Joint Motion" (January 8, 1981), which we request be considered by the Board. As I stated during oral argument, the Cities have no objection to the Board's referring to the "Answer of Florida Power & Light Company to Cities' Reply Concerning Joint Motion" in its entirety.

I confirm that based upon the responses of counsel for FP&L concerning the right of intervenors to obtain the benefits of additional conditions that may be ordered after subsequent proceedings, Florida Cities no longer believe that a ruling is required on their request for the condition set forth on p. 8 of Florida Cities' January 8, 1981 reply, concerning their right to seek different or additional license conditions to those in the settlement agreement license conditions. At the close of oral argument I inadvertently listed that condition as one that still required a ruling. I also confirm that FMPA and Florida Power & Light have reached agreement concerning the time limits for the exercise of participation rights established in License Condition VII. Additionally, based upon their understanding that the required deposit is refundable in all events, Florida Cities do not press for a ruling concerning this item. Financing of the deposits is not assured and FP&L's cooperation may be needed in some respects, but based upon the understanding that the Cities could seek later ameliorative relief, if warranted, they do not seek further Board consideration at this time concerning matters such as escrowing, interest repayment and the like.

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Florida Cities do request Board rulings as to the following proposed conditions to acceptance of the settlement:

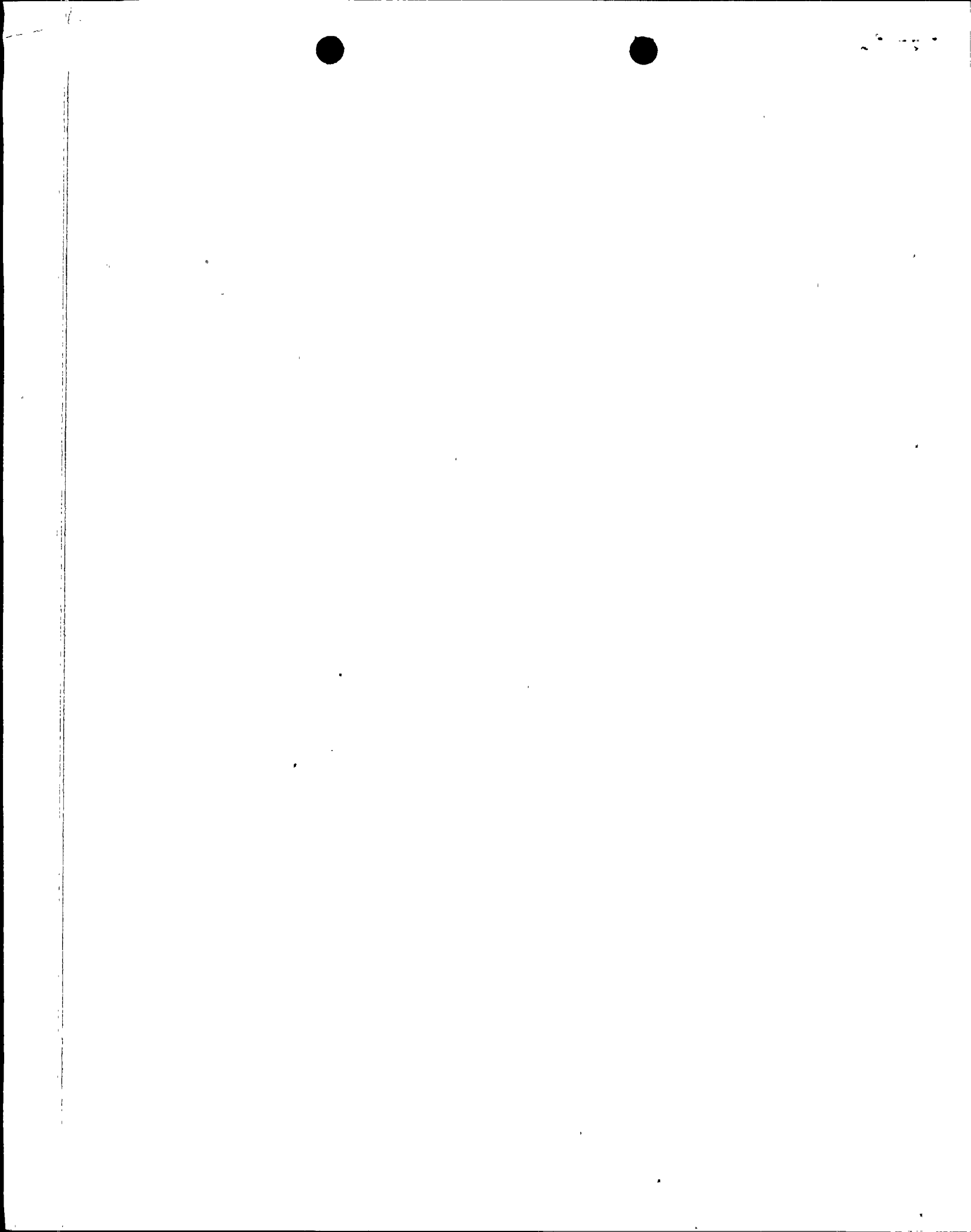
1. Liability clause: Eliminate the language:

"provided, however, that the provisions proposed by the Company as to its liability to the other participants, and as to the sharing of costs discharging uninsured third party liability, in connection with the design, construction, operation, maintenance and decommissioning of St. Lucie Unit 2 shall be approved by the arbitrator unless he determines that the provision proposed by the Company constitutes an unreasonable proposal which renders meaningless the Company's offer of participation in St. Lucie Unit No. 2."

License Condition Section VII(e)(1).

2. Control provision: Modify License Condition VII(i) as follows (or the equivalent):

"Company may retain complete control and act for the other participants with respect to the design, engineering, construction, operation and maintenance of St. Lucie Unit No. 2, and make all decisions relevant thereto insofar as they deal with the relationship between the Company and the other participants, including (but not limited to) decisions regarding adherence to NRC health, safety and environmental regulations, changes in construction schedule, modification or cancellation of the unit and operation at such time and such capacity levels as it deems proper, all without the consent of any participant. In exercising such authority Company shall give due regard to the reasonable interests and needs of other parties and shall act in accordance with Generally Accepted Electric Utility Practice, these license conditions and the participation agreement. In the event the interests or needs of the parties conflict and FPL exercises its authority to take actions contrary to those interests or needs, FPL shall take reasonable steps to assure that the reasonable interests and needs of all parties are satisfied or shall appropriately compensate such other parties."

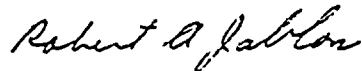


3. Reliability Exchange and Sell-back Provisions: Add a provision that participants under these license conditions shall have the same reliability exchange and sell-back opportunities that are offered to other participants in St. Lucie Unit 2.

4. As they have stated at p. 28 of their Reply and p. 12 of their Answer to Joint Motion, Florida Cities need to know that FMPA (or the individual cities) will have adequate backup, but as stated at oral argument, they request no more than a Board ruling that FP&L provide information as to what it will propose, since the Cities have no basis to conclude that FP&L's proposal will be inadequate. The above constitutes the only conditions that Florida Cities seek to approval of the settlement.

The above conditions are specifically discussed at pp. 4-28 of the January 8, 1981 "Reply of Florida Cities to Florida Power & Light Company's Response to Joint Motion". These pages contain specifications of case support and reasons in support of the conditions not previously referred to. Florida Cities respectfully request that the Board consider those pages, as well as FP&L's reply.

Respectfully submitted,



Robert A. Jablon  
Attorney for Florida Cities

cc: Robert M. Lazo, Esquire, Member, ASLB  
Michael A. Duggan, Esquire, Member, ASLB  
All Parties

RAJ:bs



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