

*
UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

Before the Atomic Safety and Licensing Board

In the Matter of)	
HOUSTON LIGHTING AND POWER)	Docket Nos. 50-498A
COMPANY, et al. (South)	50-499A
Texas Project, Units 1)	
and 2))	
)	
TEXAS UTILITIES GENERATING)	Docket Nos. 50-445A
COMPANY, et al. (Comanche)	50-446A
Peak Steam Electric)	
Station, Units 1 and 2))	

APPLICATION FOR ISSUANCE OF SUBPOENAS

The Department of Justice ("Department"), pursuant to 10 C.F.R. §2.720, hereby makes an application for the issuance of a subpoena to testify for to Mr. D. Eugene Simmons, a Vice President of Houston Lighting & Power Company ("HL&P"), who also has been designated as an expert witness by HL&P in these proceedings.

Mr. Simmons was previously deposed by the Department on October 17-18, 1979 however, several new events compel the continuation of Mr. Simmon's deposition before the close of factual discovery. On October 25, 1979 the Atomic Safety and Licensing Board ruled 1/ that documents listed in Appendix C to the Department's Motion to Compel Production By Houston Lighting & Power Company, dated July 11, 1979, ("Department's Motion") need not be produced by HL&P since "[the] Department has made no showing that the documents in question (Appendix C)

1930 116

1/ Order Regarding Documents Withheld Under Claims of Privilege By Houston Lighting & Power Co., dated October 25, 1979 ("Order")

have been or will be relied upon by Mr. D.E. Simmons in formulating his testimony as a witness." 1/ Therefore the Department seeks an opportunity to determine any reliance by Mr. Simmons on these documents since the time of his previous deposition the Department had no notice of the requirements of the Board's Order.

Furthermore after Mr. Simmon's deposition he gave a presentation on behalf of HL&P concerning the subject of a direct current ("DC") interconnection between ERCOT and the SWPP at an informal conference of parties involved in the PURPA proceeding at the Federal Energy Regulatory Commission. 2/ held on October 30, 1979. This presentation by Mr. Simmons revealed that he had a greater understanding of the subject of a DC interconnection than he acknowledged at his deposition (see, e.g., Simmons Deposition October 17, 1979, pp. 319-324 attached hereto as Exhibit A). The Department wishes to again question Mr. Simmmons regarding this matter since he apparently now has additional knowledge regarding this subject than he did not have at the time of his deposition.

Finally, in late December, depositions of the officers of Texas Utilities Company System ("TU") revealed that TU

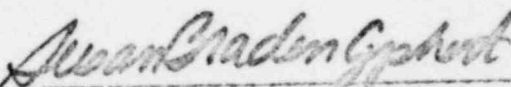
1/ Order supra, at p. 3.

2/ Central Power and Light Company et al., FERC Docket No. EL79-8. This proceeding was instituted by the operating companies of Central and Southwest Corporation (CSW) who seek relief under Sections 202, 203, 204 and 205 of the Public Utilities Regulatory Policies Act ("PURPA") (Public Law No. 95-617(1978)).

has recently withdrawn its offer to sell its Forest Grove plant to HL&P. The Department also wishes to further pursue this matter with Mr. Simmons.

The Department requests that Mr. D. Eugene Simmons be made available to testify on January 30, 1980. The Department will be deposing other HL&P officers in Houston the week of January 28 and the deposition of Mr. Simmons on this date should be convenient to the parties.

Respectfully submitted,



Susan Braden Cyphert
Attorney
Antitrust Division
U.S. Department of Justice
(202-724-6667)

Washington, D.C.
January 17, 1980

United States of America

NUCLEAR REGULATORY COMMISSION

In the matter of:

HOUSTON LIGHTING AND POWER
COMPANY, et al. (South Texas
Project, Units 1 and 2)

TEXAS UTILITIES GENERATING COMPANY
(Comanche Peak Steam Electric
Station, Units 1 and 2)

DOCKET NO. 50-498A
50-499A
50-445A
50-446A

TO

D. Eugene Simmons
Houston Lighting and Power Company
P.O. Box 1700
Houston, Texas 77001

POOR ORIGINAL

YOU ARE HEREBY COMMANDED to appear
at Room 12th Floor

515 Rusk Ave.

in the city of Houston, Texas

on the 30th day of January 1980 at 9:30'clock A.M.
to testify

in the above entitled action

BY ORDER OF THE ATOMIC SAFETY AND LICENSING BOARD

BY _____

Susan B. Cyphert
David A. Dopsovic

Attorney for Antitrust Division
United States Department of Justice
Washington, D.C. 20530
Telephone (202) 724-6667...
(202) 724-7937

.....19.....

1980 119

10 C.F.R. 2.720 (f)

On motion made promptly, and in any event
at or before the time specified in the subpoena
for compliance, by the person to whom the sub-
poena is directed, and on notice to the party at
whose instance the subpoena was issued, the

presiding officer or, if he is unavailable, the
Commission may (1) quash or modify the sub-
poena if it is unreasonable or requires evidence
not relevant to any matter in issue, or (2) con-
dition denial of the motion on just and reasonable
terms.

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

Before the Atomic Safety and Licensing Board

In the Matter of)	
HOUSTON LIGHTING AND POWER)	Docket Nos. 50-498A
CO., et al. (South Texas)	50-499A
Project, Units 1 and 2))	
)	
TEXAS UTILITIES GENERATING)	Docket Nos. 50-445A
COMPANY (Comanche Peak)	50-446A
Steam Electric Station,)	
Units 1 and 2))	

CERTIFICATE OF SERVICE

I hereby certify that service of the foregoing Application for Issuance of Subpoenas has been made on the following parties listed hereto this 17th day of January 1980, by depositing copies thereof in the United States mail, first class, postage prepaid.

Marshall E. Miller, Esquire
Chairman
Atomic Safety & Licensing Board
Panel
U.S. Nuclear Regulatory
Commission
Washington, D. C. 20555

Michael L. Glaser, Esquire
1150 17th Street, N.W.
Washington, D. C. 20036

Sheldon J. Wolfe, Esquire
Atomic Safety & Licensing Board
Panel
U.S. Nuclear Regulatory
Commission
Washington, D. C. 20555

Samuel J. Chilk, Secretary
Office of the Secretary of the
Commission
U.S. Nuclear Regulatory
Commission
Washington, D. C. 20555

Alan S. Rosenthal, Esquire
Chairman
Michael C. Farrar, Esquire
Thomas S. Moore, Esquire
Atomic Safety and Licensing
Appeal Board Panel
U.S. Nuclear Regulatory
Commission
Washington, D. C. 20555

Jerome E. Sharfman, Esquire
U.S. Nuclear Regulatory
Commission
Washington, D. C. 20555

Chase R. Stephens, Secretary
Docketing and Service Branch
U.S. Nuclear Regulatory
Commission
Washington, D. C. 20555

Jerome Saltzman
Chief, Antitrust and
Indemnity Group
U.S. Nuclear Regulatory
Commission
Washington, D. C. 20555

Mr. William C. Price
Central Power & Light Co.
P. O. Box 2121
Corpus Christi, Texas 78403

G. K. Spruce, General Manager
City Public Service Board
P.O. Box 1771
San Antonio, Texas 78203

Perry G. Brittain
President
Texas Utilities Generating
Company
2001 Bryan Tower
Dallas, Texas 75201

R.L. Hancock, Director
City of Austin Electric
Utility Department
P. O. Box 1088
Austin, Texas 78767

G. W. Oprea, Jr.
Executive Vice President
Houston Lighting & Power
Company
P. O. Box 1700
Houston, Texas 77001

Jon C. Wood, Esquire
W. Roger Wilson, Esquire
Matthews, Nowlin, Macfarlane
& Barrett
1500 Alamo National Building
San Antonio, Texas 78205

David M. Stahl, Esquire
Isham, Lincoln & Beale
Suite 701
1050 17th Street, N.W.
Washington, D. C. 20036

Michael I. Miller, Esquire
James A. Carney, Esquire
Sarah N. Welling, Esquire
Isham, Lincoln & Beale
4200 One First National Plaza
Chicago, Illinois 60603

Roy P. Lessy, Esquire
Michael Blume, Esquire
U.S. Nuclear Regulatory
Commission
Washington, D. C. 20555

Jerry L. Harris, Esquire
City Attorney,
Richard C. Balough, Esquire
Assistant City Attorney
City of Austin
P.O. Box 1088
Austin, Texas 78767

Robert C. McDiarmid, Esquire
Robert A. Jablon, Esquire
Spiegel and McDiarmid
2600 Virginia Avenue, N.W.
Washington, D. C. 20036

Dan H. Davidson
City Manager
City of Austin
P. O. Box 1088
Austin, Texas 78767

Don R. Butler, Esquire
1225 Southwest Tower
Austin, Texas 78701

Joseph Irion Worsham, Esquire
Merlyn D. Sampels, Esquire
Spencer C. Relyea, Esquire
Worsham, Forsythe & Sampels
2001 Bryan Tower, Suite 2500
Dallas, Texas 75201

Joseph Knotts, Esquire
Nicholas S. Reynolds, Esquire
Debevoise & Liberman
1200 17th Street, N.W.
Washington, D. C. 20036

Douglas F. John, Esquire
Akin, Gump, Hauer & Feld
1333 New Hampshire Avenue, N.W.
Suite 400
Washington, D. C. 20036

Morgan Hunter, Esquire
McGinnis, Lochridge & Kilgore
5th Floor, Texas State Bank
Building
900 Congress Avenue
Austin, Texas 78701

Jay M. Galt, Esquire
Looney, Nichols, Johnson
& Hayes
219 Couch Drive
Oklahoma City, Oklahoma 73101

Knoland J. Plucknett
Executive Director
Committee on Power for the
Southwest, Inc.
5541 East Skelly Drive
Tulsa, Oklahoma 74135

John W. Davidson, Esquire
Sawtelle, Goode, Davidson
& Tioilo
1100 San Antonio Savings
Building
San Antonio, Texas 78205

W. S. Robson
General Manager
South Texas Electric
Cooperative, Inc.
Route 6, Building 102
Victoria Regional Airport
Victoria, Texas 77901

Robert M. Rader, Esquire
Conner, Moore & Corber
1747 Pennsylvania Ave., N.W.
Washington, D.C. 20006

R. Gordon Gooch, Esquire
John P. Mathis, Esquire
Baker & Botts
1701 Pennsylvania Avenue, N.W.
Washington, D. C. 20006

Robert Lowenstein, Esquire
J. A. Bouknight, Esquire
William J. Franklin, Esquire
Lowenstein, Newman, Reis,
Axelrad & Toll
1025 Connecticut Avenue, N.W.
Washington, D. C. 20036

E. W. Barnett, Esquire
Charles G. Thrash, Jr., Esquire
J. Gregory Copeland, Esquire
Theodore F. Weiss, Jr., Esquire
Baker & Botts
3000 One Shell Plaza
Houston, Texas 77002

Kevin B. Pratt, Esquire
Assistant Attorney General
P.O. Box 12548
Capital Station
Austin, Texas 78711

Frederick H. Ritts, Esquire
Law Offices of Northcutt Ely
Watergate 600 Building
Washington, D.C. 20037

Donald M. Clements, Esq.
Gulf States Utilities Company
P.O. Box 2951
Beaumont, Texas 77704

Mr. G. Holman King
West Texas Utilities Co.
P. O. Box 841
Abilene, Texas 79604

W. N. Woolsey, Esquire
Kleberg, Dyer, Redford & Weil
1030 Petroleum Tower
Corpus Christi, Texas 78474

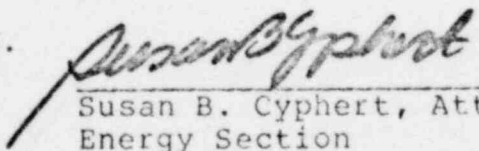

Susan B. Cyphert, Attorney
Energy Section
Antitrust Division
Department of Justice

EXHIBIT A

1 mind to study that AC interconnection today?

2 A Well, the possible cost involved are of such a
3 magnitude that if it required a study of several hundred
4 thousand dollars in cost to satisfy the concern of whether
5 the cost was justified or not, then I would think it would be
6 justified.

7 MR. WEISS: Just to clarify the record, your
8 question was whether he thought the study was justified
9 today?

10 MR. CHANANIA: No, the question was intended to
11 ask him whether or not he felt if the cost to study the
12 Gulf States-HL&P AC interconnection was several hundred
13 thousand dollars, whether or not he thought that kind of
14 cost could be justified.

POOR ORIGINAL

15 MR. WEISS: Okay. I am not sure I understand what
16 that means, but I guess he has answered the question.

17 MR. CHANANIA: To be honest, I am not exactly sure,
18 but I think he did.

19 BY MR. CHANANIA:

1930 123

20 Q Mr. SIMMONS, have you considered a DC inter-
21 connection between HL&P and Gulf States Utilities?

22 A I have considered that as a possibility, yes.

23 Q When did you first begin consideration of a DC
24 interconnection, or DC tie?

25 A Well, I have felt for many years that any inter-

Ace Federal Reporters, Inc.

444 NORTH CAPITOL STREET

WASHINGTON, D.C. 20001

(202) 347-3700

1 connection between ERCOT and Southwest Power Pool would be
2 better made with a DC basis than on a synchronous basis.

3 Q And can you tell me the reasons why you felt
4 that way?

5 A Because the consequences of the surges of power,
6 and the loss of governing action on ERCOT are considerable,
7 with the synchronous interconnection, and they simply do not
8 exist with the DC interconnection.

9 Q Then I take it you view the DC interconnection as
10 an asynchronous interconnection, if it were put in place,
11 between ERCOT and Southwest Power Pool?

12 A Yes, by definition it is an asynchronous inter-
13 connection.

POOR ORIGINAL

14 Q Have you spoken with Mr. Naylor at Gulf States
15 about your considerations concerning the DC interconnection
16 between HL&P and Gulf States Utilities?

17 MR. BALDWIN: Outside of settlement negotiations.

18 THE WITNESS: I have indicated to him that when and
19 if interconnection is made between Houston and Gulf states,
20 that I think it should be made on a DC basis rather than
21 a synchronous basis.

22 BY MR. CHANANIA:

1930 124

23 Q In your considerations of the DC interconnection,
24 would this involve the DC converter and inverter stations?

25 A Yes, it would.

Acc. Federal Reporters, Inc.

444 NORTH CAPITOL STREET
WASHINGTON, D.C. 20001

1 Q What would the functions of these DC converter
2 and inverter stations be between the two systems?

3 A To change the AC to DC, and the DC to AC.

4 Q In your considerations of the DC interconnection,
5 what kind of capacities in megawatts have you considered
6 that these installations would be able to convert from AC
7 to DC, and then back again?

8 A I have not assigned any particular value or the
9 size of the interconnection.

10 Q Have you given any consideration in any way to the
11 size of the interconnection, were it DC?

12 A No, I have not.

13 Q Do you have any idea what the incoming voltage,
14 the AC voltage on either side of the converter-inverter
15 station would be?

16 A No, I have not.

17 Q Do you have any idea of the cost of a DC inter-
18 connection of the kind that you have considered?

19 A Our Engineering Department has indicated this
20 costs on the order of \$80 per kilowatt.

21 Q Do you know what the comparative cost of an AC
22 interconnection of say 345 kv would be?

23 A No, I do not.

24 Q Do you know whether or not the \$80 per kilowatt
25 for the DC interconnection would be more expensive than an

POOR ORIGINAL

1930 125

1 AC interconnection per kilowatt between ERCOT and the
2 Southwest Power Pool?

3 A That would depend upon a lot of things.

4 Q Such as?

5 A The amount of megawatts exchanged, the number of
6 lines that you had, the locations.

7 Q Do you need to know these same factors in order
8 to arrive at a figure of approximately \$80 per kilowatt
9 for a DC interconnection?

10 A No, you do not.

POOR ORIGINAL

11 Q Can you tell me why that is true?

12 A \$80.00 per kilowatt is a per unit cost
13 associated. If you just put more units in, the size you
14 want.

15 Q You can not figure per unit cost for an AC
16 interconnection?

17 A That is correct.

18 Q Have you considered the introduction of harmonics
19 or harmonic voltages into the AC system which would stem
20 from a DC interconnection?

21 A No, I have not.

22 Q Do you believe that the introduction of harmonics
23 or harmonic voltages could possibly occur with a DC
24 interconnection?

25 A I do not know.

1930 126

1 Q In considering the DC interconnection, have you
2 considered whether or not any other systems, any other TIS
3 systems, would be able to use any of the capacity over that
4 interconnection?

5 A It depends upon where the interconnections are.

6 Q Have you considered any particular locations for
7 the DC interconnections?

8 A No, I have not.

9 Q Have you considered that the DC interconnection
10 would run between HL&P and Gulf States Utilities?

11 A That is one possible location.

12 Q Have you considered any other possible location?

13 A No, I have not.

14 Q Have you considered whether interconnecting ERCOT
15 and the Southwest Power Pool by DC interconnections, whether
16 or not more than one interconnection site would be necessary?

17 A I don't know.

18 Q Do you believe that a DC interconnection between
19 ERCOT and the Southwest Power Pool would avoid FERC juris-
20 diction?

21 A I don't know.

22 MR. WEISS: I think you are asking about a legal
23 matter at this point, counsel. But he has answered it.

24 BY MR. CHANANIA:

25 Q Other than the work, which the Engineering Department

Acc-Federal Reporters, Inc.

444 NORTH CAPITOL STREET
WASHINGTON, D.C. 20001

(202) 337-3700

1930 127

1 did with respect to the per unit cost of the DC inter-
2 connection, do you know if the Engineering Department has
3 made any studies which would concern harmonic voltages being
4 introduced into the AC system which would flow from a DC
5 interconnection?

6 A No.

7 Q I don't mean to repeat myself, I think I
8 have not asked this before. Has HL&P made any cost comparisons
9 of any kind between an AC interconnection between ERCOT and
10 the Southwest Power Pool, and a DC interconnection?

11 A Not to my knowledge.

12 Q Has HL&P considered the use of phase shifting
13 transformers in connection with a possible -- strike that
14 question.

15 Are you aware of any work done or any studies
16 made on DC transmission lines related to the South Texas
17 Nuclear project?

18 A Is the question related to DC lines?

19 Q Yes.

20 A No, no studies relating to DC lines.

21 Q Have you heard of any work done or any studies
22 made which would concern DC facilities related to the
23 South Texas nuclear project?

24 A Yes.

25 Q Can you tell me what kinds of work or studies