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October 15, 1991

Regulatory Publications Branch  
Division of Freedom of Information  
and Publications Services  
Office of Administration  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

Re: Alabama Municipal Electric Authority  
Docket Nos. 50-348 and 50-346

Dear Sir or Ms.:

Submitted herewith are the "Comments of Alabama Municipal Electric Authority" in response to the notice of amendments proposed to Facility Operating License Nos. NPF-2 and NPF-8 by Alabama Power Company, the licensee, for operation of Joseph M. Farley Nuclear Plant located in Houston County, Alabama, appearing in Vol. 56, No. 182, of the Federal Register, at page 47,500.

Copies of the enclosed comments have been mailed to the following:

Mr. J.D. Woodard  
Vice President - Farley Project  
Alabama Power Company  
Post Office Box 1295  
Birmingham, AL 35201-1295

James H. Miller, III, Esq.  
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Post Office Box 306  
Birmingham, AL 35201

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Very truly yours,

*Reuben Goldberg*  
Reuben Goldberg

RG/lmh  
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UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

|                                   |   |                    |
|-----------------------------------|---|--------------------|
| In the Matter of                  | ) |                    |
| Alabama Power Company             | ) |                    |
| (Proposed Amendments to           | ) | Docket Nos. 50-348 |
| James M. Farley Operating License | ) | and 50-364         |
| Nos. NPF-2 and NPF-8 issued to    | ) |                    |
| Alabama Power Company)            | ) |                    |

COMMENTS OF ALABAMA MUNICIPAL  
ELECTRIC AUTHORITY

On September 19, 1991, in Vol. 56, No. 182, of the Federal Register, at page 47500, the Nuclear Regulatory Commission published a notice of amendments proposed to Facility Operating License Nos. NPF-2 and NPF-8 by Alabama Power Company, the licensee, for operation of Joseph M. Farley Nuclear Plant located in Houston County, Alabama. Alabama Municipal Electric Authority (AMEA) files these comments in response to that notice.

AMEA is a non-profit corporation organized and existing pursuant to Alabama law. AMEA acts as bargaining agent for its member systems<sup>1/</sup> in contracting for the purchase of power and energy from Southeastern Power Administration (SEPA). Each of the member systems operates an electric system for the distribution and sale of electric power and energy within its community and environs. The sales contracts are executed directly between SEPA and each member system. AMEA provides all of the member systems' requirements in excess of power and energy supplied by SEPA by purchase of power and energy from Alabama Power. All of the member systems' power and energy, regardless of source, are

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<sup>1/</sup> The member systems are: Cities of Alexander City, Dothan, Fairhope, Foley, LaFayette, Lanett, Luverne, Opelika, Piedmont, Sylacauga, Troy and Tuskegee.

delivered to them over Alabama Power's transmission lines.

AMEA and its member systems are the beneficiaries of the antitrust license conditions that are a part of Facility Operating License Nos. NPR-2 and NPF-8.

When Southern Company and its electric utility subsidiaries, Alabama Power and Georgia Power, filed an application-declaration with the SEC under the Public Utility Holding Company Act of 1935 to organize a new wholly-owned subsidiary, to be known as Southern Nuclear Operating Company, to become the exclusive operator of the NRC licensed nuclear power plants, AMEA expressed its concerns to Alabama Power about the effect of the amendments of the licenses to achieve that objective on the antitrust license conditions. At that time, Alabama Power's Executive Vice President in a letter to AMEA's General Manager, Robert W. Claussen, assured AMEA and its member systems that Alabama Power "will continue as a licensee and be subject to the terms of the license including those establishing obligations to 'municipally-owned systems'" and that "nothing in the proposal will affect in any way the rights of the municipally-owned electric distribution systems that are members of Alabama Municipal Electric Authority."

The application filed with the NRC by Alabama Power, dated May 6, 1991, discloses that Alabama Power has faithfully adhered to the earlier assurance given AMEA and its member systems (see pages 15 and 16 of the application). Additionally, Alabama Power has proposed (see page 16 of the application) the inclusion of the following provision in the amended operating

license to make its assurance of non-effect on the anti-trust license conditions a part of the amendments to the license:

Southern Nuclear shall not market or broker power or energy from Joseph M. Farley Nuclear Plant, Units 1 and 2. Alabama Power Company shall continue to be responsible for compliance with the obligations imposed on it in its antitrust license conditions in Paragraph 2.F. of the license (the "antitrust license conditions"). Alabama Power Company is responsible and accountable for the actions of its agents, Southern Nuclear, to the extent said agent's actions may, in any way, contravene the existing antitrust license conditions."

In an appendix to the application, Alabama Power has set forth the terms and conditions of the operating license as proposed to be amended. The provision quoted above is included.

AMEA supports the inclusion of that provision in the amended operating license. AMEA's purpose in filing these comments is to request the inclusion of the above-referenced provision of the above-referred to provision in the amended operating license.

Respectfully submitted,

ALABAMA MUNICIPAL ELECTRIC AUTHORITY

By

  
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