

August 20, 1968

Mr. Samuel W. Jensch, Chairman
Atomic Licensing and Safety Board
United States Atomic Energy Commission
Washington, D. C. 20545

Re: Florida Power Corporation
(Crystal River No. 3)
Docket No. 50-302

Dear Mr. Chairman:

Your letter dated August 12, 1968, asks that the City of Gainesville and the Gainesville Utilities Department ("Gainesville") Intervenor, respond to three questions. In reply Gainesville submits the following:

1. The purpose of the offer of the statement of Mr. A. P. Perez is to show that the Applicant, through its chief executive officer, does not in any way denominate, evaluate, or treat this project or the application under which it seeks construction authorization as falling within the intent or purpose of Section 104(b).

2. Gainesville, by the Board's order of June 28, 1968, is limited in its intervention to the question of authorization under Section 104(b). The central issue is whether the application for the Crystal River plant, a facility essentially identical to four other units already licensed or under construction, one or more of which will be operating before this plant, and the design of which the Applicant acknowledges is "based on existing technology and not extended beyond known information or operating experience," is properly within the scope of the Section 104(b) provision expressly urging project approvals that lead to major advances in nuclear application for commercial purposes.

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While the Applicant on the one hand seeks authorization under Section 104(b) for a facility "involved in the conduct of research and development leading to a demonstration of practical value," the Applicant makes available in connection with and at the time of the application hearing a statement by Mr. Perez which negates the substance of the application as it pertains to Section 104(b).

This statement containing an extensive and detailed outline of unit evaluations as to operation and comparative costs over selected plant lifetimes is completely devoid of any stated need requirement or declared intention to conduct research and development in demonstration of practical value, either to serve the objectives of the Act or advance the knowledge of the Applicant or the nuclear industry. (Statement, pp. 1-6).

The only reference to research which might properly be the hallmark of Section 104(b) nuclear projects was a joint program discontinued in 1961. (Statement, pp. 2-3). Gainesville believes the statement supports its contention that in the careful study of many alternate power generation sources the final selection of the Crystal River unit was an optimum design in which no aspect of the facility required such activity or concern with safety or demonstration or practical value as to require the incorporation of research and development arising from the use of nuclear energy in this particular application.

3. Gainesville contends the prepared statement of Mr. Perez is an admission against interest. That this project is not involved with research and development within the meaning of Section 104(b) seems abundantly clear from the position taken in this statement. What constitutes research and development and

* / It is interesting to note that Florida Power on the strength of having Crystal River No. 3 in "commercial" operation by 1972 has now announced plans to build a 500,000 volt transmission line, originating at Crystal River, to carry the power output 130 miles into the utility's 32-county system. (Wall Street Journal, Thursday, August 15, 1968, p. 24).

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whether it is present in this application was of major, justifiable concern to the Board (Tr. 332-347), and in Gainesville's view determinative of the question whether authorization is proper under Section 104(b). The application asserts there is such activity. Testimony already in the record (see Gainesville's Findings of Fact 3 and 4) and this statement support the view that there is no such activity to bring the application within the scope of section 104(b).

Respectfully submitted,

CITY OF GAINESVILLE, FLORIDA
and
GAINESVILLE UTILITIES DEPARTMENT

By _____
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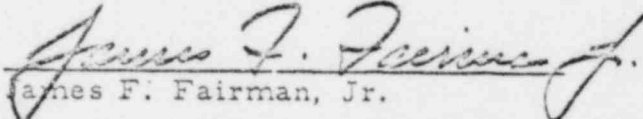
cc: Edgar H. Dunn, Jr., Esq.
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Secretary, AEC

UNITED STATES OF AMERICA
ATOMIC ENERGY COMMISSION

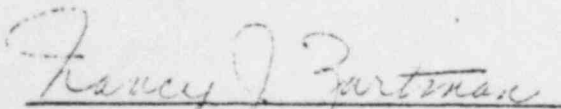
In the Matter of)
Florida Power Corporation) Docket No. 50-302
Crystal River Unit 3)

A F F I D A V I T

James F. Fairman, Jr., being first duly sworn, deposes and says that he is the attorney for the City of Gainesville, Florida and Gainesville Utilities Department; and that as such he has signed the foregoing Exceptions by "Gainesville" to Prehearing Order and Initial Decision of Atomic Safety and Licensing Board, and Request for Relief for and on behalf of said parties; that he is authorized so to do; that he has read said Exceptions and Requests and is familiar with the contents thereof; and that the matters and things therein set forth are true and correct to the best of his knowledge, information or belief.


James F. Fairman, Jr.

Subscribed and sworn to before
me this 14th day of October, 1968.


Nancy J. Furtman
Notary Public, D. C.

My Commission Expires Aug. 20, 1970

UNITED STATES OF AMERICA
ATOMIC ENERGY COMMISSION

In the Matter of)
)
Florida Power Corporation) Docket No. 50-302
)
Crystal River Unit 3)
Nuclear Generating Plant)

CERTIFICATE OF SERVICE

I hereby certify that the Exceptions by Gainesville to Prehearing Order and Initial Decision of Atomic Safety and Licensing Board; and Request for Relief, in the above-captioned matter, was served upon the following by deposit in the United States mail, first class or air mail, this 14th day of October, 1968.

A. A. Wells, Esq., Chairman
Atomic Safety and Licensing Board
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Washington, D. C. 20545

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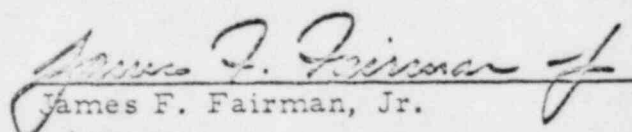
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