



UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION
BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of:)
)
PACIFIC GAS AND ELECTRIC COMPANY)
)
(Stanislaus Nuclear Project,)
Unit No. 1))
)
)
)
)
)

Docket No. P-564-A

FURTHER ANSWERS TO THE
FOURTH SET OF INTERROGATORIES PROPOUNDED TO
PACIFIC GAS AND ELECTRIC COMPANY BY THE
STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES

Pacific Gas and Electric Company ("PGandE"), pursuant to 10 C.F.R. §2.740b and Order of the Atomic Safety and Licensing Board, hereby further provides answers to the Fourth Set of Interrogatories propounded to PGandE by the State of California Department of Water Resources ("DWR").

Notes

These answers use the definitions set forth in the interrogatories and PGandE's earlier answers.

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Interrogatory 403: Enumerate each and every currently effective rate schedule PGandE has for bulk power services, and as to each state the following:

(f) whether you expect the rate schedule to be in effect the first year of operation of Stanislaus; and

(g) if your answer to (f), above, was in the affirmative, your best estimate of the rate for the service in that year and for each subsequent year in which you believe the license will be in effect.

Answer 403:

As previously stated in answers to interrogatories, PGandE does not know for certain the year of operation for Stanislaus. (See Answer to Interrogatory 405.) Consequently, this interrogatory as a practical matter is virtually impossible to answer.

However, PGandE expects the rate schedules previously enumerated in response to this interrogatory to continue in effect until the late 1990's with the following exceptions which will expire on their own terms;

1. California Department of Water Resources Sale Agreement, Rate Schedule FERC No. 41;
2. Sacramento Municipal Utility District, Rate Schedule FERC No. 45;
3. Seven Party Agreement, Rate Schedule FERC No. 49;
4. Bonneville Power Administration Sales Contract, Rate Schedule FERC No. 32; and
5. Bonneville Power Administration Exchange Agreement, Rate Schedule FERC No. 33.

Barring changed circumstances such as changes in costs or regulatory requirements, PGandE expects that the rates and rate formulas currently in effect will remain in effect for the life of the contracts.

Interrogatory 404: Enumerate each and every electric rate schedule not yet filed that you expect to file before the first year of operation of Stanislaus and that you expect to be in effect during that year, and as to each state the following:

- (a) the regulatory agency with which it will be filed;
- (b) the date on which you expect to file the rate schedule;
- (c) a description of the service; and
- (d) the rate you estimate will be charged for the service during the first year of operation of Stanislaus and for each subsequent year.

Answer 404:

To PGandE's present knowledge and information, the one rate schedule PGandE expects to file is PGandE's contract with the U.S. Western Area Power Administration, No. 8-07-20-P0004. It will be filed with the Federal Energy Regulatory Commission (FERC) in the near future. The contract covers wheeling services for the electric output of the New Melones dam at a rate specified in Article 12 of the contract (a copy is attached as Exhibit A). This is a rate that will remain in effect until at least 2029.

There is a reasonable likelihood of filing with FERC in the time period prior to the first year of operation of Stanislaus

contracts with the following entities, remembering that the services, terms, conditions, and rates are still in negotiation:

1. NCPA interconnection contract
2. DWR interconnection contract
3. Nevada Power Company) contracts for the
Southern California Edison Company) Harry Allen-Warner
Prince George, Utah) Valley Energy System
4. Participation contracts for Stanislaus Nuclear Project
5. Participation contracts for Montezuma Units 1 & 2
(coal-fired project)

There may be additional matters in this same time period that may result in new rate schedules which must be filed with a regulatory agency; however, PGandE has no present knowledge of any such matter.

Interrogatory 415: If counsel for PG&E has interviewed, contacted, corresponded with, inquired of, or retained any person to evaluate evidence or render an opinion on any matter that concerns this litigation, which interview, contact, correspondence, inquiry, or retention was wholly or in part for the purpose of preparing for the hearing of this case, state:

- (a) the name, employer, and address of each person;
- (b) date of first contact;
- (c) whether there exists a contract or agreement for

the rendition of such person's services, and, if so, the date and amount of such contract;

(d) the field of expertise and qualifications of each such person;

(e) the nature of the inquiry made by each such person, the subject investigated by him or her, and the tests conducted by him or her;

(f) the nature and source of any and all physical matter or material received, examined, or tested by each such person, including the identity of each document made available to him or her;

(g) whether any written or oral report has been made by any such person, and, if a report has been made, as to each such report:

(i) the source or author of the report;

(ii) the name and address of each person who has seen or heard the report;

(iii) the name and address of each person having possession of such a report, if it is in writing;

(iv) whether the report was submitted pursuant to employment in an advisory capacity, a prospective witness capacity, or both;

(h) whether you intend to call such person as an expert witness at hearing;

(i) if you have not yet decided whether or not you will call such person as an expert witness at hearing, the date on which you anticipate you will know whether

or not you so intend.

Answer 415:

- (1)
 - (a) Irwin Steltzer
National Economic Research Associates, Inc.
80 Broad Street
New York, N.Y.
 - (b) November, 1977.
 - (c) Yes, a continuing contract on an hourly basis.
 - (d) Economist.
 - (e) Evaluation of pleadings filed in this case.
 - (f) NCPA's Petition to Intervene; PGandE's Answer
and Motion for Summary Disposition.
 - (g) None.
 - (h) Unknown.
 - (i) Unknown.
- (2)
 - (a) Abraham Gerber
National Economic Research Associates, Inc.
251 Royal Palm Way
Palm Beach, Florida
 - (b) December, 1977.
 - (c) Yes, same as Mr. Steltzer.
 - (d) Economics (B.A., M.A. Economics).
 - (e) Electric utility planning and economics.
 - (f) 1. A letter dated November 24, 1975 to Howard K.
Shapar, Executive Legal Director of the NRC
from Thomas E. Kauper, Assistant Attorney General,
Antitrust Division, U. S. Department of Justice;

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2. A letter dated January 15, 1976 to Joseph Rutberg, chief antitrust counsel for the U. S. Nuclear Regulatory Commission (NRC) from Philip A. Crane, Jr., Assistant General Counsel for Pacific Gas and Electric Company;
3. A letter dated May 5, 1976 from Thomas Kauper, Assistant Attorney General of the Antitrust Division, U. S. Department of Justice, to Howard K. Shapar, Executive Legal Director of the NRC, attaching a copy of the commitments PGandE agreed to make a part of its Stanislaus license conditions;
4. A letter dated May 26, 1976 from Robert C. McDiarmid, representing the Northern California Power Agency, to Thomas E. Kauper;
5. A letter dated October 13, 1976 to Joseph Rutberg, antitrust counsel for the NRC from John C. Morrissey, Vice President and General Counsel of PGandE;
6. A letter dated November 10, 1976 to Robert McDiarmid from Joseph J. Saunders, Chief, Public Counsel and Legislative Section of the Antitrust Division of the Department of Justice;
7. A letter dated December 10, 1976 to Joseph Rutberg, NRC antitrust counsel, from Michael J. Strumwasser, Deputy Attorney General of the State of California representing the State Department of Water Resources;
8. A letter dated January 4, 1977 to Joseph Saunders of the Department of Justice from Robert McDiarmid, attaching a letter from Mr. McDiarmid to Mr. Houlihan on PGandE/NCPA negotiations;
9. A letter dated January 10, 1977 to Joseph Rutberg from Terry J. Houlihan;
10. A letter dated March 4, 1977 to Daniel M. Head, Chairman of NRC Atomic Safety and Licensing Board Panel from Terry J. Houlihan;
11. A letter dated April 5, 1977 to Fredric D. Chanania, NRC Staff Counsel from George Spiegel, representing NCPA, enclosing four NCPA letters and accompanying documents;

12. A letter dated April 21, 1977 to Joseph Saunders from Terry J. Houlihan;
13. A letter dated May 9, 1977 to Joseph Saunders from George Spiegel;
14. Minutes of a June 9, 1977 meeting between NCPA and PGandE representatives in Santa Clara to discuss rate matters;
15. A letter dated December 7, 1977 to parties in the Stanislaus Antitrust Proceeding from Jack Goldberg, NRC Staff Counsel, attaching staff's proposed revision of the commitments; and
16. A letter dated December 12, 1977 to Mr. Norman P. Ingraham, President of NCPA, from Nolan H. Daines of PGandE on the subject of NCPA/PGandE interconnection and transmission negotiations.

(g) None.

(h) Unknown.

(i) Unknown.

- (3) (a) Louis A. Guth
National Economic Research Associates, Inc.
80 Broad Street
New York, N.Y.
- (b). December, 1977.
- (c) Same as Mr. Steltzer.
- (d) Economics, industry organization (B.A., M.A., PH.D. Candidate Economics).
- (e) Evaluation of markets in electric utility industry in which PGandE operates.
- (f) Same as Mr. Gerber plus NRC Staff's Proposed Joint Stipulation on Physical Data, and various reports filed with regulatory agencies.
- (g) One written report.
- (i) Louis A. Guth
 - (ii) Terry J. Houlihan, William H. Armstrong, Jack F. Fallin, Jr., Richard L. Meiss, Sandra L. Schiazza.
 - (iii) Same as (ii).
 - (iv) Advisory.

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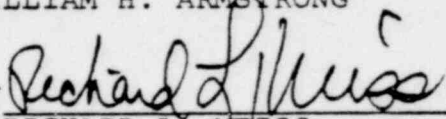
(h) Unknown.

(i) Unknown.

Dated: November 15, 1979.

MALCOLM H. FURBUSH
PHILIP A. CRANE, JR.
JACK F. FALLIN, JR.
RICHARD L. MEISS

MCCUTCHEON, DOYLE, BROWN & ENERSEN
MORRIS M. DOYLE
WILLIAM H. ARMSTRONG

BY 
RICHARD L. MEISS
ATTORNEYS FOR PACIFIC GAS AND
ELECTRIC COMPANY

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VERIFICATION

I, MALCOLM H. FURBUSH, verify under penalty of perjury that the following is true and correct:

I am Vice President and General Counsel of Pacific Gas and Electric Company and, as such, am authorized to make this verification on behalf of Pacific Gas and Electric Company.

I have read the foregoing FURTHER ANSWER OF PACIFIC GAS AND ELECTRIC COMPANY TO Interrogatory No. 415 of the FOURTH SET OF INTERROGATORIES PROPOUNDED TO PACIFIC GAS AND ELECTRIC COMPANY BY THE STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES and know the contents thereof. The subject matter of this answer falls within my general area of responsibility. I am informed that the answer is true and correct, and I believe it to be true and correct.

Executed on November 15, 1979 at San Francisco, California.

Malcolm H. Furbush

MALCOLM H. FURBUSH
Vice President and General Counsel



VERIFICATION

I, LELAND R. GARDNER, verify under penalty of perjury that the following is true and correct:

I am Manager Rate Department of Pacific Gas and Electric Company and, as such, am authorized to make this verification on behalf of Pacific Gas and Electric Company.

I have read the foregoing FURTHER ANSWERS OF PACIFIC GAS AND ELECTRIC COMPANY TO Interrogatories numbered 403 and 404 of the FOURTH SET OF INTERROGATORIES PROPOUNDED TO PACIFIC GAS AND ELECTRIC COMPANY BY THE STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES and know the contents thereof. The subject matter of this answer falls within my general area of responsibility. I am informed that the answer is true and correct, and I believe it to be true and correct.

Executed on November 15, 1979 at San Francisco, California.

Leland R. Gardner

LELAND R. GARDNER
Manager Rate Department



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EXHIBIT A

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of the New Melones Project under the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual covenants herein set forth, the parties hereto agree as follows:

APPENDICES

10. This contract includes Appendix A, Irrigation and Hydro Cost Indexes for the West; Appendix B, General Power Contract Provisions; Appendix C, consisting of two documents: (1) Letter agreement between the parties dated February 14, 1969, and (2) Joint USER-PG&E Operation Memorandum dated June 9, 1975; AND Appendix D, New Melones Project Electrical Transmission Losses;

PERIOD OF SERVICE

11. Transmission service hereunder, from New Melones Switchyard to Tracy Switchyard and from Tracy Switchyard to New Melones Switchyard, shall be provided by Contractor for a period of 50 years beginning on the later of the following two dates: (1) January 1, 1979, or (2) Thirty days prior to the date that the first unit at New Melones Powerplant is ready to be synchronized with the transmission system.

PAYMENT FOR SERVICE: ADJUSTMENT BY INDEX

12. (a) For transmission service hereunder, United States shall pay Contractor \$15,700,000 as follows, subject to adjustment as provided below:

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Art. 10, 11, 12(a)

\$2,500,000 on or before January 1, 1978¹

\$4,200,000 on or before January 1, 1979

\$9,000,000 on or before January 1, 1980

(b) To reflect cost changes between April 1975 and January 1980, \$7,828,800 of the total payment shall be subject to adjustment, measured by changes in the Bureau of Reclamation Irrigation and Hydro Cost Indexes for the West (Index) as published quarterly in "Engineering News-Record." A copy of the Index for April 1975 is attached hereto and designated Appendix A. The adjustment, if any, shall be made if the Index for 230-kV steel tower transmission lines for January 1980 is less than 2.39 or greater than 2.65 (based on Index = 1.00 in 1967). If the index is less than 2.39, the total payment shall be:

$$\$7,871,200 + (\$7,828,800 \times \frac{\text{January 1980 Index}}{2.39}).$$

If the Index is more than 2.65, the total payment shall be:

$$\$7,871,200 + (\$7,828,800 \times \frac{\text{January 1980 Index}}{2.65}).$$

The adjustment shall be paid on or before April 1, 1980.

(c) If the publishing of the Index as referred to above in Article 12(b) herein is discontinued or its source is not available for January 1980, a substitute index shall be developed, based on

¹ This payment shall be increased \$25,000 per month for each month of delay beyond the date specified, and prorated for each portion of a month thereof. Each \$25,000 payment obligation shall be increased \$250 per month until paid.

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methods used by the Bureau of Reclamation in deriving the Index, to be agreed upon by the parties. The substitute index shall be applied in the appropriate equation set forth above in Article 12(b) herein.

CONSTRUCTION OF AND USE OF CONTRACTOR'S FACILITIES

13. (a) Contractor shall, under the terms and conditions provided herein, accept delivery of electric capacity and energy into its electric transmission system at a nominal 230 kV: (1) from the New Melones Project at the New Melones Switchyard for delivery to Tracy Switchyard, and (2) from the Central Valley Project, at Tracy Switchyard, for delivery to the New Melones Switchyard at a nominal 230 kV, when necessary to serve presently estimated Project Load and to provide for any contractual sales by United States pursuant to Public Law 87-874.

(b) In order to accomplish the services to be rendered pursuant to Article 13(a) herein, Contractor shall construct a double circuit 230-kV steel tower transmission line from New Melones Switchyard to Contractor's existing Bellota-Harndon transmission line. Contractor shall also make such reinforcements and rearrangements to its system as may be necessary at any time to provide the transmission service hereunder. United States shall furnish suitable steel structures in New Melones Switchyard on which Contractor shall dead end the 230-kV transmission line circuits. Contractor shall

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methods used by the Bureau of Reclamation in deriving the Index, to be agreed upon by the parties. The substitute index shall be applied in the appropriate equation set forth above in Article 12(b) herein.

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CERTIFICATE OF SERVICE BY MAIL

Lore Rueffer certifies that she is not a party to the within cause; that her business address is 77 Beale Street, San Francisco, CA 94106; and that she caused an envelope to be addressed to each of the following named persons, enclosed and sealed in each envelope a copy of the foregoing document and deposited each envelope, with postage thereon fully prepaid, in the United States mail at San Francisco, California on November 15, 1979.

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Washington, D.C. 20555

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Washington, D.C. 20555

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