

OCT. 10 1975

SAFETY EVALUATION BY THE OFFICE OF
NUCLEAR REACTOR REGULATION
SUPPORTING AMENDMENT NO. 1 TO
PROVISIONAL CONSTRUCTION PERMIT
NO. CPPR-51
FLORIDA POWER CORPORATION
CRYSTAL RIVER, UNIT 3
DOCKET NO. 50-302

A. Introduction

Florida Power Corporation (Licensee or FPC) is the holder of Provisional Construction Permit No. CPPR-51 issued by the then Atomic Energy Commission on September 25, 1968 for construction of the Crystal River, Unit 3 (CR-3) nuclear generating plant presently under construction at the Licensee's site located on the Gulf of Mexico, Citrus County, Florida. In accordance with 10 CFR 50.55(b), the staff, having found good cause shown, extended on February 12, 1975 the construction completion date from September 30, 1974 to December 31, 1976.

On August 1, 1975 FPC notified the staff that 10% ownership of CR-3 was sold to eleven utilities on July 31, 1975 (listed in Section B below).

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The Nuclear Regulatory Commission's regulations relating to financial data and information required to establish financial qualifications for applicants for facility construction permits appear in Paragraph 50.33(f) of 10 CFR Part 50 and Appendix C to 10 CFR Part 50. In accordance with these regulations FPC, on behalf of itself and the eleven additional co-owners filed on August 13, 1975 Amendment No. 46 and Supplement No. 1 to its Application for Licenses for CR-3. Amendment No. 46 is FPC's annual update of its Application for Licenses. Supplement No. 1 consists primarily of financial information on the present owners. The following analysis summarizes our review of the Application through Amendment No. 46 and Supplement No. 1 and addresses the financial qualifications of the eleven additional co-owners (ten of which are municipals and one cooperative) to purchase an aggregate ten percent undivided interest in the facility.

B. Construction Cost Estimates and the Accomplished Sale

FPC estimates that the cost of the completed facility will total \$448.5 million including nuclear fuel for the first core. The physical facility is approximately 95% complete. On July 31, 1975, FPC closed a sale for an aggregate ten percent undivided ownership interest in the facility with the eleven additional co-owners.

The CR-3 Participation Agreement (PA) was executed by FPC and eleven additional participants on the date of sale. The agreement provides for the sharing of construction costs both at the closing of the sale and through the completion of the unit. Each additional participant is billed monthly for its proportionate share of the total estimated costs for the following month adjusted for differences between the previous month's estimate and actual charges. At the closing, each of the eleven additional participants paid to FPC 85.8 percent of its total estimated contribution to the project, for a total of \$38,491,034 (or 85.8 percent of \$44,846,034 which in turn is ten percent of the total estimated cost of construction of the facility). The table shown below summarizes the ownership percentage of each additional participant in the unit as well as the dollar amounts that were paid to FPC at the closing and the estimated additional amounts to be paid through the completion of the unit. Each additional participant's ownership percentage in the facility is equal to his percentage entitlement in the electrical capacity and output of the plant.

CRYSTAL RIVER UNIT 3
PARTICIPATION

	Ownership Percentage	Amount Paid At Closing	Estimated Additional Amount to be Paid Thru Completion
City of Alachua, Fla.	0.0779	\$ 299,845	\$ 49,506
City of Bushnell, Fla.	0.0388	\$ 149,345	\$ 24,657
City of Gainesville, Fla.	1.4079	\$5,419,153	\$ 894,721
City of Kissimmee, Fla.	0.6754	\$2,599,684	\$ 429,217
City of Leesburg, Fla.	0.8244	\$3,173,201	\$ 523,906
City of New Smyrna Beach, Fla. & Utilities Comm., City of New Smyrna Beach, Florida	0.5608	\$2,158,577	\$ 356,388
City of Ocala, Fla.	1.3333	\$5,132,010	\$ 847,312
Orlando Utilities Comm. & City of Orlando, Fla.	1.6015	\$6,164,339	1,017,753
Sebring Utilities Comm.	0.4473	\$1,721,704	\$ 284,259
Seminole Electric Coop., Inc.	1.6994	\$6,541,166	1,079,969
City of Tallahassee, Fla.	1.3333	\$5,132,010	\$ 847,312
TOTALS	10.000	\$38,491,034	\$6,355,000

C. Source of Additional Funds

The state of Florida's Joint Power Act of 1975 authorizes municipal and cooperative utilities to commit public funds and to

issue securities for the purpose of acquiring ownership shares in joint electric power projects such as CR-3. The following is a summary of the financing methods used and planned to be used by the eleven additional participants in providing their respective dollar shares. We regard the accomplished financing noted above to be substantial evidence of these utilities' ability to finance each of their respective ownership shares in the manner indicated below.

The City of Alachua plans to repay its short-term bond anticipation notes (which were used to meet earlier immediate requirements) with municipal bonds. Alachua's remaining requirements for CR-3 will also be covered by long-term bonds.

The City of Bushnell is using short-term bank loans for interim requirements. The remainder of Bushnell's ownership share will be financed with a revenue bond issue which in addition will be used to refinance the bank loans.

The City of Gainesville also plans to issue revenue bonds both for refunding its short-term general obligation notes and for financing its remaining contribution to the nuclear facility.

The City of Kissimmee plans to issue municipal bonds to cover its entire ownership share in the facility including the refinancing of a short-term loan which was used to meet its initial obligation to FPC.

The City of Leesburg plans to issue revenue certificates to finance its ownership share and to refund short-term notes that were used for its initial payments on its ownership share.

The City of New Smyrna Beach and Utilities Commission, City of New Smyrna Beach financed the initial payment to FPC with revenue anticipation notes. These short-term funds are to be refinanced and the balance of the city's participation is to be provided through long-term utility revenue certificates.

The City of Ocala's ownership share will be financed with municipal revenue bonds. The proceeds from these long-term obligations will also be used to refund interim financing requirements.

The Orlando Utilities Commission and City of Orlando plans to finance its participation with municipal revenue bonds.

The Sebring Utilities Commission provided its initial funding through short-term bank loans. Refinancing will be accomplished through electric and water revenue bonds as will the balance of Sebring's participation.

Seminole Electric Cooperative, Inc., is composed of twelve member cooperatives, each of which is contractually obligated to purchase its power needs exclusively from Seminole. Seminole plans to finance its participation in the nuclear unit through a Federal Financing Bank loan guaranteed by the Rural Electrification Administration. The loan may be supplemented by advances from the member cooperatives.

The City of Tallahassee plans to sell electric revenue bonds to finance its entire ownership share in Crystal River Unit 3.

D. Conclusion

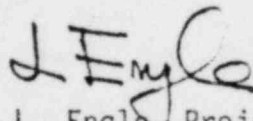
Based on the preceding analysis, we have concluded that the City of Alachua, the City of Bushnell, the City of Gainesville, the City of Kissimmee, the City of Leesburg, the City of New Smyrna Beach and the Utilities Commission, City of New Smyrna Beach, the City of Ocala, the Orlando Utilities Commission and City of Orlando, the Sebring Utilities Commission, the Seminole Electric Cooperative, Inc., and the City of Tallahassee are financially qualified to purchase their respective ownership shares (as specified in Section B, above) in CR-3. This conclusion is based on our determination that the financing plan is within the zone of reasonableness and thus provides reasonable assurance of obtaining the funds necessary to complete the design, construction activities and testing over the life of the construction permit.

We have also considered the effect of the co-ownership on the ability of or the manner in which FPC discharges its responsibilities under the terms of the PA. FPC shall have sole responsibility for the planning, licensing, design, construction, and pre-operational testing of CR-3.


We find that the co-ownership as discussed above will not increase the probability or consequences of accidents previously considered, nor will any safety margins associated with CR-3 be

decreased. Accordingly, no significant hazards consideration is involved in the co-ownership of this facility and prior public notice of this action is not required.

We find no effect other than the financial arrangements discussed in this Safety Evaluation Report, and conclude admittance of the eleven additional participants as co-holders to Provisional construction Permit No. CPPR-51 is acceptable.



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