

LOWENSTEIN, NEWMAN, REIS & AXELRAD

1025 CONNECTICUT AVENUE, N.W.

WASHINGTON, D.C. 20036

202 833-8371

ROBERT LOWENSTEIN
JACK R. NEWMAN
HAROLD F. REIS
MAURICE AXELRAD
KATHLEEN H. SHEA
J. A. BOUKNIGHT, JR.

MICHAEL A. BAUSER
ROBERT H. CULP
FREDERIC S. GRAY
LINDA L. HODGE
KENNETH G. STARLING
JOEL S. WIGHT (ADM. CALIF.)

March 11, 1977

Ivan W. Smith, Esquire, Chairman
Atomic Safety and Licensing Board Panel
U. S. Nuclear Regulatory Commission
Room E-427
4350 East West Highway
Bethesda, Maryland 20014

Re: Florida Power & Light Company
Docket No. 50-389A

Dear Chairman Smith:

On February 4, 1977, the Board issued a Memorandum Requesting Briefs on the status of the proposed license conditions to the St. Lucie Unit No. 2 licenses (attached hereto). Subsequently, by Order dated March 2, the Board set March 21, as the date for submittal of the requested briefs. Following discussions with the NRC Staff, Applicant is prepared to enter upon certain commitments which may obviate the need for one or more parties to file briefs, and which certainly narrow the matters potentially in dispute.

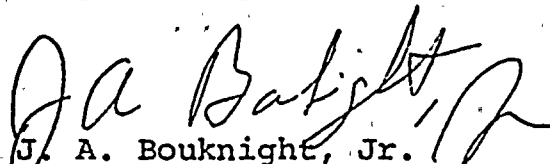
Independent of any position on the legal status of the attached proposed license conditions, Applicant is prepared to agree, and does agree, to their imposition without change, except as regards any entity named therein which has requested or subsequently requests intervention in an antitrust hearing with respect to St. Lucie Unit No. 2. This would mean that reference to any entity originally named in the proposed conditions and which has requested, or hereafter requests, such intervention would be deleted from the first sentence of the license conditions. To date, only one of the entities named in the license conditions, the City of New Smyrna Beach, Florida, has requested such intervention.

AT
4

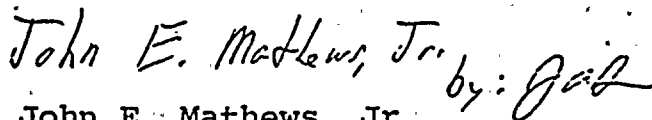
Ivan W. Smith, Esquire, Chairman
March 11, 1977
Page -2-

Applicant believes that this agreement protects the reasonable expectations of the NRC Staff and those entities named in the proposed license conditions, without violating the principle that a party should not be permitted to engage in litigation while at the same time availing itself of the benefits of a compromise entered into for the purpose of avoiding the litigation.

Respectfully submitted,



J. A. Bouknight, Jr.
Lowenstein, Newman, Reis & Axelrad
Suite 1214
1025 Connecticut Avenue, N.W.
Washington, D.C. 20036



John E. Mathews, Jr.
Mathews, Osborne, Ehrlich, McNatt,
Gobelman & Cobb
1500 American Heritage Life Building
11 East Forsyth Street
Jacksonville, Florida 32202

Counsel for Florida Power
& Light Company

JAB/db

cc: Daniel M. Head, Esquire
John M. Frysiak, Esquire
Robert A. Jablon, Esquire
William C. Wise, Esquire
William H. Chandler, Esquire
Lee Scott Dewey, Esquire

COMMITMENTS FOR FLORIDA POWER & LIGHT
ST. LUCIE UNIT 2

1. With regard to Clay County Electric Cooperative, Inc., Florida Keys Electric Cooperative, Inc., Glades Electric Cooperative, Inc., Lee County Electric Cooperative, Inc., Okefenokee Rural Electric Membership Cooperative, Inc., Peace River Electric Cooperative, Inc., and Suwannee Valley Electric Cooperative, Inc.^{1/} and the municipalities of New Smyrna Beach and Homestead:

a. Licensee will offer each the opportunity to purchase, at licensee's costs, a reasonable ownership share (hereafter, "Participant's Share") of the St. Lucie Plant, Unit No. 2 (the Unit).

"Licensee's costs" will include all costs associated with development, construction and operation of the Unit, determined in accordance with the Federal Power Commission's Uniform System of Accounts.

"Purchase" means payment, within a reasonable time, of participant's share of licensee's costs incurred through date of acceptance of the offer, and, thereafter, regular payments of the participant's share of all costs incurred during development, construction and operation of the Unit.

^{1/} Two or more of the referred-to coops may determine to aggregate their entitlements from the St. Lucie Unit #2 through a single representative. In such event, the licensee shall allocate the delivery of said entitlements as designated by the representative to one or more existing or mutually agreeable Florida Power & Light Co. delivery points on the combined system provided that such delivery is technically feasible.

b. Participant will notify licensee of its acceptance to participate in St. Lucie 2 within a reasonable time after receipt of the offer.

c. Licensee may retain complete control and act for the other participants with respect to the design, engineering, construction, operation and maintenance of St. Lucie Unit 2, and may make all decisions relevant thereto, in so far as they deal with the relationship between the licensee and the other participants, including, but not limited to, decisions regarding adherence to AEC health, safety and environmental regulations, changes in construction schedule, modification or cancellation of the project, and operation at such time and at such capacity levels as it deems proper, all without the consent of any participant.

2. Licensee shall facilitate the delivery of each participant's share of the output of the Unit to that participant, on terms which are reasonable and will fully compensate it for the use of its facilities, to the extent that subject arrangements reasonably can be accommodated from a functional and technical standpoint.

3. Licensee shall not refuse to operate in parallel to the extent that it is technically feasible to do so with the participants and shall provide emergency and maintenance power to participants as required when such power is or can be made available without jeopardizing

power supply to licensee's customers or its other power supply commitments. A separate rate schedule(s) shall be established for such emergency and maintenance power exchanges.

4. At a time when licensee plans for the next nuclear generating unit to be constructed after St. Lucie No. 2 has reached the stage of serious planning, but before firm decisions have been made as to the size and desired completion date of the proposed nuclear unit, licensee will notify all non-affiliated utility systems with peak loads smaller than licensee's which serve either at wholesale or at retail adjacent to areas served by applicant that licensee plans to construct such nuclear unit.

5. It is recognized that the foregoing conditions are to be implemented in a manner consistent with the provisions of the Federal Power Act and all rates, charges or practices in connection therewith are to be subject to the approval of regulatory agencies having jurisdiction over them.

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of)	
)	
Florida Power & Light Company)	
(St. Lucie Plant, Units No. 1)	Docket Nos. 50-335A
and No. 2.))	50-389A
)	
Florida Power & Light Company)	Docket Nos. 50-250A
(Turkey Point Plant, Units)	50-251A
No. 3 and No. 4))	

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that copies of the following:

Letter J. A. Bouknight, Jr. to Ivan W. Smith, Esquire,
dated March 11, 1977

have been served on the persons shown on the attached list by
hand delivery or deposit in the United States Mail, properly
stamped and addressed on March 16, 1977.

By: _____



Linda L. Hodge

Counsel for Florida Power
& Light Company

DATED: March 16, 1977

Daniel M. Head, Esquire
Atomic Safety and Licensing
Board Panel
U. S. Nuclear Regulatory
Commission
Washington, D. C. 20555

John M. Frysiak, Esquire
Atomic Safety and Licensing
Board Panel
U. S. Nuclear Regulatory
Commission
Washington, D. C. 20555

Ivan W. Smith, Esquire
Atomic Safety and Licensing
Board Panel
U. S. Nuclear Regulatory
Commission
Washington, D. C. 20555

Robert A. Jablon, Esq.
Daniel J. Guttman, Esq.
2600 Virginia Avenue, N.W.
Washington, D. C. 20037

David A. Leckie
Antitrust Division
Department of Justice
P. O. Box 7513
Washington, D. C. 20044

Lee Scott Dewey
Counsel for the Staff
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Mr. C. R. Stephens, Supervisor
Docketing and Service Station
Office of the Secretary of the
Commission
Washington, D. C. 20555
(21 copies)

Secretary
U. S. Nuclear Regulatory
Commission
Washington, D. C. 20555

Atomic Safety and Licensing
Board Panel
U. S. Nuclear Regulatory
Commission
Washington, D. C. 20555

Atomic Safety and Licensing
Appeal Board Panel
U. S. Nuclear Regulatory
Commission
Washington, D.C. 20555

