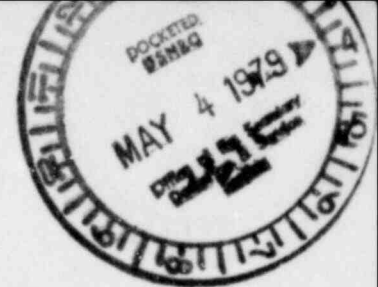


UNITED STATES OF AMERICA
BEFORE THE
NUCLEAR REGULATORY COMMISSION

TERA



BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

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

RESPONSE OF THE PUBLIC UTILITIES BOARD OF THE CITY OF
BROWNSVILLE, TEXAS TO CENTRAL POWER AND LIGHT COMPANY'S
FIRST SET OF INTERROGATORIES TO AND REQUEST FOR PRODUCTION OF
DOCUMENTS FROM THE PUBLIC UTILITIES BOARD OF THE CITY OF
BROWNSVILLE, TEXAS

The Public Utilities Board of the City of
Brownsville, Texas, hereby responds to Central Power and
Light Company's First Set of Interrogatories To and Request
For Production of Documents from the Public Utilities Board
of the City of Brownsville, Texas.

2265 151

7906020119

M

Interrogatory No. 1(a)

1(a) Identify every request for electric service since January 1, 1960 as to which the PUB was unable to provide the requested service in whole or in part because of CPL's refusal or failure to provide wheeling or other transmission services, by stating (i) the entity making the request (ii) the date of the request (iii) the period for which the service was requested (iv) the type (e.g., economy, firm, emergency, etc.) of service requested (v) the amount of electricity requested (vi) the price terms set forth in the request and (vii) the specific wheeling or other transmission services which if provided by CP&L would have enabled the PUB to provide the requested service.

Response

(a) PUB has never been forced to actually refuse electric service to any existing or potential customer. However, as is shown in the attached documents concerning power supply negotiations between PUB and American Metals Climax, Inc. ("AMAX") in 1964 and between PUB and Harvey Aluminum Company, Inc. ("Harvey Aluminum") in 1965 and 1966, CP&L's refusal to provide backup and related transmission services in 1964, and again in 1966, contributed to PUB's failure to acquire AMAX or Harvey Aluminum as industrial customers.

Early in 1964, AMAX sought a proposal from PUB outlining the terms and conditions under which PUB would be able to serve a proposed aluminum reduction plant were it located in the Port of Brownsville area. Service was sought to commence on May 1, 1966. The proposal PUB offered provided that 120,000 kw of firm energy would be made available

at a time beginning at 3.15 mills per kwh, at a load factor of not less than 98%. In order to insure reliability of service, PUB requested CP&L to provide back-up services, a new power tie and related transmission services. The documents attached show that CP&L, which may also have been discussing a service proposal with AMAX during this time, responded to PUB's initial request with indications that back-up and other services could possibly be arranged. However, CP&L then postponed and otherwise avoided repeated attempts by PUB officials to meet and work out details and a definite commitment, and finally -- literally at the last minute -- refused to provide all the services that had been requested. This last minute refusal contributed to PUB's loss of what would have been a large and significant industrial load.

During June or July 1965, Harvey Aluminum was considering the Port of Brownsville as a possible site location for a 100,000 ton per year aluminum reduction plant. In a proposal dated July 6, 1966 to construct a 375 mw electric generating station to serve an aluminum reduction plant, PUB offered to supply the reduction plant with its entire electric power requirements under a contract for a period of not less than thirty years, at an energy cost of initially 3.706 mills per kwh of firm energy. PUB again contacted CP&L regarding a standby power source arrangement,

2265 153

"in which energy flow either way would be on a 'swap out' basis and our excess generation sold to them at the direct production cost. We explained to Mr. Joslin that PUB agrees to build at its expense the transmission line from our plant to his plant, and install all facilities connected thereto." (July 22, 1966 letter from W. P. Barnard, General Manager of PUB, to Leo M. Harvey of Harvey Aluminum, a copy of which is attached.)

Once again CP&L refused to provide the requested services. CP&L's refusal to cooperate in any way in providing the requested services -- which would have been to CP&L's benefit -- contributed to PUB's loss of a potential large customer.

Interrogatory No. 1(b)

(b) Produce for inspection and copying every document which relates to each request for electric service identified in your answer to Interrogatory 1(a), specifically including but not limited to every document stating implicitly or explicitly that CPL's refusal or failure to provide wheeling or other transmission services was a contributing factor to the PUB's inability to provide the requested service.

Response

(b) Documents relating to PUB's response to this interrogatory are attached. Documents concerning PUB's more recent loss of Union Carbide Company's Brownsville Plant to CP&L which are produced in response to Interrogatory No. 5 are also responsive to this interrogatory.

2265 154

Interrogatory No. 2(a)

2(a) (i) Identify every entity which the PUB believes or contends refrained from requesting the PUB to provide it with electric service, in whole or in part because CPL would not provide wheeling or other transmission services, and (ii) state the approximate date each such incident occurred.

Response

(a) PUB cannot identify with specificity entities which PUB believes refrained from requesting the PUB to provide electric service, in whole or in part because CP&L would not provide wheeling or other transmission services. However, as detailed more fully in response to Interrogatory No. 5(b), CP&L's past and continuing policies concerning both the planning and construction of transmission facilities in the southern part of its service area and the related transmission services have had a direct and adverse impact upon PUB's cost and reliability of service. As is shown in the attached documents generally concerning the Brownsville Navigation District, its attempts to attract industry and its relations with PUB and CP&L, Navigation District officials have been concerned over a considerable period of time that reliability problems encountered by PUB in serving the Port area -- which problems result in substantial part from CP&L's restrictive and discriminatory transmission policies -- have hindered industrial development in that area. Further, while exact quantification is impossible, PUB believes that CP&L's refusals to provide transmission services and PUB's resulting

lack of access to alternative power supply sources restricted its ability to competitively expand its service area into area surrounding Brownsville (some of which has been subsequently incorporated within the City limits). Some of this area was thus certified to CP&L and Magic Valley Electric Cooperative during the 1976 Texas Public Utilities Commission service area certification proceedings.

Documents particularly responsive to this matter of competitive injury are provided in response to Interrogatory No. 7.

Interrogatory No. 2(b)

(b) Produce for inspection and copying every document which relates to each incident in which the PUB believes or contends an entity refrained from requesting the PUB to provide it with electric service, in whole or in part because CPL would not provide wheeling or other transmission services.

Response

(b) Documents relating to PUB's response to this interrogatory are attached hereto, or are provided in response to other of these interrogatories as indicated above.

2265 156

Interrogatory No. 3(a) and (b)

3(a) Identify each entity from which, since January 1, 1960, the PUB could have purchased electricity at a cost lower than that at which (i) the PUB could have generated, or did generate, its own electricity or (ii) the PUB could have purchased, or did purchase, electricity from CPL, if CPL would have provided wheeling or other transmission services.

(b) With respect to each entity identified in your answer to Interrogatory 3(a) state (i) the date on which each such offer to provide service was made to the PUB (ii) the period for which any offer of service was made (iii) the price at which the PUB could have purchased the electricity including (and identifying separately) any charge for wheeling or other transmission services by an entity other than CPL, but excluding any charge for wheeling or other transmission services which CPL would have imposed and (iv) the specific wheeling or other transmission services which if provided by CPL would have enabled the PUB to make the purchase.

Response

As is shown in the attached documents, since January 1, 1960, PUB probably would have been able to purchase electricity at a cost lower than the cost at which it could have generated its own electricity or the price at which CP&L was willing to sell PUB electricity, from a number of possible sources, including the Falcon Dam Power Plant, operated by the International Boundary and Water Commission, and the City Public Service Board of San Antonio.

Since CP&L has consistently refused to provide wheeling services, PUB has never been able to evaluate alternative power supply possibilities with enough specificity to respond to Subsection (b) of this interrogatory as it is written. As is shown, the City Public Service Board has

available, and is willing to sell to PUB, excess power, some of which is likely to be cheap coal-fired energy. PUB is statutorily entitled to the output of the Falcon Dam Power Plant before CP&L is. Were transmission services available -- which they have not been -- power and energy from Falcon Dam might be an economic and highly desirable way in which to meet a portion of PUB's load. The alternative has always been made infeasible by CP&L's refusal to wheel. Thus, PUB has never studied this alternative in detail.

Moreover, had PUB had free and non-discriminatory access to the bulk power supply market, the resulting competition would have had a downward influence on the price at which CP&L itself was willing to sell power to PUB.

This response is drafted in response to the exact question asked, which is misleading. Proper economic comparisons over a long time period would have to take into account the amounts that CP&L will charge in the future, the risks which PUB is required to bear associated with purchase of power from CP&L, and the alternative costs in the future. PUB's loss of access to new units planned in the past will, if costs continue to escalate, create increasing loss in comparison with CP&L purchases.

2265 158

Interrogatory No. 3(c)

(c) Produce for inspection and copying every document which relates to each occasion on which the PUB could have purchased electricity from any entity other than CPL at a cost lower than that at which (i) the PUB could have generated, or did generate, its own electricity or (ii) the PUB could have purchased, or did purchase, electricity from CPL, if CPL would have provided wheeling or other transmission services.

Response

Documents responsive to this interrogatory are attached hereto.

2265 159

DOCUMENTS RESPONSIVE TO INTERROGATORY NO. 3
WITHHELD AS PRIVILEGED

April 12, 1978	Letter to Robert E. Roundtree from John W. Davidson, RE: "Amistad and Falcon Hydroelectric Projects"
June 21, 1978	Letter to Robert E. Roundtree from John A Heller, RE: "Protest to Application No. 3880 for Water Permit-STEC/MEC"
July 11, 1978	Letter to Robert Roundtree from John W. Davidson, RE: "Texas Water Commission Application #3880"
July 18, 1979	Letter to Larry Gawlik from Jan Bryant, RE: "Texas Water Commission Application No. 3880"
December 22, 1978	Letter to Robert Roundtree from John W. Davidson, RE: "No. 282,544 - 201st District Court, Travis County, Texas - City of Brownsville, et al. v. Texas Department of Water Resources"

2265 160

Interrogatory No. 4(a)

4(a) State (i) every date on which the PUB requested CPL to provide wheeling or other transmission services (ii) the specific wheeling or other transmission services requested and (iii) CPL's response to each such request to provide wheeling or other transmission services.

Response

4(a) As shown in the attached letters, PUB specifically requested discussions concerning wheeling services from CP&L on September 17, 1973, on February 17, 1976, and again on July 15, 1977. In 1973, PUB was concerned specifically in negotiating a wheeling arrangement by which PUB could obtain power and energy from the South Texas Project, were PUB to purchase an ownership share in that project.

PUB's 1976 request was directed to obtaining a generally available transmission arrangement which included terms sufficiently specific to permit PUB to evaluate the economics and feasibility of obtaining bulk power supply from sources other than CP&L with a reasonable degree of precision for power supply planning purposes.

The 1977 request was directed specifically to capacity and wheeling rates that would be involved in a power transaction between PUB and the City Public Service Board of San Antonio.

In response to each such request, CP&L stated that it did not provide transmission services. In its only written reply to a PUB request for transmission services, CP&L stated, "Since we have never participated in wheeling

2265 161

arrangements, we do not have the anticipated wheeling rates which you request." This August 8, 1977 letter from Mr. Aaron Autry, President of CP&L, to Mr. H. E. Hastings is attached.

During 1964 and again in 1966, PUB sought back-up and related transmission services from CP&L in connection with PUB proposals to serve aluminum reduction refining plants which American Metals Climax, Inc., and Harvey Aluminum Company, respectively, were considering locating at the Port of Brownsville. In both instances, CP&L refused to provide such services. The events surrounding these requests are described in documents produced in response to Interrogatory No. 1 and No. 2.

In addition to the written requests described above, PUB has raised the question of transmission services on numerous occasions during meetings and conversations concerning interconnection arrangements, power purchase arrangements and other such matters. CP&L has consistently refused to provide transmission services, until the recent contract negotiations. While PUB has received no firm commitment that CP&L will now provide transmission services, the contract proposed by CP&L on February 23, 1979, does contain transmission provisions, although a minimum take restriction may effectively obviate the purported ability to use transmission services.

2265 162

During the past year, in the course of its current negotiations with CP&L to obtain a full interconnection agreement and related matters such as the planning and construction of transmission facilities in the South Texas area, PUB has continuously sought full and non-discriminatory access to such transmission. PUB desires the right to contribute to and be a part of the transmission grid and to purchase supplemental transmission services through a rate at FERC. See, for examples, letters of October 11, 1978 and November 1, 1978, from Mr. Robert E. Roundtree to Mr. R. W. Hardy, CP&L's responses thereto, and intervention pleadings filed on behalf of PUB in the above captioned proceedings at the NRC. PUB assumes CP&L has copies of these documents in its possession and easily obtainable. If not, PUB is happy to make copies available.

Interrogatory No. 4(b)

(b) Produce for inspection and copying every document which relates to (i) each request by the PUB to CPL to provide wheeling or other transmission services and (ii) each response by CPL to any request by the PUB for CPL to provide wheeling or other transmission services.

Response

(b) Documents relating to PUB requests for transmission services and CP&L's responses thereto are attached hereto or in response to other of those interrogatories as appropriately referenced above.

2265 163

Interrogatory No. 5(a)

5(a) With reference to the allegation (§ 6, p. 3) in the PUB's Supplemental Petition for Leave to Intervene that "PUB must have access to CPL's transmission system to service industrial loads", identify each industrial load which the PUB has been unable to serve due, in whole or in part, to lack of access to CPL's transmission system by (i) identifying the customer or potential customer (ii) stating the approximate date when the PUB first learned that it would be unable to serve that specific load (iii) stating which entity did supply the electric energy requirements of the customer or potential customer (iv) stating every reason why the PUB did not obtain the right to serve that specific load and (v) identifying the specific nature of the access to CPL's transmission system which would have enabled the PUB to serve that specific load.

Response

(a) Documents and information provided in response to Interrogatory No. 1 are also responsive to this interrogatory.

As further detailed in the attached documents, on April 13, 1976 Union Carbide Corporation ("Union Carbide"), which was at that time served by PUB under a back-up power contract, announced expansion plans and the need for additional electric power, approximately 40,000 kw with capacity available for 55,000 kw peaks, delivered at 138,000 volts. PUB was at this time formally asked whether it would be able to supply the requested service.

It should be noted, however, that in a letter to Brownsville Navigation District officials dated April 8, 1976, Mr. William McManus, of Union Carbide, had stated that in that Company's analysis only Central Power & Light Company would be capable of meeting Union Carbide's expanded electri-

city needs, and had already requested that the Navigation District take the necessary steps to grant CP&L the right to supply Union Carbide's requirements.

During a meeting between PUB and Navigation District officials on April 22, 1976, a general agreement was reached whereby PUB agreed to allow the Brownsville Navigation District the option to contract with CP&L to supply power to Union Carbide. While PUB agreed that CP&L would be allowed to serve Union Carbide, should Union Carbide so desire, on May 11, 1976, Mr. Israel Lizka, Chairman of the Public Utilities Board also responded to the April 13, 1976 letter from the Navigation District, and set forth the PUB's specific plans to satisfy Union Carbide's needs.

It was within PUB's technical capability to serve the proposed Union Carbide load, if PUB were able to obtain from CP&L full performance of CP&L's contract obligations under the terms of the 1971 power supply agreement in force between them.

In addition, fully reliable service to Union Carbide would require the installation of 138 kv transmission facilities between PUB and CP&L in the immediate Brownsville area. Such 138 kv transmission had been under consideration

2265 165

by CP&L and PUB for some time prior to Union Carbide's 1976 request, and both CP&L and PUB have recognized that increased transmission facilities were or would be necessary to insure reliability of service to the Brownsville area. Indeed, at least as early as 1974, PUB had proposed and requested that additional transmission facilities be installed between CP&L and PUB facilities.

As shown in the attached correspondence, it seemed evident to PUB at the time of the 1976 Union Carbide request that CP&L did not intend voluntarily to meet its contract obligations, nor did it appear willing to cooperate in the installation of 138 kv transmission so as to benefit both PUB and CP&L.

Moreover, as shown in documents produced in response to Interrogatory No. 2, the Brownsville Navigation District sought the availability of CP&L service out of fears that PUB service might be unreliable. It is clear that if CP&L had provided necessary power supply and transmission services, PUB would have been able and desirous of continuing to serve Union Carbide. While PUB desired -- and is still willing -- to serve the Union Carbide load, CP&L's continuing refusal to provide both future economic power supply and a reliable means by which to obtain it, seriously and effectively impedes PUB's ability to offer competitive power services to Union Carbide (or similar customers).

Interrogatory No. 5(b)

(b) Explain how the PUB's ability to serve industrial loads in the future will or may be affected by whether the PUB has access to CPL's transmission system.

Response

(b) PUB's ability to serve future industrial loads is adversely affected by CP&L's restrictive transmission policies for the same reasons it was unable to effectively compete for the Union Carbide load: (1) without the installation of looped 138 kv transmission facilities, adequate for the reliable transmission of power supply to meet expanding load, PUB is unable to guarantee the reliability necessary to serve certain large industrial load (such as aluminum reduction plants; and (2) without full and non-discriminatory availability of transmission services, PUB is deprived of the access to the bulk power supply market, which would enable PUB to compete on equal terms with other electric utilities for the most economic power supply available.

2265 167

DOCUMENTS RESPONSIVE TO INTERROGATORY NO. 5
WITHHELD AS PRIVILEGED

March 31, 1976	Letter to H. E. Hastings from O. B. Garcia, RE: Contract obligations under power purchase agreement bet- ween CP&L & PUB
April 2, 1976	Letter to Hon. Israel Lizka from O. B. Garcia, RE: Contract obligations under power purchase agreement bet- ween CP&L & PUB
April 2, 1976	Memorandum Opinion to PUB from John Davidson, RE: "Legal Aspects of Proposed Electric Power Agreement Between Union Carbide and Central Power & Light Company"

2265 168

Interrogatory No. 6

6(a) Identify every request which the PUB has made for participation in the ownership of any generating plant or unit owned in whole or in part by CPL including but not limited to the South Texas Project ("STP"), by identifying (i) the date each such request was made (ii) whether the request was written or oral (iii) the person making the request and the person to whom the request was directed (iv) the specific content of the request (v) the specific content of the response to the request and (vi) the person making the response and the person to whom the response was directed.

Response

6(a) PUB has never received an offer to participate in any generating plant or unit owned in whole or in part by CP&L, upon which it could base a firm request.

Nonetheless, PUB has from time to time expressed its desire for an opportunity to participate with CP&L in the ownership of generating facilities of various types, both existing and planned and continues to do so. It has intervened in Docket Nos. 50-498A and 50-499 to secure such rights and related relief.

During the period 1961 through 1963, a number of discussions were had concerning CP&L participation in a proposed generating facility known at the time as "Plant X."

As is shown in the group of documents attached hereto labeled Plant X, a number of contacts occurred between representatives of CP&L and PUB during this period. The attached list describes certain of these contacts specifically. Additional unreported contacts probably occurred between CP&L and PUB during this period during which the matter of CP&L participation in "Plant X" was discussed, but cannot now be recalled with detail.

2265 169

Sometime prior to September 17, 1973, a Central Power & Light Company representative visited with Mr. H. E. Hastings, then General Manager of PUB, "to announce the proposed nuclear project." In a letter dated September 17, 1973 addressed to Mr. R. E. Horine, Executive Vice President of CP&L (a copy of which is attached), Mr. Hastings stated:

"It was unclear whether we were being given an opportunity to participate or not. We would be interested in the possibility if agreements could be reached on wheeling arrangements or displacement."

It is Mr. Hastings's recollection that the South Texas Project participation "offer" was presented in a negative fashion, with the suggestion that CP&L, while required by law to make the offer, did not wish to do so, and that in any event, PUB would as a practical matter, be unable to participate in the project because: (1) it could not afford to, and (2) it had no wheeling contract with CP&L and such a contract was necessary to enable PUB to transport its share of the STP generation from the plant to Brownsville. As described more fully in response to Interrogatory No. 4, (and as stated by Mr. Aaron Autry in his letter to Mr. H. E. Hastings dated August 8, 1977), CP&L "has never participated in wheeling arrangements, . . ." and had no ". . . plans for future transmission construction which would include surplus transmission capacity for wheeling power."

As pointed out in Mr. Hastings' September 17, 1973 letter, PUB's ability to participate in the proposed nuclear project was contingent upon agreements concerning wheeling

arrangements. CP&L had theretofore been unwilling to provide such wheeling services and, as evidenced in Mr. Autry's August 8, 1977 letter, did not modify its historically restrictive transmission policies in response to PUB's requests concerning a wheeling arrangement relating to the South Texas Project. PUB never received a formal written reply to Mr. Hastings' September 17, 1973 letter.

During a meeting on June 9, 1974, at which a number of CP&L representatives were present, including Messrs. Horine, Siegelin, Smith, Orsak, and Taylor, a number of subjects were discussed, including the South Texas nuclear project. PUB interest in participating in the project was again expressed provided some reasonable wheeling agreement could be arranged. Mr. Hastings' notes taken during this meeting are attached.

In a letter to Mr. Aaron E. Autry dated February 17, 1976, Mr. Hastings requested a meeting with appropriate CP&L personnel in which to discuss, among other subjects, the "possible joint ownership of generating resources." As with previous expressions by PUB of its interest in participating with CP&L in the planning and/or ownership of generating facilities, CP&L did not formally reply to Mr. Hastings' February 17, 1976 letter.

In addition to those requests documented in the correspondence and notes attached, the issue has been brought up from time to time during meetings and conversations con-

cerning other matters. See, for example, CP&L's letter of March 9, 1979. Joint ownership and planning of generating facilities has been and continues to be desired by PUB as being a source of economic and efficient bulk power of benefit to all participants.

Interrogatory No. 6(b)

(b) Produce for inspection and copying every document which relates to (i) each request by the PUB for participation in the ownership of any generating plant or unit owned in whole or in part by CPL including but not limited to the STP and (ii) each response to each such request by the PUB.

Response

(b) All documents relating to PUB requests for participation in the ownership of generating plants are owned in whole or in part by CP&L are attached hereto. CP&L responded to all PUB requests orally, except for its March 9, 1979 letter to PUB, a copy of which is attached.

2265 172

Interrogatory No. 7

7(a) Describe the ways in which and the extent to which the PUB competes with other electric utilities.

Response

PUB is in vigorous competition with other electric utilities, both adjacent and in the larger south Texas area, for (1) retail load (2) industrial load, and (3) bulk power supply. If it had access to transmission and coordination services, PUB could compete in bulk power supply markets for the purchase of both firm and non-firm short and long term power supply and the sale of electrical energy and capacity to other systems.

(1) As shown in the documents attached hereto, PUB competes with the Magic Valley Electric Cooperative, Inc., and CP&L for residential retail customers. El Valle North and Iowa Estates II subdivisions were located directly in the growth pattern of Brownsville and have been annexed into the Brownsville city limits. However, this area is dually certified to CP&L and Magic Valley -- which are not even franchised to operate within the city limits of Brownsville. The developers of these subdivisions have requested and prefer service from PUB, which desires to provide service. The fact that litigation before the PUC to settle the question of which electric utility should serve these customers is ample evidence of competition.

2265 173

(2) Competition between PUB and CP&L to acquire large industrial load is clear and well documented. For example, see documents concerning the 1964 negotiations between the Brownsville Navigation District, the Public Utilities Board and American Metals Climax produced in response to Interrogatory No. 1 and No. 2.

It appears that CP&L representatives were meeting with American Metals Climax in an attempt to encourage that company to locate a new aluminum plant in the CP&L service area at the same time that PUB together with the Brownsville Navigation District were actively negotiating with AMAX to locate at the Port of Brownsville. CP&L was well aware of the PUB-BND-AMAX negotiations since PUB had requested certain limited back-up and transmission services from CP&L in connection with plans to install substantial new generation to meet the AMAX load (which would have been about 100 MW). Indeed, various CP&L officials indicated, until the day before PUB and BND representatives were to go to New York with a finalized proposal, that the company would probably be willing to provide the requested services, in whole or in part. The day before this New York trip, CP&L flatly refused to provide any of the requested services. AMAX located the proposed plant in the Pacific Northwest. CP&L's last minute refusal to provide a back-up tie and otherwise deal with PUB made the PUB-BND proposal far less attractive to AMAX than it would have otherwise been.

Competition between PUB and CP&L to serve Union Carbide's Brownsville plant which is located at the Port of Brownsville has been intense (as is shown in documents produced in response to Interrogatory No. 5). Until recently, Union Carbide received back-up power under a contract with PUB. CP&L has taken over this customer recently, following a number of years of both open and not-so-open negotiating between CP&L, Union Carbide and possibly BND representatives.

Additional instances of competition to acquire and/or serve large industrial customers are shown in documents attached hereto and in documents provided in response to Interrogatory No. 2.

(3) PUB presently competes with other electric utilities in the south Texas area for economic bulk power supply.

As shown in documents provided in response to Interrogatory No. 3, PUB has been interested for some time in power and energy generated in the federal hydroelectric generating projects located at the Falcon and Amistad dams on the Rio Grande River. This power and energy has been, at least temporarily, obtained by CP&L.

PUB has also, during the past two years in particular, been exploring the possibility of obtaining power from the City Public Service Board of San Antonio (see documents produced in response to Interrogatory No. 3). While PUB has been entangled in negotiations with CP&L to obtain

power services, including transmission services, San Antonio and Medina Electric Cooperative concluded, early this year, a power supply agreement -- reducing substantially the amount of inexpensive power for which PUB can now negotiate.

Interrogatory No. 7(b)

(b) Produce for inspection and copying every document which relates to the competition described in your answer to Interrogatory 7(a).

Response

Documents relating to the competition described above are either attached hereto or are provided in response to other of these interrogatories and have been appropriately referenced above.

2265 176

Interrogatory No. 8

8(a) State, for each year since 1970, the peak load on the PUB's system, the PUB's generating capacity at the time the peak load was experienced and the PUB's firm purchases and/or sales at that time.

Response

	<u>Annual Peak Load, MW</u>	<u>Generating Capacity at Time of Peak Load, MW</u>	<u>Firm Power Purchases at Times of Peak Load, MW</u>
1970	54.0	68.0	
1971	56.9	68.0	
1972	68.4	68.0 <u>1/</u>	
1973	81.4	113.0	
1974	95.7	113.0	
1975	94.7	119.6	15.0
1976	95.7	119.6	24.0
1977	102.5	119.6	27.0
1978	108.5	113.0	29.0

1/ In 1972, PUB was able to meet its peak load of 68.4 MW with its installed or nameplate generating capacity of 68 MW.

2265 177

Interrogatory No. 8(b)

(b) State, by year for each of the next ten years, the PUB's anticipated peak load, generating capacity expected to be installed at that time and the firm purchases and/or sales which the PUB has already contracted for.

Response

	<u>Anticipated Annual Peak Load, MW</u>	<u>Anticipated Installed Generating Capacity, MW</u>	<u>Firm Power Purchases at Times of Peak Load, MW</u>
1979	117.4	113.0	
1980	124.2	<u>3/</u>	37.4
1981	132.0		<u>2/</u>
1982	140.2		
1983	148.8		
1984	158.1		
1985	168.1		
1986	179.3		
1987	191.5		
1988	204.6		

2/ The 1971 Power Purchase Agreement between CP&L and PUB which by its terms expires at the end of 1981, provides that PUB may increase its firm power purchases by up to 10 MW annually, but that in no event shall PUB purchase, under the existing contract, firm power in excess of 60 MW.

3/ For the period 1980 to 1988, PUB does not have a specific generation expansion plan developed. PUB is considering a number of generation expansion alternatives, including joint ownership participation in large coal or nuclear generating units. In order for PUB to obtain construction of necessary transmission facilities, CP&L has insisted that PUB pay for such construction through the purchase of wholesale power, to which PUB was forced to accede, and has proposed a minimum demand. PUB does not know the basis for this minimum demand.

2265 178

Interrogatory No. 9

9. State the name, business address, residence address, and position in or affiliation with the PUB of each person who provided information in connection with the PUB's answers to any or all of these Interrogatories, and indicate by number those Interrogatories with respect to which each such person provided information.

Response

Interrogatories
With Respect To
Which Information
Was Provided

Business Address

Residence Address

1-7	Mr. Robert E. Roundtree General Manager Public Utilities Board 1425 Robinhood Brownsville, Texas 78521 (512)546-2241	205 Calle Amistosa #138 Brownsville, Tx. 78520
1-7	R. Michael Simmons, Esq. Staff Counsel Public Utilities Board 1425 Robinhood Brownsville, Texas 78521 (512)546-2241	2727 Old Alice Rd. #8 Brownsville, Tx. 78520
3, 4, 5, 7, 8	Mr. Larry R. Gawlik Associate General Manager for Engineering Public Utilities Board 1425 Robinhood Brownsville, Texas 78521 (512)546-2241	26 Casa Grande Brownsville, Tx. 78520
1, 2, 6, 7	Mr. George Lindsey, III Associate General Manager for Administration Public Utilities Board 1425 Robinhood Brownsville, Texas 78521 (512)546-2241	67 Shoreline Brownsville, Tx. 78520
1, 2, 5, 7	Mr. Israel Liska Chairman and Member, Public Utilities Board P. O. Box 3270 Brownsville, Texas 78520	44 Calle Anacua Brownsville, Tx. 78520

Public Utilities Board member: 1974 until about
July 1975
Chairman, Public Utilities Board, July 1975 -
August 1978

Interrogatories
With Respect To
Which Information
Was Provided

Business Address

Residence Address

Present business address:

Casa De Nylon
1304 East Adams
Brownsville, Tx. 78520

1, 2, 5, 7

Mr. Al Cisneros
General Manager and
Port Director
Brownsville Navigation
District, Port of
Brownsville
Navigation District Bldg.
P. O. Box 3070
Brownsville, Texas 78520
(512)831-4592

54 McFatten
Brownsville, Tx. 78520

1, 2, 5, 7

Mr. Ersel G. Lantz
Director of Engineering
and Port Development
Brownsville Navigation
District, Port of
Brownsville
Navigation District Bldg.
P. O. Box 3070
Brownsville, Texas 78520
(512)831-4592

308 Scott
Brownsville, Tx. 78520

1 through 7

Hon. Ruben Edelstein
Mayor
City of Brownville
P. O. Box 911
Brownsville, Texas 78520
(512)542-4391

64 Robins Lane
Brownsville, Tx. 78520

Chairman, Public Utilities Board: July 1960 -
July 1967
Mayor, City of Brownsville: November 1975 to
date

1 through 7

Mr. H. E. Hastings
219 West Water Street
Piqua, Ohio 45336

1914 Beckert Drive
Piqua, Ohio 53356

General Manager, Public Utilities Board,
September 1971 - September 1977

Interrogatories
With Respect To
Which Information
Was Provided

Business Address

Residence Address

3 through 6

Mr. Mark D. Stenson
Partner
R. W. Beck & Associates
200 Tower Building
Seattle, Washington 98101
(206)622-5000

504 146th Place, N.E.
Bellevue, Wash. 98007

Consulting Engineer to PUB: 1972 - 1976

2265 181

Interrogatory No. 10(a)

10(a) Identify each person whom the PUB expects to call as an expert witness at the trial of this cause by stating each such person's name, occupation and business address.

Response

PUB is considering formal retention of the following consultants to review economic and engineering factors relating to this case:

- (a) 1. Dr. John W. Wilson, President of
J. W. Wilson & Associates, Economic Consultants
The Dodge Center
1010 Wisconsin Avenue, N. W.
Washington, D. C. 20007
(202)333-7442
2. William R. Mayben, Partner
R. W. Beck & Associates
P. O. Box 68
Columbus, Nebraska
(402)564-3251

Other expert witnesses may be added to this list when PUB learns what witnesses will be called by other parties and the substance of their testimony and its assessment of its needs.

Interrogatory Nos. 10(b)-(c)

(b) State the subject matter on which each person identified in your answer to Interrogatory 10(a) is expected to testify.

(c) State (i) the substance of the facts and opinions to which each person identified in your answer to Interrogatory 10(a) is expected to testify and (ii) a summary of the grounds for each such opinion.

Response

1. Dr. Wilson will examine the competitive situation in the electric utility industry in Texas and the economic impact on Brownsville and other such electric utili-

ties of the "intra-state only" policy presently in effect as to the Texas Interconnected System. Included in this examination may be an analysis of the role of competition in the electric utility industry, relevant markets and the criteria used in establishing the relevant markets, an evaluation of the Applicants' market power in the relevant markets and their conduct in those markets, and an analysis of the economic impact of present power supply and market factors as they related to PUB.

In addition, Dr. Wilson will be asked to review the economic and competitive impact on PUB of limitations on transmission and bulk power supply availability.

2. Mr. Mayben may testify concerning general principles of joint planning and operation in the electric utility industry, including reserve sharing; economy exchange and other forms of power exchange commonly provided for in interconnected operation in the industry; wheeling and other transmission services; and he will be asked to analyze these principles as they apply in Texas, and in the South Texas area.

In addition, Mr. Mayben will look at the transmission system and the bulk power supply situation as it exists and is presently planned in the Rio Grande Valley, with particular focus on the resulting impact of those transmission and power supply arrangements on PUB.

Mr. Mayben may be asked to analyze the various fuel supply alternatives in Texas, again with particular reference to PUB.

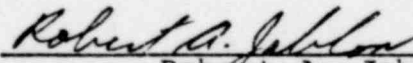
UNITED STATES OF AMERICA
BEFORE THE
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

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

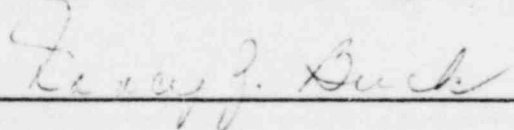
VERIFICATION

I, Robert A. Jablon, being first duly sworn, depose and state that I am counsel for the Public Utilities Board of the City of Brownsville, Texas, that the foregoing Response of the Public Utilities Board of the City of Brownsville, Texas, to Central Power & Light Company's First Set of Interrogatories to and Request for Production of Documents from the Public Utilities Board of the City of Brownsville, Texas, was prepared at my direction and under my supervision, that I have reviewed such Response, and that the information and matters set forth therein are true and correct to the best of my information, knowledge and belief.



Robert A. Jablon

Subscribed and Sworn to before me this 30th day of April, 1979.



My Commission Expires September 30, 1979

2265 184

UNITED STATES OF AMERICA
BEFORE THE
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

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

AFFIRMATION OF SERVICE

DISTRICT OF COLUMBIA, ss:

I, SUSAN G. WHITE, being first duly sworn, affirm that copies of the foregoing RESPONSE OF THE PUBLIC UTILITIES BOARD OF THE CITY OF BROWNSVILLE, TEXAS TO CENTRAL POWER AND LIGHT COMPANY'S FIRST SET OF INTERROGATORIES TO AND REQUEST FOR PRODUCTION OF DOCUMENTS FROM THE PUBLIC UTILITIES BOARD OF THE CITY OF BROWNSVILLE, TEXAS in the above-captioned proceeding have this 30th day of April, 1979 been served upon the following persons by deposit in the U. S. mail, first class, postage prepaid.

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

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

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

Joseph J. Saunders, Esquire
Chief, Public Counsel &
Legislative Section
Department of Justice
P. O. Box 14141
Washington, D. C. 20044

Joseph Gallo, Esquire
Richard D. Cudahy, Esquire
Robert H. Loeffler, Esquire
Isham, Lincoln & Beale
Suite 701
1050 17th Street, N. W.
Washington, D. C. 20036

2265 185

Joseph Rutberg, Esquire
Antitrust Counsel
Counsel for NRC Staff
Nuclear Regulatory Commission
Washington, D. C. 20555

Chase R. Stephens, Chief
Docketing and Service Section
Office of the Secretary
Nuclear Regulatory Commission
Washington, D. C. 20555

Douglas F. John, Esquire
Akin, Gump, Hauer & Feld
1100 Madison Office Building
1155 15th Street, N. W.
Washington, D. C. 20024

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, Jr., Esquire
Lowenstein, Newman, Reis &
Axelrad
1025 Connecticut Avenue, N. W.
Washington, D. C. 20036

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

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

Wheatley & Wolleson
1112 Watergate Office Building
2600 Virginia Avenue, N. W.
Washington, D. C. 20037

John D. Whitler, Esquire
Ronald Clark, Esquire
Department of Justice
P. O. Box 14141
Washington, D. C. 20044

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

Joseph I. Worsham, Esquire
Merlyn D. Sampels, Esquire
Worsham, Forsythe & Sampels
2001 Bryan Tower, Suite 2500
Dallas, Texas 75201

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

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

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

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

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

2265 186

Roff Hardy, Chairman and Chief
Executive Officer
Central Power & Light Company
P. O. Box 2121
Corpus Christi, Texas 78403

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

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

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

E. W. Barnett, Esquire
Charles G. Thrash, Jr., Esquire
Baker & Botts
3000 One Shell Plaza
Houston, Texas 77002

J. Gregory Copeland, Esquire
Theodore F. Weiss, Jr., Esquire
Baker & Botts
3000 One Shell Plaza
Houston, Texas 77002

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

Don R. Butler, Esquire
Sneed, Vine, Wilkerson, Selman
& Perry
P. O. Box 1409
Austin, Texas 78767

Morgan Hunter, Esquire
McGinnis, Lochridge & Kilgore
900 Congress Avenue
Austin, Texas 78701

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

Linda L. Aaker, Esquire
Assistant Attorney General
P. O. Box 12548
Capital Station
Austin, Texas 78711

John E. Mathews, Jr., Esquire
Mathews, Osborne, Ehrlich,
McNatt, Gobelman & Cobb
1500 American Heritage Life Bldg.
Jacksonville, Florida 32202

Robert E. Bathen
R. W. Beck & Associates
P. O. Box 6817
Orlando, Florida 82803

Somervell County Public Library
P. O. Box 417
Glen Rose, Texas 76403

Maynard Human, General Manager
Western Farmers Electric Coop.
P. O. Box 429
Anadarko, Oklahoma 73005

2265 187

W. S. Robson, General Manager
South Texas Electric Cooperative,
Inc.

Route 6, Building 102
Victoria Regional Airport
Victoria, Texas 77901

Michael I. Miller, Esquire
Richard E. Powell, Esquire
Isham, Lincoln & Beale
One First National Plaza
Chicago, Illinois 60603

David M. Stahl, Esquire
Thomas G. Ryan, Esquire
Isham, Lincoln & Beale
One First National Plaza
Chicago, Illinois 60603

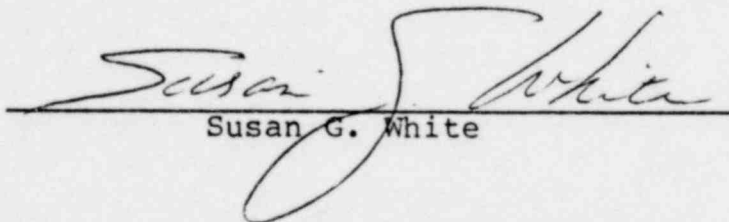
Knoland J. Plucknett
Executive Director
Committee on Power for the
Southwest, Inc.
5541 Skelly Drive
Tulsa, Oklahoma 74135

James E. Monahan
Executive Vice President and
General manager
Brazos Electric Power Coop., Inc.
P. O. Box 6296
Waco, Texas 76706

Judith Harris, Esquire
Department of Justice
P. O. Box 14141
Washington, D. C. 20044

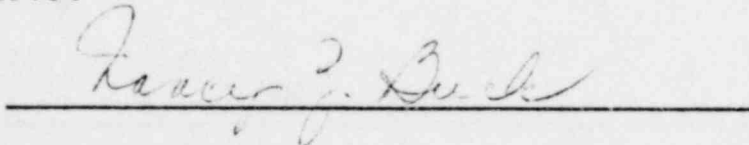
Jerome Saltzman, Chief
Antitrust & Indemnity Group
Nuclear Regulatory Commission
Washington, D. C. 20555

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



Susan G. White

SUBSCRIBED AND SWORN TO before me, a Notary Public in
and for the City of Washington, District of Columbia, this
30th day of April, 1979.



My Commission Expires September 30, 1979

2265 188