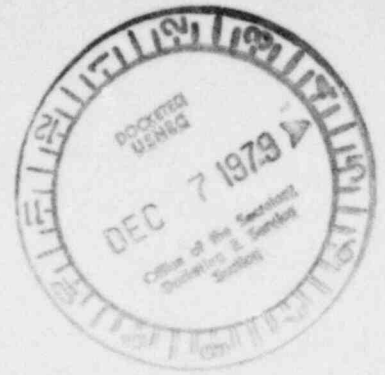


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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

Atomic Safety and Licensing Board

In the Matter of
HOUSTON LIGHTING & POWER CO.
(Allens Creek Unit 1)

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Docket 50-466

MOTION TO COMPEL DISCOVERY RESPONSES

TexPIRG is in receipt of "Houston Lighting & Power Company's Response to TexPIRG's Fifth Set of Interrogatories."

On page 6 of that document, Applicant objected to answering Interrogatory 10 of TexPIRG's Fifth Set because "the interrogatory relates to Applicant's need for power analysis." The full text of the interrogatory and objection are included as Exhibit I of this motion.

For the reasons outlined below, TexPIRG urges the Board to compel responses to Interrogatory #10, in all its sub-parts.

Applicant cites the Board's Orders of Sept. 26 and Nov. 7 as authority for refusal to respond to the question. However, TexPIRG would point out that there is a major difference between interrogatories at question there and this inquiry. The previous "need for power" rulings by the Board related to new power plants coming on-line, in which case the Board said TexPIRG could inquire to the extent required to find out how much conservation is needed in the service area. (Order of Nov. 7, 1979)

Interrogatory 10 here requests details on the Applicant's demand forecast model for peak loads. This interrogatory is not related to the "supply" side, as the ones subject to the orders above, but rather to the "demand" side of the equation. Conservation contentions are, in and of themselves, challenges to the demand projections of applicants. In submitting conservation contentions, Intervenor^s are stating that they believe changes can or will occurⁱⁿ consumer demand for electricity.

In fact, TexPIRG Contention 7 (Stipulation between TexPIRG and NRC Staff) contains a sub-part in which TexPIRG

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points to new evidence justifying the contention, in that HL&P's demand projections have been revised downward since 1975. TexPIRG believes it has a right to seek more details on the reasons the decline occurred in the model. On p. S.8-9 of the FS-FES, the staff says of this decline in the Applicant's projections:

"The reduced use and peak hour demands forecast in the revised estimate result from two major causes. First, the oil embargo of 1973 and the ensuing energy price increases led to a reduction in the quantity of electricity demanded. Second, the economic recession that followed the embargo led to a reduced rate of growth of many of the factors that influence electricity demand: income, industrial output, and others."

In short, the ability or inability of the Applicant's forecast model to accurately predict conservation is crucial in determining whether TexPIRG or HL&P is "right" in its position on Contention 7.

Most of the interrogatories sub-parts deal with the scope and nature of the forecast model's components. Inquiry is made with regard to price elasticities and price assumptions. In another hearing, TexPIRG asked HL&P's demand statistician whether the demand model accounted for conservation. Mr. John Edwards replied that no explicit conservation variable was used, but that, in his opinion, conservation assumptions are captured within economic variable such^{as} price and income and the elasticity coefficients associated with them. (Docket 2676, Public Utility Commission of Texas, Hearing Transcript at 1518-1519). Thus, information on pricing assumed in the model is necessary to know some of the assumptions behind Applicant's growth rate forecasts. Other sub-parts of the interrogatory request specific information on rate class forecasts, information related to Contention 7's sub-part on altered rate structure to foster conservation. (Rate structure, of course, merely refers to the manner price increases are distributed among classes of consumers). Appliance saturation assumptions are necessary to know what kinds of assumptions the Applicant makes (or perhaps doesn't even account for) with regard to improved technological efficiency and usage.

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As further evidence of TexPIRG's belief that information relating to HL&P load forecast model will shed light on the Applicant's conservation assumptions, TexPIRG would note that an NRC study indicated the following factor should be included in an "adequate" load forecast:

"...no forecast should be deemed adequate unless it includes consideration of the following causal factors...--The collective impact of voluntary and government-induced conservation measures that are reasonably foreseeable to occur within the forecast period of relevance to the immediate investment decision..." at 45 , NEED FOR POWER: DETERMINANTS IN THE STATE DECISION-MAKING PROCESS (1978) Office of State Programs, N.R.C., NUREG/CR0022.

Moreover, TexPIRG's conservation contention is challenging S.8.2.6 of the FS-FES ("Conclusion" to conservation alternative discussion), which states: "The applicant does not believe that any energy conservation measures, substitution effects, or load management techniques will be significant enough to change the projection of power needs."

TexPIRG cannot challenge that statement if it must remain in the dark concerning the nature of authoritative projections only known by a quantified outcome without supporting detail.

With regard to Interrogatories 6, 7, & 9, TexPIRG would further ask that the Board require more responsive answers. (See Exhibit II) Each of those interrogatories asked for an identification of documents related to the issues involved, but the Applicant did not do so, only stating that certain unnamed documents were available for inspection. TexPIRG sought identification of the documents in order to allow TexPIRG to schedule its time, and would appreciate co-operation of the Applicant in answering the question as written.*/
*//

THEREFORE, TexPIRG urges the Board to overrule Applicant's objection to interrogatory 10 and require an identification of documents as requested for Interrogatories

*// Interrogatories 6 and 7: "Please state what documents or memoranda in HL&P possession relate to..."; Interrogatory 9: "Please list all documents and memoranda..."

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six, seven, and nine.

Respectfully Submitted,

James M. Scott, Jr.
Counsel for TexPIRG

Clarence Johnson
Executive Director
TexPIRG

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CERTIFICATE
OF SERVICE

I, Clarence Johnson, herein certify that this motion has been served upon the following by deposit in the U.S. mail on or before Dec. 5, 1979:

J. Gregory Copeland

Jack Newman

Sheldon Wolfe, E.L. Cheatum, Gustave Linenberger, ASLB

Steve Sohinki

Richard Lowerre

J. Doherty

Carro Hinderstein

D. Marrack

Brenda McCorkle

W. Rentfro

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EXHIBIT I

INTERROGATORY NO. 10. The following questions relate to the Applicant's electrical demand forecasting model described on p. S.8-6 of the Final Supp. FES.

a. Regarding the industrial demand model (after first five years), what variable, if any, explicitly accounts for industrial size? In particular, is "dollar of value added per unit output", "energy intensiveness per dollar added per unit output", or "employment" utilized to measure industrial size (production)?

b. Regarding the commercial demand model, what variable, if any, explicitly accounts for the size of the commercial user? Is "floor space" explicitly accounted for?

c. Is the forecasting model better described as "enumerative (engineering)" or "econometric" in concept?

d. Does the model differentiate end uses for the electricity and energy consumption within each user class (e.g., space heating, refrigeration, food freezing, etc.)? Please list each end use accounted for by user class (residential, commercial and industrial).

e. S.8-6 of the FS-FES notes that the model makes assumptions as to multi-family and single family composition. Are similarly separate assumptions made with respect to mobile homes? Generally, do individually metered multi-family housing units use less electricity per capita than single family detached units?

f. Does HL&P's model establish sub-categories of types of commercial users? What are those sub-categories?

g. State which of following are explicitly included as an independent variable in the forecasting model, and note if the variable is used only with respect to forecasting one or two user classes: population; household size and number; housing by type; industry by type and size; commercial building by type and size; gross product of service area; sales; employment; interest rates; income; price and income elasticities of demand, by customer class and by end use; appliance/equipment data; energy efficiencies; thermal integrity of structures; fuel prices; cross elasticities of demand, by customer class, by end use for alternative forms of energy; meterology; rate structure.

h. What additional independent variables, if any, are included in the demand model?

i. What is the assumed increase in the price of electricity through 1987 as used in this model? Has HL&P revised the figure for price of electricity since the FS-FES was published? If so, what is the revised figure?

j. Does the electricity price figure(s) stated in (i) include the effects of most recent projections of price escalation at South Texas Project and ACNGS? Does the price forecast assume that Construction-Work-in-Progress will be allowed by the PUC this year, next year, and/or any following years?

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k. Assuming all other variables constant, what is the effect of a one percent increase in electricity prices on the demand for electricity?

ANSWER:

10. Applicant objects to this interrogatory on the grounds that all of the information requested relates to Applicant's projections regarding future demand for electricity. As such, the interrogatory relates to Applicant's need for power analysis, which is not an issue in this proceeding. The ASLB has previously ruled that TexPirg Contention 7, related to energy conservation, does not include the whole issue of need for power by Applicant's system. (Orders of Sept. 26 and Nov. 7, 1979).

EXHIBIT II

INTERROGATORY NO. 6. Gulf Coast Waste Disposal Authority has proposed a refuse-to-energy facility utilizing Houston's trash. Houston City Council, in studying that proposal, has stated that they would like to receive proposals from other sources, too. Has HL&P considered making such a proposal to city council? Does HL&P plan to propose a refuse-to-energy facility to the city council? Please state what documents or memoranda in HL&P's possession relate to such consideration or proposals.

ANSWER:

6. HL&P has made no such proposal and has no plans to make any such proposal. Documents related to such proposals are available for inspection at Applicant's Energy Development Complex.

INTERROGATORY NO. 7. Does HL&P plan to purchase steam or electricity from the GCWDA refuse burning facility mentioned in #6 above? Has HL&P been contacted regarding the purchase of such energy? Please state what documents or memoranda in HL&P's possession relate to such purchases or contacts.

ANSWER:

7. HL&P was contacted about the GCWDA facility, but HL&P has no plans to purchase steam or electricity from the facility. Documents relevant to this matter are available for inspection at Applicant's Energy Development Complex.

INTERROGATORY NO. 9. Has HL&P discussed waste-to-energy production related to supplying the needs of Greenway Plaza? If so, explain the nature and outcome of those discussions. Please list all documents and memoranda relating to such discussions, and make such material available for inspection.

ANSWER:

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9. HL&P was contacted regarding this proposal but has no present plans to participate in the project. Documents related to this proposal are available for inspection at Applicant's Energy Development Complex.