

BEFORE THE
UNITED STATES ATOMIC ENERGY COMMISSION

DOCKET NOS. 50-458 & 50-459

IN THE MATTER OF
GULF STATES UTILITIES COMPANY

APPLICATION FOR LICENSES
UNDER THE ATOMIC ENERGY ACT OF 1954
AS AMENDED

FOR
RIVER BEND STATION
UNITS 1 AND 2

Amendment 1
December 10, 1974

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BEFORE THE
UNITED STATES ATOMIC ENERGY COMMISSION
DOCKET NOS. 50-548 & 50-549

IN THE MATTER OF
GULF STATES UTILITIES COMPANY

APPLICATION FOR LICENSES

Gulf States Utilities Company (hereinafter sometimes referred to as "Applicant") hereby makes application, pursuant to the Atomic Energy Act of 1954, as amended and the provisions of the Atomic Energy Commission's Rules and Regulations thereunder, for the necessary Class 103 construction permits and operating licenses to construct, own, possess, use and operate two nuclear electric generating units to be located in West Feliciana Parish, Louisiana, and to be known as "River Bend Station, Units 1 and 2" (hereinafter sometimes referred to as "Facilities") as an integral part of its total operating system, together with appropriate source, special nuclear, and by-product material licenses. A description of the facilities and discussion of applicant's contractors is contained in the PSAR (See Chapters 1 and 13) submitted herewith.

This application consists of: (a) The general information required by 10 CFR Section 50.33, which is set out herein; (b) The technical information and safety analysis report required by 10 CFR part 50, especially Section 50.34, which is set out in a separate document entitled "Preliminary Safety Analysis Report (PSAR), River Bend Station Units 1 and 2, Gulf States Utilities Company", forwarded herewith and made a part hereof; (c) An

Environmental Report entitled "Environmental Report - Construction Permit Stage, River Bend Station Units 1 and 2, Gulf States Utilities Company", as required by 10 CFR Part 50, Section 50.30(f) and Appendix D of said part 50 forwarded herewith and made a part hereof; and (d) A separate document including information requested by the Attorney General for anti-trust review of facility license applications entitled "Antitrust Review, River Bend Station Units 1 and 2, Gulf States Utilities Company", as required by 10 CFR Section 50.33a and Appendix L to Part 50, is forwarded herewith and made a part hereof; and (e) General information required by 10 CFR Section 70.22, 10 CFR Section 30.32, and 10 CFR Section 40.31.

GENERAL INFORMATION

A. General Information required by 50.33 of AEC Regulations:

a. Name of Applicant:

Gulf States Utilities Company

b. Address and Principal Office of Applicant:

P. O. Box 2951
285 Liberty Avenue
Beaumont, Texas 77704

c. Description of Business:

The Applicant is engaged principally in the business of generating electric energy and distributing and selling such energy at retail in southeastern Texas and south central Louisiana in an area about 350 miles long, having an estimated population of 1,270,000 and comprising approximately 28,000 square miles. The Applicant sells electric energy at retail in 286 communities and surrounding territory; and sells for resale, electric energy to 10 municipal systems, 6 rural electric cooperatives and one other utility. Natural gas is purchased at wholesale and distributed at retail in the City of Baton Rouge, Louisiana, and

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vicinity. The demand for electric service (peak load) in the area served by Applicant has increased at an average annual rate of approximately 9% during the period 1963 through 1974 and is expected to continue to increase at approximately 7% for the period 1975 through 1985. Yearly growth projections through 1985 are given in the Appendix L responses and in the Environmental Report Section 1. The proposed nuclear generating facilities are a necessary part of Applicant's continuing construction of facilities to provide electric energy to meet such increasing demand and to offset increasing difficulties in obtaining fossil fuel for other generating units of Applicant.

The business of Applicant is further described in the annual and financial reports, Exhibit A, and By-Laws and Restated Articles of Incorporation, Exhibit B, filed as exhibits hereto.

d.(1) Not applicable.

d.(2) Not applicable.

d.(3)(i) State of Incorporation:

The Company was incorporated under the laws of Texas on August 25, 1925, and in addition is qualified to do business in Louisiana.

d.(3)(ii) Directors and Principal Officers:

All principal officers and directors of applicant are citizens of the United States of America. Their names and resident addresses are as follows:

DIRECTORS

<u>Name</u>	<u>Address</u>
Samuel L. Adams	985 Dowlen Road Beaumont, Texas 77706
John W. Barton	Claycut Apt. #9 4900 South Foster Drive Baton Rouge, Louisiana 70806

NAME

Beth W. Dorfandt

Edwin V. Hien

William H. LeBlanc, Jr.

Norman R. Lee

Charles P. Minship, Jr.

Joseph R. Murphy

Benjamin D. Orgain

Floyd R. Smith

Harrell R. Smith

Bismark A. Steinbagen

Oliver P. Stockrell

Fred V. Wilson

ADDRESS

Plantation Apt. E-3
Corpus, Texas 77301

818 South Street
Needham, Mass. 02192

6745 Goodwood Avenue
Baton Rouge, Louisiana 70806

1220 Wilchester Circle
Beaumont, Texas 77706

2250 Kleinert Avenue
Baton Rouge, Louisiana 70806

993 Goodwin Road
Beaumont, Texas 77706

1970 Shady Lane
Beaumont, Texas 77706

885 Belvedere Drive
Beaumont, Texas 77706

816 Sixth Street
Lake Charles, Louisiana 70601

155 W. Calwood Drive
Beaumont, Texas 77707

205 Shell Beach Drive
Lake Charles, Louisiana 70601

1400 Platt Avenue
Fort Arthur, Texas 77640

PRINCIPAL OFFICERS

Name and Office

Floyd R. Smith
Chairman of the Board of Directors
and Principal Executive Officer

Norman R. Lee
President and Principal
Operating Officer

Samuel L. Adams
Senior Vice President
Engineering and Production

Residence

885 Belvedere Drive
Beaumont, Texas 77706

1220 Wilchester Circle
Beaumont, Texas 77706

983 Devlon Road
Beaumont, Texas 77706

<u>Name and Office</u>	<u>Residence</u>
Joseph R. Murphy Senior Vice President Operations	998 Goodhue Road Beaumont, Texas 77706
Jerome M. Stokes Senior Vice President Finance	5740 Regina Lane Beaumont, Texas 77706
William E. Heaner, Jr. Vice President Personnel Manager	Rt. 1, Box K403 Beaumont, Texas 77706
Joseph O. Robichau Vice President Marketing	218 Central Caldwod Drive Beaumont, Texas 77707
Jasper F. Worthy Vice President Baton Rouge Division	743 Rodney Drive Baton Rouge, Louisiana 70808
Robert E. White Vice President and Assistant to the Chairman of the Board	1535 Howell Beaumont, Texas 77706
Robert W. Jackson Secretary	725 Randolph Circle Beaumont, Texas 77706
Thomas A. Page Treasurer	5535 Bellaire Lane Beaumont, Texas 77706
James L. Braswell Controller and Assistant Treasurer	4280 Park Beaumont, Texas 77705

d.(3)(iii) Absence of Foreign Control:

Applicant is not owned, controlled, or dominated by an alien, a foreign corporation or foreign government. No shareholder of the Applicant owns 10% or more of the outstanding Common Stock.

d.(4) Applicant is not Acting as Agent or Representative:

The Applicant is filing this Application solely for its own purpose and is not acting as an agent or representative of another person.

e. Applicant is hereby applying for such permits and licenses as may be necessary or appropriate to the acquisition, construction, use, possession, and operation of River Bend Station Units 1 and 2 as described in this Application, which facilities are to be used as a part of Applicant's electric utility plant for the generation of electric energy by Applicant, including the following permits and licenses:

(1) Construction Permit

Pursuant to Part 50 of the AEC Regulations in title 10 CFR Chapter I, Applicant applies for "Construction Permits" for a Class 103 facility (River Bend Station Units 1 and 2) to be used as a commercial facility to generate electric energy for sale and distribution. This permit is requested to be issued by November, 1974, providing for completion of Unit 1 between June, 1979 at the earliest and June, 1981 at the latest and of Unit 2 between June, 1981 at the earliest and June, 1983 at the latest, and further specifying pursuant to 10 CFR Part 50 Section 50.51 that the operating license for each Unit will be issued, if approved pursuant to 10 CFR Part 50 Section 50.56, upon substantial completion of the Unit for a period of 40 years. The latest dates for completion are given for purposes of construction permit duration. As shown in Section 1 of the Environmental Report, it is absolutely essential to the Applicant's and the public's interests in reliability of electric power supply that operating licenses be issued by the earliest dates given.

(2) Class 103 Facility Operating Licenses

Applicant requests that upon substantial completion of construction of each Unit (River Bend Units 1 and 2) Class 103 Facility Operating Licenses be issued upon subsequent submission to the Commission of additional data as required by Commission regulation. These operating licenses are requested to be issued for a period of 40 years.

(3) Source, Special Nuclear and By-Product Material Licenses

Pursuant to Parts 30 et seq, 40, and 70 of the AEC Regulations in 10 CFR Chapter I, Applicant will require such source, special nuclear and by-product material licenses as are necessary or appropriate authorizing it to acquire, deliver, receive, possess, use, and transfer such materials (and with respect to by-product materials, also produce and own such material) in connection with the construction and operation of each of the proposed River Bend Station Units 1 and 2. It is requested that these licenses be granted for a term consistent with the related Class 103 Facility operating licenses as requested above.

Applicant has combined its application for these licenses in this single application as permitted by 10 CFR 50.31.

f. Financial Requirements:

(1) Estimated Construction Costs

The estimated construction costs for River Bend Station Units 1 and 2 including the first core of nuclear fuel (which will be purchased) is as follows (stated in thousands of dollars):

	<u>River Bend Station</u>	<u>Unit 1</u>	<u>Unit 2</u>
(a) Total nuclear production plant costs		\$540,788	\$478,426
(b) Transmission, distribution, and general plant costs		26,500	-0-
(c) Nuclear fuel inventory cost for first core		28,100	30,600
Total Estimated Costs		<u>\$595,388</u>	<u>\$509,026</u>

The above estimate of construction costs for River Bend Station Units 1 and 2 are shown below (in thousands of dollars) as detailed by electric plant and nuclear fuel inventory accounts as prescribed by the Federal Power Commission.

<u>Amount</u>			
<u>FPC</u> <u>Account</u>	<u>Unit 1</u>	<u>Unit 2</u>	<u>Total</u>
320	\$ 2,500	\$ -0-	\$ 2,500
321	220,697	128,218	348,915
322	149,106	166,014	315,120
323	121,115	130,131	251,246
324	44,140	51,192	95,332
325	3,230	2,871	6,101
353	5,900	-0-	5,900
355 and 356	20,600	-0-	20,600
120.1	<u>28,100</u>	<u>30,600</u>	<u>58,700</u>
Totals	\$595,388	\$509,026	\$1,104,414

Construction expenditures of River Bend Units 1 and 2 by years are shown below:

<u>Amount</u>			
<u>Year</u>	<u>Unit 1</u>	<u>Unit 2</u>	<u>Total</u>
1972	\$ 5,862	\$ -0-	\$ 5,862
1973	9,600	-0-	9,600
1974	23,222	2,729	25,951
1975	30,241	5,168	35,409
1976	65,727	11,782	77,509
1977	95,454	56,978	152,432
1978	189,135	95,619	284,754
1979	111,156	107,809	218,965
1980	64,991	107,759	172,750
1981	-9-	70,698	70,698
1982	<u>-0-</u>	<u>50,484</u>	<u>50,484</u>
Totals	\$595,388	\$509,026	\$1,104,414

(2) Source of Construction Funds

A greater proportion of the funds required for the construction of River Bend and other system-wide construction projects, than anticipated when the application was originally filed, will now be provided by funds generated internally. During the construction period, the amount of internally generated cash to finance construction by the Applicant is estimated to be between 30 and 40%. Such funds internally generated include, principally,

provisions for depreciation, retained earnings, deferred Federal income taxes, and Federal investment tax credits. Any additional funds required will be provided by external sources through the sale of additional debt securities and the sale of additional shares of preferred stock and common stock. Any interim funds required in connection with the construction will be supplied by commercial paper and short-term bank loans. It is expected that capitalization ratios will be maintained during the period of construction of River Bend Station at approximately historical levels, viz., 54% long-term debt, 12% preferred stock, and 34% common equity, although they may vary in the interval, pending subsequent issues of permanent securities. With respect to common equity (common stock, retained earnings and premium on preferred stock), no change is contemplated at this time in the percent of earnings applicable to common stock which are paid out in the form of cash dividends. Additional shares of common stock will be sold to the public to the extent required to maintain common equity at a level approximating 30% - 35% of total capitalization.

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The facility will be financed as part of applicant's overall capital program. The types of securities which will be issued cannot be determined at this time. The market conditions at the time of issue will be a factor as to which type of financing is to be undertaken. However, new permanent financings and securities issues will be scheduled so that there will be as little distortion as possible in the above set forth capitalization ratio objectives.

(3) Applicant's Financial Statements

See Exhibit A

1. Annual Reports (1971, 1972, and 1973)
2. Financial Review dated December 31, 1972, and August, 1974
3. Prospectus dated September 21, 1972, March 20, 1974, and November 18, 1974

The present financial condition of Applicant and its historical earning ability and ability to obtain short-term and long-term financing as reflected in the financial exhibits filed herewith, as well as the ability to obtain rates providing a reasonable or fair rate of return, establish reasonable assurance that Applicant will possess or be able to obtain the necessary funds to construct and operate the facilities for which permits and licenses are applied for hereby.

CONSTRUCTION EXPENDITURES
1963 THROUGH 1973

(in thousands)	
1963	\$ 29,505
1964	22,567
1965	48,479
1966	58,789
1967	77,652
1968	129,471
1969	123,273
1970	108,513
1971	91,020
1972	110,586
1973	106,804
Total	\$906,659

FINANCING
1963 THROUGH 1972

<u>Date</u>	<u>Number of Shares</u>	<u>Price Per Share</u>	<u>Aggregate Proceeds to Company*</u>
May, 1965	10,373,664	2-for-1 Split	\$ -0-
Feb., 1968	1,400,000	\$21.61	30,254,000
Feb., 1970	1,400,000	\$20.155	28,217,000
Nov., 1971	2,000,000	\$20.14	40,280,000
Total	<u>15,173,664</u>		<u>\$98,751,000</u>

PREFERRED STOCK

<u>Date</u>	<u>Dividend Rate</u>	<u>Number of Shares</u>	<u>Price Per Share</u>	<u>Aggregate Proceeds to Company*</u>
Oct., 1963	\$4.52	100,000	\$100.43	\$10,043,000
July, 1967	\$6.08	200,000	\$100.213	20,042,600
Sept., 1972	\$7.56	<u>350,000</u>	<u>\$100.1571</u>	<u>35,054,985</u>
		<u>650,000</u>		<u>\$65,140,585</u>

FIRST MORTGAGE BONDS

<u>Date</u>	<u>Series</u>	<u>Principal Amount</u>	<u>Price Per Unit</u>	<u>Aggregate Proceeds to Company*</u>
Jan., 1966	5% due 1996	\$ 20,000,000	100.70999%	\$ 20,141,998
Feb., 1967	5 3/8% due 1997	35,000,000	101.4%	35,490,000
Feb., 1968	6 5/8% due 1998	25,000,000	101.391%	25,347,750
Oct., 1968	6 3/4% A due 1998	40,000,000	101.17%	40,068,000
Mar., 1969	7 1/4% due 1999	25,000,000	100.444%	25,111,000
Sept., 1969	8 1/8% A due 1999	25,000,000	99.482%	24,870,500
Feb., 1970	8 1/2% due 2000	30,000,000	99.789%	29,936,700
Dec., 1970	7 7/8% A due 2000	30,000,000	99.42%	29,826,000
Nov., 1971	7 1/2% due 2001	35,000,000	99.56%	34,846,000
Aug., 1973	8 1/2% due 2003	50,000,000	99.214%	49,607,000
Mar., 1974	8 5/8% due 2004	60,000,000	99.522%	59,713,200
Total		<u>\$375,000,000</u>		<u>\$374,958,148</u>

*Before Expenses

(4) Insurance Program

Public liability insurance will be arranged through the Nuclear Energy Liability Insurance Association (NELIA) and Mutual Atomic Energy Liability Underwriters (MAELU), or through or by any other nuclear underwriting source or through any combination of the foregoing sources, for coverage beginning at the time nuclear fuel is shipped from fuel fabricator to the plant site. Applicant intends to purchase such coverage for the amounts and in the forms required by 10 CFR 140.

Applicant will execute with the Atomic Energy Commission an indemnity agreement as required by Section 170 of the Atomic Energy Act of 1954, as amended, and as provided in 10 CFR 140.

(5) Technical Qualifications

A description of the technical qualifications of Gulf States Utilities and its principal contractors is contained in Section 13 of PSAR which is made a part of this application. A description of Gulf States' training program is contained in Section 13.2 of the River Bend PSAR.

h. Scheduled Completion Dates:

Reference; see Section e (1)

i. (1) Regulatory agencies which may have jurisdiction over the rates and services incident to the proposed generation, sale and distribution of electric energy.

- (a) The Federal Power Commission
- (b) The Louisiana Public Service Commission
- (c) Municipalities served by Applicant in Texas will have jurisdiction over rates and services provided within their respective boundaries

(2) Trade and News Publications

The following is a list of trade and news publications which circulate in the area where the operation of the River Bend Nuclear Power Plant will be conducted and which are considered appropriate to give reasonable notice of this Application to those municipalities, private utilities, public bodies and cooperatives, which might have a potential interest in the River Bend Nuclear Power Plant:

Trade Publications

- (a) Louisiana Parish Government Magazine
Police Jury Association
Suite 200, Jack Tar Capitol House
Baton Rouge, Louisiana 70801

- (b) Louisiana Municipal Review
Louisiana Municipal Association
Suite 301, Jack Tar Capitol House
Baton Rouge, Louisiana 70801
- (c) The Boardman
Louisiana School Board Association
P. O. Drawer 53217
Baton Rouge, Louisiana 70805
- (d) Rural Louisianan
Association of Louisiana Electric Cooperatives, Inc.
P. O. Box 749
Opelousas, Louisiana 70570

News Publications

- (a) State Times/Morning Advocate
P. O. Box 588
Baton Rouge, Louisiana 70821
- (b) St. Francisville Democrat
P. O. Box 7
St. Francisville, Louisiana 70775
- (c) Zachary Pleinsman
P. O. Box 279
Zachary, Louisiana 70791
- (d) West Side Journal
688 N. Jefferson Avenue
Port Allen, Louisiana 70767
- (e) Denham Springs News
P. O. Box 458 (125 Range Ave.)
Denham Springs, Louisiana 70726
- (f) Livingston Parish Times
P. O. Box 98
Denham Springs, Louisiana 70726
- (g) Pointe Coupee Banner
123 St. Mary Street
New Roads, Louisiana 70760
- (h) Baker Observer
P. O. Box 517
Baker, Louisiana 70714

J. Restricted Data:

No restricted data or other classified defense information is involved in this Application and it is not expected that any will become

involved. However, if it does, applicant will appropriately segregate and safeguard said information and, in compliance with 10 CFR 50.37, Applicant hereby agrees that it will not permit any individual to have access to restricted data (as defined by the AEC Regulations) until the Civil Service Commission shall have made an investigation and report to the Commission on the character, associations, and loyalty of such individual and the Commission shall have determined that permitting such person to have access to restricted data will not endanger the common defense and security.

k. See information filed in response to Anti-Trust review inquiry of the Attorney General pursuant to 10 CFR 50.33a of the AEC Regulations. (See Appendix L part 50 forwarded herewith as part of this application)

B. Information required by 10 CFR 70.22 of AEC Regulations:

Applicant hereby adopts and incorporates by reference the information contained in this Application for construction permit and operating licenses for River Bend Station Units 1 and 2.

C. Information required by 10 CFR 30.32 of AEC Regulations and Form AEC 313:

Applicant hereby adopts and incorporates by reference the information contained in this Application for construction permit and operating licenses for River Bend Station Units 1 and 2.

D. Information required by 10 CFR 40.31 of AEC Regulations and Form AEC-2:

Applicant hereby adopts and incorporates by reference the information contained in this Application for construction permit and operating licenses for River Bend Station Units 1 and 2.

E. Communications:

All communications to Applicant pertaining to this Application shall be sent to:

S. L. Adams
Senior Vice President
Gulf States Utilities Company
P. O. Box 2951
Beaumont, Texas 77704

and

J: E. Booker
Licensing
Gulf States Utilities Company
P. O. Box 2951
Beaumont, Texas 77704

and

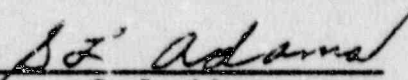
Stanley Plettman
Orgain, Bell & Tucker
Beaumont Savings Building
Beaumont, Texas 77701

and

Troy B. Conner, Jr.
Conner & Knotts
1747 Pennsylvania Avenue, N. W.
Washington, D. C. 20006

GULF STATES UTILITIES COMPANY

By



S. L. Adams
Senior Vice President

UNITED STATES OF AMERICA
ATOMIC ENERGY COMMISSION

STATE OF TEXAS

COUNTY OF JEFFERSON

In the Matter of

GULF STATES UTILITIES COMPANY

(River Bend Station,
Units 1 and 2)

Docket Nos. 50-458
50-459

AFFIDAVIT

S. L. ADAMS, being duly sworn, states that he is a Senior Vice President of Gulf States Utilities Company; that he is authorized on the part of said Company to sign and file with the Atomic Energy Commission the documents and exhibits attached hereto; that he has read all of the statements contained in such documents and the exhibits attached thereto and made a part thereof; and that all such statements made and matters set forth therein are true and correct to the best of his knowledge, information and belief.

S. L. Adams
S. L. ADAMS

Subscribed and sworn to before me, a Notary Public in and for the State and County above named, this 10th day of December, 1974.

Mary F. Schlicher
Notary Public in and for
Jefferson County, Texas

My Commission Expires:

June 1, 1975