

ATTACHMENT TO INTERROGATORY NO. 3

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ATTACHMENT TO INTERROGATORY NO. 3

ORDINANCE NUMBER 580 M

AN ORDINANCE AMENDING ORDINANCE NUMBER 580, BEING "AN ORDINANCE FIXING THE RATES TO BE CHARGED BY THE PUBLIC UTILITIES BOARD OF THE CITY OF BROWNSVILLE, TEXAS, TO THE CONSUMERS OF ELECTRICAL ENERGY, AND FOR WATER AND SANITARY SEWAGE SERVICE, BOTH INSIDE AND OUTSIDE THE CITY LIMITS; REPEALING ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT HEREWITH; AND FIXING THE EFFECTIVE DATE HEREOF" BY AMENDING THAT PORTION THEREOF DESIGNATED "RESIDENTIAL RATE, SCHEDULE R" AND THAT PORTION THEREOF DESIGNATED "INDUSTRIAL RATE, SCHEDULE IN", AND REPEALING ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT HEREWITH.

BE IT ORDAINED BY THE CITY OF BROWNSVILLE:

Section 1: That the portion of Ordinance Number 580 designated therein as "RESIDENTIAL RATE, SCHEDULE R" be, and is hereby amended so that it shall hereafter read as follows:

RESIDENTIAL RATE, SCHEDULE R

Application

This rate is applicable to all electric service for residential purposes only, to any customer whose entire residential requirements on the premises are supplied under this rate at one point of delivery through one meter.

This rate is not applicable to service for hotels, motels, rooming house, boarding houses, dormitories, or apartment houses of more than two household units which are served through one meter. Where two household units are served through one meter the kilowatt-hour steps and minimum charge under this schedule shall be doubled.

This rate is applicable to electric service for a residence or household unit where a portion of the current used therein, not exceeding twenty (20%) per cent thereof, is used for incidental non-residential purposes; provided, that if the current used for such non-residential purposes exceeds twenty (20%) per cent of the total current used on such premises and the service supplied for residential purposes and that for non-residential purposes are separately metered, this rate shall be applicable to the electric service supplied for residential purposes.

This rate is not applicable to emergency, standby or supplementary service.

RATE

First 14 kilowatt hours, or less, per month \$0.95536
Next 36 kilowatt hours, or less, 5.00 cents per KWH
Next 100 " " " " 3.00 " " "
Next 350 " " " " 1.85 " " "
Next 500 " " " " 1.60 " " "
Next 9,000 " " " " 1.40 " " "
All additional kilowatt hours per month 1.25 cents per KWH
Minimum charge -----\$1.00 per month

Section 2. That the portion of Ordinance Number 580 designated "INDUSTRIAL RATE, SCHEDULE IN" be, and is hereby amended so that it shall hereafter read as follows:

INDUSTRIAL RATE, SCHEDULE IN

Application

This rate is applicable to all electric service for combined lighting and power purposes, to any customer whose entire requirements are supplied under this rate through one meter at standard primary or secondary voltage. The customer shall have the option of being billed under this rate or other applicable rate.

This rate is not applicable where any of the energy supplied is to be used for resale.

RATE

Demand Charge:

First 100 kilowatts or less per month @\$165.00
Next 500 " per month----- @\$ 1.45 per KW
Over 600 " " " " ----- @\$ 1.20 " "

Energy Charge:

First 20,000 kilowatt-hours per month @1.3 cents per KWH
Next 30,000 " " " " @1.0 " " "
Next 150,000 " " " " @0.8 " " "
Next 400,000 " " " " @0.6 " " "
Over 600,000 " " " " @0.5 " " "

Minimum Charge -----\$165.00 per month

DETERMINATION OF MAXIMUM L

The maximum demand will be the measured demand during the 15 minute period of maximum use during the month.

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PRIMARY SERVICE DISCOUNT

At the option of the customer there will be a discount of 2 percent of the bill, not including the fuel adjustment, if service is provided and metered at the nominal primary voltage of the distribution system of 2400 volts or higher.

TRANSFORMER OWNERSHIP ALLOWANCE

Where customer furnishes, installs, owns, operates and maintains at his expense all the protective devices transformer, and other equipment required as specified by the Public Utilities Board, energy supplied such customer will be metered by the Board at line voltage and the monthly demand charges will be reduced as follows:

10 cents per month per kilowatt of demand.

Section 3. All ordinances, and parts of ordinances, in conflict herewith, are hereby repealed.

Section 4. This ordinance shall become effective March 1, 1967.

INTRODUCED AND PASSED to First Reading on the 9th day of February, 1967.

PASSED TO SECOND AND FINAL READING at a Special Meeting of the City Commission held on the 13th day of February, 1967.

Antonio Gonzalez
Mayor

ATTEST:

J. W. Sloss
City Secretary.

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ORDINANCE NUMBER _____

AN ORDINANCE AMENDING SECTION 34-85, STANDARD FUEL CLAUSE, OF THE CODE OF ORDINANCES, CITY OF BROWNSVILLE, TEXAS, BY PROVIDING THAT EACH MONTH THE AMOUNT OF ADJUSTMENT PER KILOWATT-HOUR DETERMINED TO THE NEAREST ONE TENTH MILL SHALL BE BASED ON THE AVERAGE DELIVERED COST OF FUEL DURING THE IMMEDIATELY PRECEDING MONTH.

BE IT ORDAINED BY THE CITY OF BROWNSVILLE:

Section 1. That Section 34-85, Standard Fuel Clause, of the Code of Ordinances, City of Brownsville, Texas, be, and it is hereby, amended so that it shall hereafter read as follows:

"Section 34-85. Standard Fuel Clause.

The net energy charge per kilowatt-hour set out in each of the rate schedules in this division shall be increased one-tenth mill (\$0.0001) for each one-half cent (\$0.005), by which the average delivered cost of fuel to the public utilities board exceeds ten cents (\$0.10) for that quantity of fuel used containing one million BTU. Each month the amount of adjustment per kilowatt-hour, determined to the nearest one-tenth mill (\$0.0001), shall be based on the average delivered cost of fuel during the immediately preceding month."

Introduced and passed to First Reading on the 24th day of May, 1973;

Passed to Second and Final Reading on the _____ day of _____, 1973.

L. F. Lapeyre, Mayor

A T T E S T:

J. W. Sloss, City Secretary

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Passed June 28, 1973

ORDINANCE NUMBER 843

AN ORDINANCE AMENDING SECTIONS 34-34, 34-41, 34-46, 34-48, 34-52, 34-54, 34-55, 34-70, 34-71, 34-82, 34-85, 34-86, 34-87, 34-90, 34-91, 34-92, 34-93, 34-94, 34-103, 34-107 through 34-113, 34-115, 34-116, 34-117, of the Code of Ordinances, City of Brownsville, Texas, by prescribing changes in provisions therein contained relating to matters involving public utilities services, including and relating to reconnection fees and charges, deposits therefor, rates and charges applied to the furnishing of such services under schedules therein defined, and other allied matters in connection therewith; repealing sections 34-56 through 34-61 of such Code of Ordinances, pertaining to furnishing raw water from city reservoirs to hotels, motels and other establishments, commercial resaca water service and irrigation service; repealing sections 34-72 through 34-75 pertaining to commercial and industrial sewer service rate and bulk water sewer rates; repealing sections 34-88 and 34-89, pertaining to the electrical service rate for residential purposes where all requirements are supplied at one point of delivery; repealing sections 34-95 through 34-99, pertaining to the industrial electricity rate involving electric service for combined light and power purposes furnished through one meter, the rate therefor and other allied matters; repealing sections 34-105 and 34-106, pertaining to trailer courts electricity rate, and similar matters; repealing section 34-114 dealing with rental for transformers and equipment; repealing sections 34-121 through 34-124, regarding large power service rate under contract demand and matters relating to the standard fuel clause applicable to such service; adding new sections 34-75a and 34-75b, prescribing the sanitary sewer service rate applicable to premises situated outside the City; and dealing with other matters relating to the subject.

BE IT ORDAINED BY THE CITY OF BROWNSVILLE:

Section 1. That the following sections of the Code of Ordinances, City of Brownsville, Texas, be, and they are hereby, amended so that they shall hereafter read as follows:

"Section 34-34. RECONNECTION AFTER DISCONNECTION.

In the event the utility service is disconnected for any reason, the consumer thereof shall have the right to have the same reconnected only upon the payment of all rates, charges and penalties due thereon; and in addition thereto, a reconnection charge at actual cost thereof; such rates, charges and penalties to be calculated, charged and collected in advance of such reconnection.

Section 34-41. WATER DEPOSITS.

Along with the application for water service, the applicant therefor may establish or re-establish credit by complying with the rules and regulations with respect thereto adopted by the Public Utilities Board. When the applicant does not meet the standards set by such rules and regulations for establishment of credit, he may be required to pay to the City a deposit in an amount equal to the charges for an average two(2) months period; provided, however, that in the event such service increases to a point where such deposit is not equal to the charges for an average two(2) months period, the required deposit may be increased by the Board to conform thereto. In no event shall such deposit be less than five (\$5.00) dollars.

Section 34-46. RATE.

This rate is applicable to all water furnished by the Public Utilities Board through the municipal water mains adjacent to the premises of a customer within the City of Brownsville. Schedule W-IC shall be as follows:

Minimum Charge

<u>Water Meter Size</u>	<u>Minimum Monthly Charge</u>
5/8 or 3/4 inch	\$ 2.50
1 inch	6.00
1 1/2 inch	12.00
2 inch	20.00
3 inch	30.00
4 inch	50.00
6 inch	80.00
8 inch	120.00
10 inch	170.00

Consumption Charge

First 3000 gallons	Included in Minimum
Next 7000 gallons	\$0.39 per 1000 gallons
Next 40,000 gallons	\$0.33 per 1000 gallons
Next 200,000 gallons	\$0.27 per 1000 gallons
Over 250,000 gallons	\$0.21 per 1000 gallons

Section 34-48. SAME--RATE.

This rate is applicable to all water furnished by the Public Utilities Board through municipal water mains adjacent to the premises of a customer outside the city limits of the City of Brownsville.

Minimum Charge

<u>Water Meter Size</u>	<u>Minimum Monthly Charge</u>
5/8 or 3/4 inch	\$ 5.00
1 inch	12.00
1 1/2 inch	24.00
2 inch	40.00
3 inch	60.00
4 inch	100.00
6 inch	160.00
8 inch	240.00
10 inch	340.00

Consumption Charge

First 3000 gallons	Included in Minimum
Next 7000 gallons	\$0.78 per 1000 gallons
Next 40000 gallons	\$0.66 per 1000 gallons
Next 200,000 gallons	\$0.54 per 1000 gallons
Over 250,000 gallons	\$0.42 per 1000 gallons

Section 34-52. SAME---RATE.

The rate to be charged, per month, for water fire protection, schedule F, shall be as follows:

2 inch connection	\$ 3.75 each per month
3 inch connection	\$ 4.00 each per month
4 inch connection	\$ 6.25 each per month
6 inch connection	\$ 8.75 each per month
8 inch connection	\$ 10.00 each per month

Section 34-54. SCHEDULE WT--APPLICATION.

Subject to the approval of the Public Utilities Board this schedule is applicable to temporary water service to customers requiring service for only a short period of time. The Public Utilities Board reserves the right to furnish such service only when proper equipment and water system facilities are available at the location and when conditions set out in this schedule are met. It is not applicable for service to recurring seasonal loads.

Section 34-55. SAME--RATE.

Where service is available without additional cost to the Public Utilities Board the consumption will be billed at the applicable standard rate and the meter charge will be prorated on a daily basis, but in no case will the minimum charge be less than the greater of \$10.00 or the standard monthly minimum charge.

Where it is necessary to set a meter or provide additional facilities, the customer will be charged the total cost of installing and removing the equipment. An advance deposit will be required, sufficient to cover the estimated consumption for at least a week or for the full duration of service if less than a week, together with the estimated cost of installing and removing the equipment. The consumption will be billed at the applicable standard rate and the meter charge will be prorated on a daily basis; but in no case will the minimum charge be less than the greater of \$10.00 or the standard monthly minimum charge.

Section 34-70. SCHEDULE S-IC--APPLICATION.

This rate is applicable to all sanitary sewer service furnished by the Public Utilities Board through municipal sewer mains adjacent to the premises of a customer within the City of Brownsville.

Section 34-71. SAME--RATE.

Minimum Charge

Water Meter Charge

5/8 or 3/4	inch
1	inch
1 1/2	inch
2	inch
3	inch
4	inch
6	inch
8	inch
10	inch

Minimum Monthly Charge

\$	2.00
\$	3.50
\$	6.00
\$	10.00
\$	15.00
\$	25.00
\$	40.00
\$	60.00
\$	90.00

Consumption Charge

First	3,000 gallons	Minimum Charge
Next	7,000 gallons	\$0.32 per 1000 gallons
Next	40,000 gallons	\$0.28 per 1000 gallons
Next	200,000 gallons	\$0.24 per 1000 gallons
Over	250,000 gallons	\$0.21 per 1000 gallons

Section 34-82. ELECTRICITY DEPOSIT.

Along with the application for electric service the applicant therefor may establish or re-establish credit by complying with the rules and regulations with respect thereto adopted by the Public Utilities Board. When the applicant does not meet the requirements of the rules and regulations for establishment of credit, he may be required to pay to the City a deposit in an amount equal to the charges for an average two(2) months period; provided, however, that in the event such service increases to a point where such deposit is not equal to the charges for an average two(2) months period, the required deposit may be increased to conform thereto. In no event shall such deposit be less than fifteen(\$15.00) dollars.

Section 34-85. FUEL ADJUSTMENT CLAUSE.

Application

Under each such schedule, the calculation of the bill pursuant to the rates and charges therein, excluding the minimum bill, shall be subject to an overriding adjustment related to fuel costs, computed by applying a unit charge or credit to the total kilowatt-hours represented by the bill. Such unit charge or credit shall be determined as provided hereinbelow in Definition of Fuel Cost and Determination of Unit Charge or Credit.

The fuel cost adjustment shall be applied each month on the basis of the fuel cost experienced in the previous period of time as hereafter stated.

Definition of Fuel Cost

Fuel Cost shall include:

1. As to electric generation at P U B plants:

The cost in dollars and cents of all fuel used in the production of electric energy during a stated period of time, determined from the weighted average unit cost of such fuel applied to the quantity used;

and

2. As to power purchased by the P U B:

The cost in dollars and cents of charges associated with the production of electricity by fuel incurred in connection with such purchases, if contractually identified as fuel charges subject to a fuel cost adjustment.

Determination of Unit Charge or Credit

The unit charge or credit applicable to a current month shall be determined to the nearest 1/10 mill by dividing the sum of the costs calculated in Definition of Fuel Cost for the second month preceding the current month by the total kilowatt hour sales in such preceding month, excluding municipal sales, and then subtracting \$.005 therefrom.

Section 34-86. SCHEDULE R--APPLICATION.

The Service furnished hereunder shall be single phase, 60 Hertz, 120/240 volts alternating current. This schedule is applicable to electric service for residential purposes in private dwellings and in separately metered individual family apartments which are served through one point of delivery and measured by one meter.

Where two housekeeping units are served through one meter, the kilowatt hour steps and the minimum charge will be doubled for billing purposes. Where more than two housekeeping units or apartments are served through one meter, billing shall be under Schedule GP.

Section 34-87. SCHEDULE R--RATES.

The rate to be charged per month under Schedule R shall be as follows:

First	25 kilowatt hours		\$ 1.60.
Next	75 kilowatt hours	4.3¢ per kwh	3.23
Next	200 kilowatt hours	2.3¢ per kwh	4.63
Next	700 kilowatt hours	2.1¢ per kwh	14.70
Over	1000 kilowatt hours	1.3¢ per kwh	
	Minimum monthly bill		\$ 1.60

Bills computed in accordance with the foregoing Rates and Charges are subject to adjustment for changes in the cost of fuel pursuant to Schedule FAC.

Section 34-90. SCHEDULE GP--APPLICATION.

This schedule is applicable to light, heat and power at nominal primary or secondary voltage where entire requirements on the premises are supplied at one point of delivery and measured by one meter, but excludes those to whom service is applicable under another rate schedule. This schedule is not applicable where energy is to be used for resale, standby or break-down purposes. Single or three phase, 60 Hertz alternating current will be supplied at standard voltages as available through one transformation.

Section 34-91. SCHEDULE GP--RATE.

The rate to be charged per month for electric service Schedule GP, shall be as follows:

- A. If the customer's demand for the month and the contract demand, if any, are each less than 100 kilowatts

Demand Charge

First 10 kilowatts	no demand charge
Excess over 10 kilowatts	\$ 1.00 per kw

Energy Charge

First	50 kilowatt hours or less	\$3.65
Next	150 kilowatt hours	4.3¢ per kwh
Next	1,000 kilowatt hours	3.3¢ per kwh
Next	8,800 kilowatt hours	2.3¢ per kwh
Over	10,000 kilowatt hours	1.6¢ per kwh

- B. If either the customer's demand for the month or the contract demand is at least 100 kilowatt but not more than 600 kilowatts

Demand Charge

First 100 kilowatts	\$ 165.00
Excess over 100 kilowatts	1.45 per kwh

Energy Charge

First	20,000 kilowatt hours	1.6¢ per kwh
Next	30,000 kilowatt hours	1.3¢ per kwh
Next	150,000 kilowatt hours	1.1¢ per kwh
Over	200,000 kilowatt hours	0.9¢ per kwh

C. If either the customer's demand for the month or the contract demand is greater than 600 kilowatts

Demand Charge

First	600 kilowatts	\$ 600.00
Excess over 600 kilowatts		1.20 per kilowatt

Energy Charge

First	50,000 kilowatt hours	1.4¢ per kwh
Next	150,000 kilowatt hours	1.1¢ per kwh
Next	400,000 kilowatt hours	0.9¢ per kwh
Over	600,000 kilowatt hours	0.8¢ per kwh

Minimum Monthly Bill

The monthly bill under A above shall in no case be less than \$3.65 plus the demand charge. The monthly bill under B above shall in no case be less than \$175 plus an additional \$1.00 per kilowatt for the excess over 100 kilowatts of the highest demand during the preceding 11 months. Under C above, the monthly bill shall in no case be less than the demand charge applied to the greater of: (1) the contract demand, or (2) the highest demand during the preceding 11 months.

Section 34-92. SAME--BILLING DEMAND.

The maximum demand expressed in kilowatts shall be the maximum of the average rate of energy used during any 15 minute period of the billing period or 85 percent of the highest average KVA measured during any 15 minute period of the billing period, whichever one is higher.

Section 34-93. SAME--PRIMARY SERVICE DISCOUNT.

If, at the option of the customer, electric service is rendered at a primary voltage 12,470 volts or higher, there will be a discount of 2% of the bill before adjustment for cost of fuel. To qualify for this discount, the customer must own, operate, and maintain at his expense all protective devices, transformers and other equipment required or approved by the Public Utilities Board.

Primary Metering Discount

Exclusive of a Primary Service Discount, if a customer desires primary metering and the Public Utilities Board considers it to be feasible, the readings of the primary meter will be used in calculating the bill and a discount of 1% of the total charge will be allowed.

Section 34-94. SAME--TRANSFORMER RENTAL SERVICE.

The following charges shall be made in conjunction with existing contracts of the Public Utilities Board for electric service to customers who heretofore rented rather than installed their own substation equipment to qualify for the provisions of rate schedules which make it optional for the customer to take power at primary voltage. Under such existing contracts, the Public Utilities Board shall continue to rent, operate and maintain all transformers, accessories and service equipment to a point designated in the contract for electrical service.

Section 34-103. SAME--RATE.

I. The rate for street lighting, Schedule SL to be charged each month shall be as follows:

175 watt mercury	\$1.25 per fixture
400 watt mercury	\$2.50 per fixture
1,000 watt mercury	\$6.00 per fixture

Other classes of lamps at a rate based upon the wattage used,

360 hours per month 1.5¢ per kwh

For service rendered at an approved point of delivery through a single meter 1.5¢ per kwh

II. Applicable to the lighting of streets, alleys, thoroughfares, security areas, and grounds where fixtures, facilities and electric service are supplied by the Public Utilities Board pursuant to specifications of the Board.

Monthly Charges

For individual standard fixtures approved by the Public Utilities Board, controlled by photoelectric cells, mounted on existing poles of the Electric System, utilizing mercury vapor lamps:

175 watts	\$ 7.00 per fixture
400 watts	\$ 7.00 per fixture
1,000 watts	\$ 13.50 per fixture

Section 34-107. SCHEDULE SE--APPLICATION.

This schedule is applied under contract to any commercial or industrial operation deemed seasonal in nature by the Public Utilities Board for all electric service other than separately metered lighting. Electric service used other than during the Operating Season and separately metered lighting will be billed under the rate schedule applicable to the class of service. Three phase, 60 Hertz alternating current will be supplied through one meter at one point of delivery and at a standard voltage as available through one transformation. Operating Season, as used herein, shall mean and be any operating season commencing on the effective or any anniversary thereof as set out in a contract between the customer and the Public Utilities Board. The Operating Season shall be specified in the customer's service contract but in no event shall the Operating Season be for a longer period than 6 consecutive months during a calendar year.

Section 34-108. SAME--RATE.

The rate to be charged, per month, for Seasonal Electric Service shall be as follows:

Demand

First 10 kilowatts or less	\$11.10
Next 40 kilowatts	2.20 per kw
Over 50 kilowatts	1.60 per kw

Energy Charge

First 100 kilowatt hours	4.74¢ per kwh
Next 1,000 kilowatt hours	3.65¢ per kwh
Next 10,000 kilowatt hours	2.52¢ per kwh
Over 11,000 kilowatt hours	1.91¢ per kwh

If the cost per kilowatt hour computed under the foregoing schedule exceeds 4.74¢ per kilowatt hour, then all kilowatt hours used that month will be billed at the rate of 4.74¢ per kilowatt hour in lieu of the foregoing schedule.

Section 34-109. MINIMUM SEASONAL AND MONTHLY BILLING.

Payments pursuant to this schedule shall not be less than \$6.66 per kilowatt of the highest billing demand during the Operating Season or 60% of the connected load, whichever is the greater, said payment to be made in monthly installments as follows:

Beginning with the bill rendered for service used during the first month of each Operating Season, not less than \$2.22 per kilowatt of demand shall be paid each month until the customer has paid not less than \$6.66 per kilowatt of the highest billing demand established up to that point or 60% of the connected load, whichever is greater.

All amounts by which monthly installments may have exceeded monthly bills computed under the Monthly Rates and Charges will be carried on the books of the Public Utilities Board as a credit available only to apply to payment for service furnished hereunder between the time the seasonal minimum of \$6.66 has been fully paid and the expiration of such Operating Season.

Section 34-110. SAME--DETERMINATION OF DEMAND.

The maximum demand expressed in kilowatts shall be the maximum of the average rate of energy used during any 15 minute period of the billing period or 85 percent of the highest average KVA measured during any 15 minute period of the billing period, whichever is higher.

Section 34-111. OFF PEAK CLAUSE.

The Public Utilities Board reserves the right to request the customer to discontinue operating electrical equipment during hours of maximum demand on the Electrical System of the Public Utilities Board and the contract will provide for such discontinuation.

Section 34-112. TRANSFORMER RENTAL SERVICE--APPLICATION.

The following charges shall be made in conjunction with existing contracts of the Public Utilities Board for electric service to customers who heretofore rented rather than installed their own substation equipment to qualify for the provisions of rate schedules which make it optional for the customer to take power at primary voltage. Under such existing contracts, the Public Utilities Board shall continue to rent, operate and maintain all transformers, accessories and service equipment to a point designated in the contract for electric service. Hereafter, the Public Utilities Board will not offer this service except in specific situations under contractual terms and conditions satisfactory to the Board.

Section 34-113. SAME--RATE.

An annual amount computed by multiplying the installed cost of the transformers and related equipment by 19.5%.

Section 34-115. SCHEDULE TS--APPLICATION.

Applicable service for only a short period of time, such as to traveling shows, carnivals, fairs, church socials, Christmas lighting, and building contractors.

Not applicable to service to recurring seasonal loads.

The Public Utilities Board reserves the right to furnish such service only when proper equipment is available at the location, and when the conditions set out in this schedule are met.

Section 34-116. SAME--RESIDENTIAL AND COMMERCIAL LIGHTING SERVICE.

In cases where service is available without additional cost to the Public Utilities Board, the energy will be billed at the rate for the class of service required. In no case will the charge be less than the minimum monthly bill provided in such schedule.

Where it is necessary to run service wires or set a meter or both, the customer will be charged the total cost of installing and removing the equipment. The energy will be billed at the rate for the class of service required, but in no case will the charge be less than the minimum monthly bill provided in such schedule.

The energy used by the customer will be billed on the steps of the rate as provided for monthly periods without proration for shorter periods.

Section 34-117. SAME--POWER OR COMBINED LIGHTING AND POWER SERVICE.

Where it is necessary to set a meter or to provide additional facilities, the customer will be charged the total cost of installing and removing the equipment. An advance deposit will be required, sufficient to cover the estimated consumption for at least a week or for the full duration of the service if less than a week, together with the estimated cost of installing and removing the equipment.

Service will be billed on the appropriate rate schedule as follows:

1. When the combined Demand and Energy step of the General Schedule is applicable, the demand charge will be prorated on a daily basis and the energy will be billed on the steps of the rate without proration. In any case, the minimum charge will not be less than \$10.00
2. When the General Service Schedule is applicable without demand, the energy will be billed on the steps of the rate without proration. The minimum charge will be based on the connected load, as provided in the rate schedule, and will be prorated on a daily basis, but in any case, the minimum charge will not be less than \$10.00.

Section 2. That the following sections of the Code of Ordinances, City of Brownsville, Texas, be and are hereby repealed:

34-56, 34-57, 34-58, 34-59, 34-60, 34-61, 34-72, 34-73,
34-74, 34-75, 34-88, 34-89, 34-95, 34-96, 34-97, 34-98,
34-99, 34-105, 34-106, 34-114, 34-121, 34-122, 34-123,
and 34-124;

Section 3. That the following sections be added to Chapter 34, UTILITIES, ARTICLE II. RATES AND CHARGES, DIVISION 3. SEWER, to be known as Sections 75 a and 75 b, reading as follows:

"Section 34-75a. SCHEDULE S-OC--APPLICATION.

This rate is applicable to all sanitary sewer service furnished by the Public Utilities Board through municipal sewer mains adjacent to the premises of a customer outside the city limits of the City of Brownsville.

Section 34-75b. SAME--RATE.

Minimum Charge

<u>Water Meter Size</u>	<u>Minimum Monthly Charge</u>
5/8 or 3/4 inch	\$ 4.00
1 inch	\$ 7.00
1 1/2 inch	\$ 12.00
2 inch	\$ 20.00
3 inch	\$ 30.00
4 inch	\$ 50.00
6 inch	\$ 80.00
8 inch	\$120.00
10 inch	\$180.00

Consumption Charge

	<u>Minimum Charge</u>
First 3000 gallons	\$0.64 per 1000 gallons
Next 7000 gallons	\$0.56 per 1000 gallons
Next 40000 gallons	\$0.48 per 1000 gallons
Next 200000 gallons	\$0.42 per 1000 gallons.
Over 250000 gallons	

Introduced and passed to first reading on the _____ day of _____, 1974;

Passed to second and final reading on the _____ day of _____, 1974.

Jim Mills, Mayor

A T T E S T:

J. W. Sloss, City Secretary

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Interrogatory No. 4

4. Separately state the total megawatt-hours of electricity that PUB has sold to each category or subcategory of industrial customer in each year since January 1, 1968, and state the basis upon which such customers were categorized and the rate or tariff designation of each category or subcategory.

Response

For the years 1968 through 1978, PUB's annual sales under its Industrial Rate, Schedule IN, and the superceding industrial rate, Schedule 1/ GP were:

	<u>Mwh</u>
1968	68,816.2
1969	77,178.87
1970	86,809.35
1971	96,928.17
1972	114,340.03
1973	141,746.42
1974	144,677.52
1975	218,412.41
1976	202,884.26
1977	202,884.26
1978	

1/ As reported in FERC Forms 1 and 12, copies of which are being supplied.

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Interrogatory No. 5

5. Separately state whether PUB presently has or expects to have a generating capacity surplus, and if so separately state:

- (a) the analytical basis upon which surplus is defined, including the measurement of capacity and reserve requirements;
- (b) the quantitative measure in megawatts and megawatt-hours of such surplus;
- (c) the price per megawatt and per megawatt-hour at which such surplus can be sold;
- (d) the cost per megawatt and per megawatt-hour of generating such surplus;
- (e) the basis upon which the cost per megawatt and per megawatt-hour has been determined;
- (f) the expected duration of such surplus;
- (g) the arrangements, including assurance of delivery and price, for fuel supply which would support the potential sale of such surplus;
- (h) the identity of every person with whom the company has discussed or is discussing the potential sale of such surplus; and
- (i) the identity and location of every document referring or relating to or setting forth the matters inquired into this Interrogatory.

Response

PUB does not presently have or expect to have a generating capacity surplus. However, during off-peak periods, PUB does have capacity and energy which could be sold as interchange or otherwise. In the event PUB acquired new base load power resources, it would, of course, be in a position to sell surplus capacity.

Interrogatory No. 6

6(a). State whether PUB contends that a surplus energy market is anticipated in the early 1980's in Texas, and if so state the basis for PUB's contention and identify the utilities that will have surplus generating capacity.

(b) State in which of the next ten years PUB expects to have its own surplus generating capacity.

(c) For each utility that PUB identified as having surplus generation, identify the generating units and/or power contract that will contribute to such surplus. For each such utility also state the cost at which such surplus will be generated.

(d) State the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

(a) It is PUB's understanding that a number of South Texas electric utilities will have surplus generating capacity during the early 1980's, including specifically Lower Colorado River Authority, City of Austin, City of San Antonio and Central Power & Light Company.

(b) PUB does not presently have a generating capacity surplus, nor will it during the next 10 years if it is restricted to its presently installed generation. As noted in response to Interrogatory No. 5 above, PUB does have capacity and energy available during off-peak periods, and, if it is able to acquire new base load generation, it may own excess generating capacity.

(c) PUB does not have complete information concerning anticipated surplus capacity in the Texas electric systems, particularly cost data relating to such surplus capacity. LCRA and Austin's Fayette coal unit(s) are planned to come on line during the early 1980's;

CP&L expects to have surplus generating capacity during some of the next ten years (See CP&L's March 26, 1979 response to Interrogatory No. 5 of HL&P's First Set of Written Interrogatories); San Antonio already has surplus generating capacity on its system, some of it coal-fired, and when the South Texas Project comes on line, it will probably have more. PUB is presently seeking more specific information concerning surplus capacity in Texas, both directly and through discovery.

(d) Documents relating to this interrogatory are being supplied.

2251 269

Interrogatory No. 7

7. Detail every alternative that PUB has considered to meet its maximum load forecast of 163 MW for 1985, including separate identification of: (a) every person that PUB has contacted or contemplated contacting about the purchase of bulk power; (b) the date of each such contact; (c) the response given to PUB; and (d) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

PUB has considered a number of alternatives to meet its maximum load forecast of 163 Mw in 1985 including ownership participation in the South Texas Project, purchase of power from San Antonio, purchase of power from LCRA or Austin, purchase of power from CP&L, joint construction of generating facilities with Magic Valley Electric Cooperative and/or CP&L, purchase of power from Mexico, power from the Amistad Hydroelectric Project, and a joint generation project with the Texas Municipal Power Agency. Additionally, PUB has authorized its General Manager to negotiate with other utilities, including HL&P concerning base load power sources.

Details surrounding PUB's contacts with other electric utilities concerning future bulk power supply are fully provided in the documents being supplied.

In addition, Burns & McDonnell, Consulting Engineers, are presently engaged in a comprehensive power supply study, which should be available in June 1979. A copy of this report will be provided to HL&P when it becomes available.

Interrogatory No. 8

8. Identify every electric utility with which PUB has discussed the sale of electric power by such electric utility to PUB since January 1, 1968, and with respect to each such utility separately state:

(a) the date(s) upon which such utility discussed selling electric power to PUB;

(b) the terms, if any, upon which such utility offered to sell electric power to PUB on each such date; and

(c) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

Since January 1, 1968, PUB has discussed the sale of electric power with CP&L, San Antonio, LCRA, Austin, the Comision Federal de Electricidad of Mexico, and the U. S. Bureau of Reclamation.

To the extent these discussions were had in any detail (in most cases, the discussions went no further than establishing that power was not available, or that power was not then available but might be in the future), the documents being supplied describe such contacts. Also, see documents provided in response to Interrogatory No. 13.

2251 271

Interrogatory No. 9

9. Identify every electric utility (including affiliated or predecessor companies) from whom PUB has purchased electric power in each year since January 1, 1968, and with respect to each such electric utility for each such year separately state:

- (a) the identity of the seller;
- (b) the type of power purchased, such as firm power, contract power, economy power, emergency power, and wholesale power;
- (c) the megawatts and megawatt-hours of electricity purchased;
- (d) for each type of power purchase identified in (b), the sales price(s) per megawatt-hours and the number of megawatt-hours purchased at each such price; and
- (e) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

Since January 1, 1968, PUB has exchanged power exclusively with CP&L, with the exception of some small power exchanges with Union Carbide Corporation. Table II, which is attached, shows power purchased and power sold for the period 1968 to 1978.

2251 272

Interrogatory No. 10

10. Identify every electric utility (including affiliated companies) to which PUB has sold electric power in each year since January 1, 1968, and with respect to each such utility for each such year separately state:

- (a) the identity of the purchaser;
- (b) the type of power sold, such as firm power, contract power, economy power, emergency power, and wholesale power;
- (c) the total megawatts and megawatt-hours of electricity sold;
- (d) for each type of electric power identified in (b), the unit price(s) per megawatt-hour and the number of megawatt-hours sold at each such price; and
- (e) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

See Table II provided in PUB's response to Interrogatory No. 9, which sets forth electric power purchased and electric power sold by PUB for the period 1968 to 1978.

2251 273

Interrogatory No. 11

11. Identify every electric utility (including affiliated companies) that has requested to purchase electric power from PUB since January 1, 1968, but to which PUB has refused or declined to sell all or part of the electric power requested, and with respect to each such electric utility separately state:

- (a) the identity of the entity making the request;
- (b) the type of power requested, such as firm power, contract power, economy power, emergency power, and wholesale power;
- (c) the date(s) upon which such utility requested each type of power identified in (b);
- (d) for each type of power identified in (b), the amount of electric power in megawatts and megawatt-hour requested on each such date, and the amount, if any, sold to such utility;
- (e) whether at the time of requesting electric power such electric utility was within or adjoining the service area of PUB;
- (f) the reason(s), if any, given to the requesting utility for not selling the requested amount of electric power; and
- (g) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

Since January 1, 1968, PUB has not declined or refused to sell all or part of the electric power which any electric utility has asked to purchase from PUB. (PUB has not received any such requests.)

2251 274

Interrogatory No. 12

12. Identify every electric utility (including affiliated companies) to which PUB has offered to sell electric power since January 1, 1968, but which has refused or declined to purchase all or part of the electric power offered, and with respect to each such utility separately state:

(a) the identity of the offeree;

(b) the type of power offered for sale, such as firm power, contract power, economy power, emergency power, and wholesale power;

(c) for each type of power identified in (b), the amount of electric power offered, the date of such offer, and the amount, if any, purchased by such utility;

(e) whether at the time of being offered electric power such electric utility was within or adjoining the service area of PUB;

(f) the reason(s), if any, given to PUB for not purchasing all or part of the electric power; and

(g) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

Since January 1, 1968, PUB has not offered to sell electric power to an electric utility which has declined or refused to purchase all of part of the electric power offered.

In the course of current contract negotiations with CP&L, PUB representatives offered on February 1, 1979 to sell to CP&L and other CSW companies peaking power as available from the PUB system.

CP&L has responded to this offer stating:

"CPL appreciates PUB's willingness to sell CPL peaking power, if and when the same is available. CPL is certainly willing to consider such purchase should the necessity for the same arise." Letter dated March 9, 1979 from W. C. Price to Robert E. Roundtree

A copy of this March 9, 1979 letter is being supplied. The February 1, 1979 offer was orally conveyed during a phone conversation between CP&L and PUB representatives.

2251 276

Interrogatory No. 13

13. Identify every electric utility with which PUB has offered to negotiate an interconnection or pooling arrangement, or joint construction of generating facilities, since January 1, 1968, but which has refused or declined to participate in such agreement, and with respect to each such utility separately state:

- (a) the identity of the offeree;
- (b) the date upon which such agreement(s) was offered to such utility;
- (c) whether at the time of the offer such utility was in or adjoining the service area of PUB;
- (d) the reason(s), if any, given by the utility for not entering into such an agreement; and
- (e) the identity and location of every document referring or relating to or setting forth the matter inquired into in this Interrogatory.

Response

Since January 1, 1968, PUB has on a number of occasions offered to negotiate an interconnection or pooling arrangement, and joint construction of generation facilities, with (a) CP&L; (b) the dates of these contacts are shown in the documents being supplied; (c) CP&L's service area surrounds PUB's service area; (d) CP&L has generally refused, until the recent contract negotiations, to enter into such agreements on the grounds that it would be uneconomic for it to do so.

In addition, joint generation of facilities has been discussed from time to time with (a) Magic Valley Electric Cooperative, (c) whose service area is in places adjacent to PUB's service area, (d) No firm agreement has ever been reached between PUB and Magic Valley, in part because they both believed that CP&L's participation in such a project was necessary to make it feasible and CP&L has not

been interested in participating; (b) and (e) details, including dates, surrounding these contacts are shown in the documents being supplied.

Recent inquiries were made of the Texas Municipal Power Agency concerning its interest in an interconnection agreement, but these discussions did not go beyond general inquiries concerning TMPA's interest in such a proposal.

2251 278

Interrogatory No. 14

14. Identify every electric utility which has offered PUB an interconnection or pooling arrangement, or joint generation plant construction, since January 1, 1968, but in which PUB has refused or declined to participate, and state separately with respect to each such utility:

- (a) the identity of the entity making the offer;
- (b) the date(s) upon which such offer was received;
- (c) whether at the time of the offer such utility was within or adjoining the service area of PUB;
- (d) the reason(s), if any, given for not agreeing to the interconnection or joint construction arrangement; and
- (e) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response:

Since January 1, 1968, no electric utility has offered PUB an interconnection or pooling arrangement, or joint generating plant construction, in which PUB has refused or declined to participate.

2251 279

Interrogatory No. 15

15. Identify every electric utility from which PUB has requested transmission services since January 1, 1968, but which has refused or declined to provide any of the transmission services requested, and with respect to each such electric utility separately state:

- (a) the type of transmission service requested;
- (b) the date of the request;
- (c) the reason(s), if any, given for not providing the transmission services requested; and
- (d) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

(a)-(b) As is outlined below, PUB has on numerous occasions requested transmission services from CP&L, which has until the recent contract negotiations between PUB and CP&L, refused to provide the requested services.

As shown in the attached letters, PUB 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 a generally available transmission arrangement which would 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 such transmission services. In its only written reply to a PUB request for transmission services, CP&L stated "Since we have never participated in wheeling 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.

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. Until recently, CP&L consistently refused to provide transmission services.

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.

Copies of the correspondence are being supplied.

2251 282

Interrogatory No. 16

16. Identify every electric utility of which PUB has requested an ownership interest in any coal or nuclear powered electric generating plant being planned or constructed by such utility or any affiliated company, and with respect to each such electric utility separately state:

- (a) the identity of the entity to which the request was made;
- (b) the electric generating plant in which the ownership interest was requested;
- (c) the response, if any, given to the request, and
- (d) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

PUB has sought ownership interests in constructed and planned generating facilities owned by (a) CP&L and other CSW companies, specifically (b) Coletto Creek and South Texas Project. (c) CP&L has refused to sell PUB an ownership share of Coletto Creek, but has advised PUB that CP&L "is agreeable to the concept of PUB purchasing a share of STP." (March 9, 1979 letter from W. C. Price to Robert E. Roundtree)

(d) Documents responsive to this interrogatory are being supplied.

2251 283

Interrogatory No. 17

17. Identify every electric utility that has requested access to services or facilities from PUB, and with respect to each such electric utility separately state:

- (a) the type of service(s) or facility involved;
- (b) the type of access requested and the date of the request;
- (c) the response, if any, given to the request, and
- (d) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

PUB has never received a request for access to services or facilities from another electric utility.

2251 284

Interrogatory No. 18

18. Identify every industrial concern that has requested to purchase electric power from PUB since January 1, 1968, but to which PUB has refused or declined to sell all or part of the electric power requested, and with respect to each such concern separately state:

(a) the date(s) upon which such concern requested electric power;

(b) the amount of electric power in megawatt-hours requested on each such date, and the amount, if any, sold to such concern;

(c) whether at the time of requesting the electric power such concern was within or adjoining the service area of PUB;

(d) the reason(s), if any, given to such concern for not selling the requested amount of electric power; and

(e) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

Since January 1, 1968, PUB has never refused or declined to sell all or part of the electric power requested in response to a request for electric service from any industrial concern.

2251 285

Interrogatory No. 19

19. Identify every industrial concern that has contacted PUB since January 1, 1968, about the possible purchase of electric power from PUB, but to which PUB has responded, in whole or in part, that it might not be able to supply some or all of the electric power inquired about by such concern, or to which it offered a more limited class of service than requested by such concern, and with respect to each concern separately state:

- (a) the date(s) of such contract;
- (b) the identity of the individual(s) at such who contacted PUB;
- (c) the reason(s) given by PUB for such response;
and
- (d) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

PUB has never stated in response to an inquiry from an industrial concern about the possible purchase of electric power from PUB, in whole or in part, that PUB might not be able to supply some or all of the electric power inquired about; nor has PUB ever offered a more limited class of service than requested in responding to such an inquiry.

2251 286

Interrogatory No. 20

20. Identify every existing or potential industrial customer of PUB that has located a new facility in HL&P's service area instead of the service area of PUB, or has expanded an existing facility in HL&P's service area instead of expanding an existing facility in the service area of PUB since January 1, 1968, because of the difference, if any, in the reliability of electric service between HL&P's service area and the service area of PUB, and for each such customer separately state:

(a) the date(s) on which each customer located or expanded in HL&P's service area;

(b) whether PUB had sold such customer electricity before such customer located or expanded in HL&P's service area;

(c) the megawatts and megawatt-hours per year of electricity that PUB has sold such customer, if any, in each of the five years preceding the year in which such customer located or expanded in HL&P's service area;

(d) the number and length of all service interruptions suffered by such customer, if any, in each of the five years preceding the year in which such customer located or expanded in HL&P's service area, and the identity of the company furnishing such electricity;

(e) the basis for the assertion that reliability was the determining factor in the location or expansion of the facility or facilities in question;

(f) the identity of every customer's representative with whom PUB dealt on this matter; and

(g) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

2251 287

Response

PUB cannot identify existing or potential industrial customers of PUB that have located a new facility in HL&P's service area instead of PUB's service area, or that have expanded an existing facility in HL&P's service area instead of expanding an existing facility in PUB's service area since January 1, 1968, because of differences in service reliability between HL&P and PUB. The specific reasons for which a potential industrial customer may have located in one utility's service area instead of another utility's service area are ususally not within the personal knowledge of PUB's management.

It is PUB's contention that in Texas competition does exist among electric utilities to attract new large industrial load, and it is seeking through its discovery requests the type of information relating to this matter that would not normally be within the working knowledge of PUB officers and employees.

2251 288

Interrogatory No. 21

21. Identify every existing or potential industrial customer of PUB to which PUB has offered to provide service at a rate that differs from what was otherwise the applicable rate schedule or tariff in existence or on file at the time of the offer; and for each such customer separately state:

(a) the date(s) such offer was made to the customer;

(b) whether such offer was made in connection with such customer's location or expansion of a facility;

(c) whether PUB had sold such customer electricity before such customer located or expanded;

(d) the megawatts and megawatt-hours per year of electricity that PUB had sold such customer, if any, in each of the five years preceding the year in which such offer was made to such customer;

(e) the identity of every person having knowledge of such offer; and

(f) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

Other than in the two instances detailed below, knowledgeable PUB employees and officers cannot identify any existing or potential industrial customers to which PUB has offered service at a rate that differs from what was otherwise the applicable rate schedule in existence at the time of the offer.

American Metals Climax, Inc. ("AMAX")

(a) Proposals were made either directly to AMAX or through the Brownsville Navigation District on April 24, 1964 and again on November 21, 1966.

- (b) These proposals involved the installation by PUB of substantial new generating plant which would be dedicated in large part to meeting AMAX's load. The offer was made in connection with AMAX's consideration of the Port of Brownsville as a site for a proposed aluminum reduction plant.
- (c)-(d) PUB had not previously served AMAX.
- (e) This offer is within the knowledge of Mayor Edelstein. See PUB's response to Interrogatory No. 71.

This matter may also be within the personal knowledge of Mr. Ersel G. Lantz, Director of Engineering and Port Development for the Brownsville Navigation District, Port of Brownsville.

Business address

Residence

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- (f) Documents relating to this proposal are being supplied.

2251 290

Harvey Aluminum, Inc. ("Harvey Aluminum")

- (a) July 6, 1966
- (b) See PUB's response to subsection (b) relating to AMAX
- (c)-(d) PUB had no previous service agreement with Harvey Aluminum
- (e) See PUB's response to subsection (e) relating to AMAX
- (f) Documents relating to the proposal to Harvey Aluminum are being supplied.

2251 291

Interrogatory No. 22

22. Identify every existing industrial customer since January 1, 1968, which is or has been served under a rate or tariff schedule under which it is or has been the only such customer served, and state separately for each such customer:

- (a) the identity of the customer;
- (b) the location of the customer;
- (c) the principal product of the customer at the location at which it is or was being served;
- (d) the annual megawatts and megawatt-hours sold to such customer in each year since January 1, 1968;
- (e) the reasons for establishing the rate or tariff in effect;
- (f) the identity of all persons having knowledge of any contacts, negotiations or other communications concerning the establishment of the rate or tariff under which the customer is or has been served; and
- (g) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

PUB has no industrial rate schedule under which only one customer is or since January 1, 1968 has been served.

PUB has had for some years a contract with Union Carbide Corporation by which PUB provides stand-by service for the flat rate of \$60,000 per year, with any energy actually taken by Union Carbide to be billed by PUB at the appropriate industrial rate. In practice, Union Carbide has always repaid energy taken in kind.

PUB is unable to locate a copy of this PUB-Union Carbide contract in its files.

Interrogatory No. 23

23. Identify separately every industrial customer that has begun receiving service from PUB since January 1, 1973, and for each such customer separately state:

(a) the megawatt-hours of power purchased by such customer in each year;

(b) the average cost per megawatt-hour of generating the power sold to each customer in each year;

(c) the average cost of fuel per million BTU;

(d) the price per megawatt-hour at which such power was sold to each customer in each year;

(e) the total billing to each customer in each year; and

(d) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

PUB has not finished compiling the information requested.

PUB will provide this information as soon as it is available.

2251 293

Interrogatory No. 24

24. Identify separately every area in which PUB competes with HL&P, including but not limited to:

- (a) every known instance of competition between HL&P and PUB to serve retail electric customers;
- (b) every known instance of competition between HL&P and PUB to serve wholesale customers;
- (c) each relevant product and geographic market;
- (d) the nature and extent of competition between PUB and HL&P in each such market;
- (e) the date upon which competition between PUB and HL&P began and the length of time that competition has existed in each such market;
- (f) the identity of every actual competitor in each such market, and a description of such competitor's activities in that market;
- (g) the identity of each potential competitor in each such market;
- (h) the market share of every competitor in each such market;
- (i) every fact that PUB believes tends to establish that HL&P has the power to control prices and/or exclude competition in each such market; and
- (j) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

PUB cannot at this time respond completely and in detail to this interrogatory because the experts whom PUB intends to retain in this case have not yet analyzed the factors involved in the competitive situation in Texas.

However, based on the information now available to PUB and its counsel, PUB believes that competition does exist

. between HL&P and PUB in at least the following markets:

- (1) large retail industrial load
- (2) bulk power supply
- (3) fuels for generation

PUB further believes that there is competition for the sale, purchase and exchange of interchange and other wholesale power supply. However, since PUB has been denied access to transmission and membership in TIS and STIS, it has not been able to participate in this market.

2251 295

Interrogatory No. 25

25. With respect to Issue V of PUB's Preliminary Statement of Issues, state whether PUB contends that "generation fuels" constitutes a relevant market, and if so separately state:

- (a) the relevant product and geographic market, including the identity of every generation fuel in such market;
- (b) the nature, extent and duration of competition in such market;
- (c) the identity of every competitor in such market;
- (d) the market share of every competitor in such market;
- (e) the identity of the actual and/or potential customers in such market;
- (f) the nature of any evidence in PUB's possession that HL&P has the power to control prices and/or exclude competition in such market; and
- (g) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

PUB cannot at this time respond completely and in detail to this interrogatory because the experts whom PUB intends to retain in this case have not yet analyzed the specific factors relating to the generation fuels market in Texas.

However, based on information presently available to PUB and its counsel, PUB believes that competition among all or most of the generating utilities in Texas does and historically has existed in acquiring generating fuels of all types, but particularly gas, coal and uranium. HL&P's desire to restrict access to its own fuel contracts because it con-

siders them to contain information confidential or proprietary in nature 1/, itself evidences the existence of competition in the fuels market.

Since the cost and availability of fuel is -- particularly now -- a principal component of the cost of generating electricity, and since the cost of doing business controls the price at which an electric utility can sell electricity, competition in the fuels market is a significant matter in considering the nature of the utility industry in an area.

1/ See the Licensing Board's April 9, 1979 Protective Order in this case.

2251 297

Interrogatory No. 26

26. List and describe every instance since January 1, 1968, known to PUB in which an officer or director of PUB has prepared or approved any writing, including handwritten notes, or made or approved any oral statement that concerns the presence, absence or extent of competition between PUB and any other electric utility, excluding pleadings, motions, or affidavits filed in any proceeding to which HL&P is a party. State the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

This interrogatory is not clear to PUB. Members of the PUB and its management employees have from time to time expressed concern about PUB's competitive situation vis-a-vis CP&L. However, such expressions, whether oral or written have never taken the form of a formal statement.

To the extent CP&L's 1968 efforts to buy out the PUB electric system reflect the presence and extent of competition between CP&L and PUB, written and oral statements concerning the acquisition offer made by PUB members are responsive and certain documents relating to this buy-out attempt are being supplied.

If HL&P will clarify this interrogatory, PUB will attempt to respond.

Interrogatory No. 27

27. Identify every existing or potential industrial customer of PUB that has located a new facility in HL&P's service area of the service area of PUB, or has expanded an existing facility in HL&P's service area instead of building a new facility or expanding an existing facility in the service of PUB, since January 1, 1968, because of the difference, if any, in the cost of electricity between HL&P's service area and the service area of PUB, and for each such customer separately state:

(a) the date(s) such customer located or expanded in HL&P's service area;

(b) whether PUB had sold such customer electric power before such customer located or expanded in HL&P's service area;

(c) the megawatts and megawatt-hours per year of electric power that PUB had sold such customer, if any, in each of the five years preceding the year in which such customer located or expanded in HL&P's service area;

(d) the basis for the assertion that the cost of electricity was the determining factor in the location or expansion of the facility or facilities in question;

(e) the identity of every customer's representative with whom PUB dealt on this matter; and

(f) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

PUB cannot identify existing or potential industrial customers of PUB that have located a new facility in HL&P's service area instead of PUB's service area, or have expanded an existing facility in HL&P's service area instead of building a new facility or expanding an existing facility in PUB's service area since January 1, 1968, because of the difference, if any, in the cost of electricity between HL&P's service area and PUB's service area.

Interrogatory No. 28

28. Identify every existing or potential industrial customer of PUB that has cut back production in a plant located in the service area of PUB and has increased production in a plant making the same product in the service area of HL&P since January 1, 1968, because of a difference in the cost of electric power between HL&P's service area and the service area of PUB, and for each customer separately state:

(a) the date(s) such customer cut back production in the service area of PUB;

(b) the date(s) such customer increased production of HL&P's service area;

(c) whether PUB sold such customer electric power before such customer cut back production in the service area of PUB and expanded production in HL&P's service area;

(d) the megawatts and megawatt-hours per year of electric power that PUB sold such customer in each of the five years preceding the date upon which such customer cut back production in the service area of PUB and expanded production in HL&P's service area;

(e) the megawatts and megawatt-hours per year of electricity that PUB sold such customer in each year following the date upon which such customer cut back production in the service area of PUB and expanded production in HL&P's service area;

(f) the billing demand, the average price per kilowatt-hour and the total revenue per year that PUB received from such customer, in each of the five years preceding and in every year following the date upon which such customer cut back production in the service area of PUB and expanded production in HL&P's service area;

(g) the identity of every person having knowledge of the matters inquired into in this Interrogatory; and

(h) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

PUB cannot identify existing or potential industrial customers of PUB that have cut back production in a plant located in PUB's service area and increased production in a plant making the same product in HL&P's service area since January 1, 1968, because of a difference in the cost of electric power between HL&P's service area and PUB's service area.

See PUB's response to Interrogatory No. 20.

Interrogatory No. 29

29. Identify separately every industrial concern that PUB actively sought to have locate or expand an existing facility in the service area of PUB since January 1, 1968, in competition with any other electric utility, and for each such industrial concern identified separately state:

(a) the identity of each electric utility which competed with respect to the location or expansion of such concern;

(b) the person(s) connected with such concern who was contacted by the PUB;

(c) the person(s) representing the PUB who contacted such person;

(d) every action taken by PUB in seeking to have such concern locate or expand in its service area;

(e) the location of such concern when contacted by PUB;

(f) the nature of the business of such concern when contacted by PUB;

(g) the utility in whose service area such industrial concern ultimately located;

(h) the estimated megawatts and megawatt-hour sales that would or did result from the location or expansion of such industrial concern in megawatts, megawatt-hours and annual revenues; and

(i) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

With the exception of the 1976 events relating to Union Carbide's expansion plans which PUB described in its response to CP&L's interrogatory No. 5 (which is attached), PUB has not, within the knowledge of its present employees and officers, actively sought in knowing competition with any

other electric utility, to have an industrial concern locate or expand an existing facility in PUB's service area.

Documents relating to this interrogatory are being supplied.

2251 302

ATTACHMENT TO INTERROGATORY NO. 29

2251 503

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

2251 305

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. 30

30. Identify every industrial concern that PUB did not actively seek to have locate or expand a facility in PUB's service area since January 1, 1968, but for which PUB nevertheless competed with other utilities, by reason of the existence of potential locations, or the interest in the service area of more than one utility, and for each such concern separately state:

- (a) the identity of each electric utility with which PUB competed with respect to the location or expansion of such concern;
- (b) the nature of the business of such industrial concern;
- (c) how PUB became aware that such concern might locate or expand in its service area;
- (d) why PUB did not actively seek such location or expansion;
- (e) the person(s) in PUB who were responsible for the decision not to actively seek such location or expansion;
- (f) the utility in whose service area such industrial concern ultimately located or expanded; and
- (g) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

PUB cannot identify any industrial concern either locating or expanding a facility in PUB's service area since January 1, 1968 for whose business PUB did not compete.

Interrogatory No. 31

31. Separately describe the efforts that PUB has made to influence potential or existing industrial customers to conserve and/or reduce consumption of electric power in each year since January 1, 1973, and identify and state the location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

Since January 1, 1973, PUB has made no efforts to influence potential, or existing industrial customers to conserve and/or reduce consumption of electric power.

PUB management is considering the institution of a formal energy conservation program in line with the requirements of the recently inacted Public Utilities Regulatory Policy Act.

Interrogatory No. 32

32. For each year since January 1, 1968, separately state:

(a) the total amount that PUB has spent on advertising;

(b) the total amount that PUB has spent to influence actual or potential customers to locate or expand existing facilities within the service area of PUB;

(c) the total amount that PUB has spent to influence actual or potential customers to conserve electric power; and

(d) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

(a) Since January 1, 1968, PUB has not, to the knowledge of present PUB employees and officers, spent money on advertising.

(b) Since January 1, 1968, PUB has made no specific efforts to influence customers to locate or expand existing facilities in PUB's service area and is thus unable to identify funds spent to this end. The costs directly

associated with PUB's efforts to keep Union Carbide as a customer (See PUB's response to Interrogatory No. 29) cannot be isolated and identified, but have not been significant.

(c) PUB has not to date spent any money on influencing actual or potential customers to conserve electric power.

(d) PUB is not aware of any documents in its possession relating to this interrogatory.

Interrogatory No. 33

33. State separately every action or course of conduct by HL&P that PUB believes has injured its competitive position in any relevant market, and with respect to each such action separately state:

- (a) the relevant product and geographic market;
- (b) the identity of every actual and/or potential competitor in that market;
- (c) the nature, extent and duration of competition in the market;
- (d) the market share of every actual and/or potential competitor in the market;
- (e) the identity of every actual and/or potential customer in the market with respect to whom PUB's competitive position has been injured;
- (f) the nature of any evidence in PUB's possession that HL&P has the power to control prices and/or exclude competition in such market; and
- (g) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

PUB is not able at this time to respond completely and in detail to this interrogatory since the experts whom PUB intends to retain in this case have not yet analyzed various factors contributing to the competitive situation in Texas, nor has PUB yet received a complete response from all

parties to its interrogatories and document requests.

However, as stated in response to other of these interrogatories, PUB's competitive position in relevant markets, particularly in the acquisition of large retail industrial load and in obtaining bulk power supply has been hurt as a result of, among other things, its exclusion from membership in TIS and STIS, its effective denial of participation in the South Texas Project, and the restrictions against interstate operation presently in effect in ERCOT. PUB believes that HL&P has and has had considerable influence in these organizations and in maintaining intrastate only operation among the TIS systems, thus contributing substantially to the resulting competitive injury to PUB.

When PUB had completed its analysis of factors in this case relating to this interrogatory it will be able to identify and make relevant documents available to HL&P.

Interrogatory No. 34

34. Separately state every action or course of conduct by HL&P that PUB believes has restricted PUB's access to any relevant market, and with respect to each such activity or course of conduct separately state:

- (a) the relevant product and geographic market;
- (b) the nature, extent and duration of the competition in the market;
- (c) the identity of every actual and/or potential customer in the market;
- (d) the market share of every actual and/or potential competitor in the market;
- (e) the identity of every actual and/or potential customer in the market to whom PUB's access has been restricted; and
- (f) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

See PUB's response to Interrogatory No. 33, above.

Interrogatory No. 35

35. Separately state every action or course of conduct by HL&P that PUB believes has caused a degradation in PUB's ability to serve its customers, and with respect to each such action or course of conduct separately state:

(a) how such conduct caused a degradation in PUB's ability to serve its customer;

(b) the identity of every customer to which service was degraded and the dates of such degradation; and

(c) the location and identity of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

See PUB's response to Interrogatory No. 33, above.

Interrogatory No. 36

36. State whether PUB was ever forced or coerced into intrastate operations against its will, and if so state which company, when and by whom. State the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

Because PUB is wholly surrounded by and dependent upon CP&L for access to the Texas transmission grid (or the South West Power Pool), it is forced to remain in intrastate operation (or to operate interstate) along with CP&L. In either event, since PUB has been excluded from participation in TIS and STIS consideration of or decision-making concerning the interstate-intrastate issue, and has never in any other way been consulted by other Texas electric utilities concerning its preferences in the matter, PUB's wishes have been, as a practical matter, irrelevant.

Thus, to the extent that CP&L is forced by past and present actions of HL&P and the TU companies to remain in

intrastate commerce, so also is PUB, to PUB's detriment.

PUB does not have in its possession documents relating specifically to this interrogatory. However, in this regard, PUB notes CP&L's March 26, 1979 response to Houston Lighting & Power Company's First Set of Written Interrogatories to Central Power & Light Company, Interrogatory No. 29, which asks virtually the same question here put to PUB.

"CP&L and WTU have both been forced and coerced into intrastate operation by the various Orders of the Public Utility Commission of Texas in its Docket No. 14, Orders which were entered upon Petition by and at the instigation of HLP and the Texas Utilities Company ("TU"). Numerous documents relate to the proceedings in Docket No. 14, including pleadings, affidavits and transcribed testimony, and CPL is unable to identify all of them without more specificity of request. In any event, CPL believes that all of the documents, if any, which demonstrate the coercion exerted against WTU and CPL in connection with the Docket No. 14 proceedings are in the possession, custody and/or control of HLP, TU and their respective attorneys." (p. 32)

Interrogatory No. 37

37. State whether PUB was ever forced or coerced to remain in intrastate operations against its will, and if so separately state:

- (a) the person(s) forcing PUB to remain in intrastate operations;
- (b) the date(s) upon which such person(s) forced PUB to remain in intrastate operations;
- (c) the methods employed by such person(s) on each such date to force PUB to remain in intrastate operations; and
- (d) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

See PUB's response to Interrogatory No. 36. In addition, PUB notes CP&L's March 26, 1979 response to HL&P's First Set of Written Interrogatories to CP&L, Interrogatory

No. 30, which asks virtually the same question here put to
PUB, which response is in pertinent part attached hereto.

2251 313

ATTACHMENT TO INTERROGATORY NO. 37

2251 514

ATTACHMENT TO INTERROGATORY NO. 37

CPL does not possess this information for years prior to 1976.

CPL does not possess the information requested by this Interrogatory for its affiliated companies, and is, therefore, unable to answer for them.

(d) CPL is in possession of numerous documents relating to the matters inquired into by this Interrogatory, and will produce such documents upon being advised with more specificity which documents HLP requests be produced.

ANSWER TO INTERROGATORY 29 CPL and WTU have both been forced and coerced into intrastate operation by the various Orders of the Public Utility Commission of Texas in its Docket No. 14, Orders which were entered upon Petition by and at the instigation of HLP and the Texas Utilities Company ("TU"). Numerous documents relate to the proceedings in Docket No. 14, including pleadings, affidavits and transcribed testimony, and CPL is unable to identify all of them without more specificity of request. In any event, CPL believes that all of the documents, if any, which demonstrate the coercion exerted against WTU and CPL in connection with the Docket No. 14 proceedings are in the possession, custody and/or control of HLP, TU and their respective attorneys.

ANSWER TO INTERROGATORY 30 (a) and (b). CPL does not know to what extent any affiliated company was coerced to remain in intrastate-only operations except as these facts were developed in West Texas Utilities v. Texas Electric Service.

CPL was "coerced" to remain in intrastate operation in the sense that it understood that while it was interconnected with HLP, CPL would operate its system so that no energy it generated would be transmitted outside Texas, and that no energy generated outside Texas would be transmitted into the CPL system.

(c) Until the disconnections which occurred on May 4, 1976 the TU companies and HLP engaged in an on-going course of activities designed to ensure that WTU and CPL remained "clean" intrastate systems. CPL believes that the TU companies commenced such policing activities shortly after the passage of the Federal Power Act in 1935 and that HLP's activities in this regard certainly became manifest by 1963, but may have commenced earlier. See subpart (d) of this Answer.

(d) These policing activities by HLP and TU generally included the suggestion for and the actual attendance at meetings to discuss whether connections with WTU and CPL posed a threat to HLP and TU's status as intrastate utilities; the installation, testing and modification of protective devices on the WTU system, aerial and other visual inspection of transmission lines and threats of disconnection and actual disconnection (in December, 1953 and May, 1976). These activities are more fully described in the testimony of Messrs. J.F. Longley, J.A. Hutchison, P.H. Robinson, E.D. Scarth and Durwood Chalker in West Texas

Utilities v. Texas Electric Service and in Plaintiffs'

Exhibits introduced into evidence in that case, including, but not limited to PX 43, 44, 49, 58, 66, 68, 69, 80, 86-96, 103, 106, 107, 112, 113, 114-117, 132, 133, 141, 142, 143, 146, 147 and 149. See also Answer to Interrogatory No. 31.

(e) All documents relating to the subject matter of this Interrogatory in the possession, custody or control of CPL (other than those obtained from HLP or a TU company) have been made available to HLP in response to HLP's Requests for Production of Documents in West Texas Utilities v. Texas Electric Service. See also the documents referred to in the Answer to subpart (d) hereof.

ANSWER TO INTERROGATORY 31 (a) - (d) CPL is generally aware of the agreements and understandings entered into by various other members of TIS (including WTU) from time to time pertaining to interstate operation, but has no detailed knowledge except as may have been developed as matters of public record. See, e.g., the WTU-TESCO interconnection agreements received into evidence as PX 157 and 159 in West Texas Utilities v. Texas Electric Service, and the testimony of J.F. Longley, J.A. Hutchison and Durwood Chalker in that case.

HLP contends that Section 8.2 of the STP Participation Agreement precluded CPL (and presumably itself as well as the City Public Service Board of San Antonio and the City of Austin Electric Department, the other joint owners

2251 317

Interrogatory No. 38

38. State whether PUB has ever been a party to any agreement or understanding to operate only in intrastate commerce, and if so separately state:

(a) the identity of all parties to the agreement or understanding;

(b) the beginning and ending dates, if any, of such agreement or understanding;

(c) the nature of the agreement or understanding;

(d) whether such agreement or understanding has been abandoned, and if so, when and the reasons therefor; and

(e) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

PUB has never been a party to any agreement or understanding to operate only in intrastate commerce.

Interrogatory No. 39

39. State whether PUB has ever sought, suggested or negotiated any agreement or understanding to operate only in intrastate commerce, and if so separately state:

(a) the identity of all parties to the communications or negotiations;

(b) the date(s) of each such communication or negotiation;

(c) the nature of every such communication or negotiation; and

(d) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

PUB has never sought, suggested or negotiated any agreement or understanding to operate only in intrastate commerce.

Interrogatory No. 40

40. List and describe every instance since January 1, 1963, known to PUB in which a member or representative of PUB has prepared or approved any writing, including handwritten notes, or made or approved any oral statement that concerns the benefits or detriments of, or PUB's reaction to, intrastate operations, excluding pleadings filed in this proceeding. State the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

PUB is not aware of any instance since January 1, 1963, in which a member or representative of PUB has prepared or approved any writing, including handwritten notes, or made or approved any oral statement that concerns the benefits or detriments of, or PUB's reaction to, intrastate operations.

Interrogatory No. 41

Separately describe each occasion on which PUB studied or otherwise evaluated the establishment of synchronous connections with any other electric utility, and with respect to each study or evaluation separately state:

- (a) the date(s) of such study or evaluation;
- (b) the person(s) who made the study or evaluation;
- (c) the purpose of the synchronous connection studied or evaluated;
- (d) the reason(s) that plans for such synchronous connections, if any, were abandoned;
- (e) the anticipated benefits from such synchronous operation; and
- (f) the identity and location of every document referring or relating to or setting forth the matters inquired into in this interrogatory.

Response

2251 319

This request is not clear to PUB. To the extent that PUB has not answered this interrogatory in responding to other of these interrogatories, please clarify this request

and PUB will attempt to respond.

Interrogatory No. 42

42. State whether the disconnection or bifurcation of TIS in 1976 caused PUB to experience operating difficulties, and if so separately state:

(a) the date and nature of each operating difficulty encountered by PUB during the period that TIS was not interconnected;

(b) whether each such operating difficulty impaired PUB's ability to serve its customers in any way, and if so how;

(c) state how this disconnection placed PUB at a competitive disadvantage in each of the product and geographic markets identified in Interrogatory 24; and

(d) the identity of every actual or potential customer that ceased, cut back or declined to initiate the purchase of electric power from PUB because of such disconnection;

(e) the identity of every actual or potential customer that did not cease, cut back or decline to initiate the purchase of electric power from PUB in spite of such disconnection; and

(f) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

PUB cannot with certainty attribute any operating difficulties it may have experienced since 1976 to the disconnection or bifurcation of TIS that occurred that year.

Because of the nature of PUB's interconnection with CP&L, operating difficulties that CP&L may have experienced -- as a result of the TIS disconnection or for any other reason -- may have affected PUB's operating reliability.

Interrogatory No. 43

43. State whether HL&P has ever denied PUB access to any service or facility that PUB considered necessary to effectively serve its customers, and if so separately state:

- (a) the service or facility denied;
- (b) the date of such denial;
- (c) the person(s) at HL&P denying such service or facility;
- (d) the manner in which such denial affected PUB's service to its customers;
- (e) the extent, if any, to which such denial caused PUB to be disadvantaged with respect to its competitors;
- (f) the competitor(s) with respect to which PUB became disadvantaged as a result of such denial;
- (g) the identity of every actual or potential customer that ceased, cut back or declined to initiate the purchase of electric power from PUB because of such disadvantage;
- (h) the identity of every actual or potential customer that did not cease, cut back or decline to initiate the purchase of electric power from PUB in spite of such disadvantage; and
- (i) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

(a) to the extent HL&P has participated in TIS and STIS decisions to deny PUB's requests for membership in those organizations, HL&P has denied PUB access to services and facilities that PUB considers necessary to most effectively serve its customers.

(b) PUB cannot identify such denials by date, since PUB's requests for membership appear to have been handled by ignoring them rather than by formally denying them, PUB never received a formal reply to its numerous requests for membership in TIS and STIS.

PUB notes that its most recent request for membership in TIS, in January 1979, was finally granted last

week.

(c) PUB is not able to identify the person(s) at HL&P who may have participated in TIS and STIS decisions to exclude PUB from membership.

(d) Exclusion from membership in TIS and STIS may have adversely affected both the reliability and the cost of PUB's service to its customers.

(e-f) To the extent PUB's service reliability has been reduced by its exclusion from membership in TIS and STIS, PUB has been competitively disadvantaged vis-a-vis the members of TIS, particularly CP&L whose service territory surrounds Brownsville.

(g) Union Carbide Company has expressed its intention to terminate electric service from PUB and is presently negotiating a full requirements contract, with CP&L. One of Union Carbide's expressed concerns in doing so, is in obtaining greater reliability of service.

(h) Presumably, many of PUB's customers who have not terminated service from PUB, have not done so in spite of such disadvantage.

It should be noted, however, that a number of PUB customers, including the Brownsville Navigation District, which is one of PUB's largest customers, have indicated dissatisfaction with and suggested termination of PUB electric service in favor of service from CP&L.

(i) Documents relating to PUB's response to this interrogatory are being supplied.

In addition, as a participant in (indeed Project Manager for) the (a) South Texas Project and as signatory to

the Participation Agreement (b) dated July 1, 1973, governing its construction and operation, HL&P in effect participates in denying PUB access to that nuclear project. Both Section 8.2 of the Participation Agreement requiring that each participant construct and own transmission facilities between its system and the STP switchyard, and Section 18, establishing rights of first refusal, are exclusionary provisions which function to virtually deny small systems such as PUB the opportunity to participate.

Interrogatory No. 44

44. Separately describe every instance in which PUB studied or analyzed the possibility of taking electric power from the South Texas Project, and with respect to each instance state separately:

Response

Since PUB acceptance of any offer of an opportunity to participate in the South Texas Project -- through purchase of either an ownership share or unit power -- was contingent upon obtaining transmission services that CP&L was, until two months ago, unwilling to sell to PUB, PUB has never studied or analyzed in detail the feasibility of taking electric power from the Project. However, the informal judgment of PUB management is that participation in South Texas would be less expensive than local generation or purchase power from CP&L.

(a) whether PUB made any study of the cost of obtaining power from the South Texas Project, and if so fully describe the cost identified by such study;

Response

(a) PUB has never been able to study the cost of transporting power from the South Texas Project since CP&L

has never been willing to provide a wheeling rate. No close analysis is required to determine that the purchase of power from the South Texas Project is not feasible -- nor even possible -- without nondiscriminatory access to transmission facilities between the Project and Brownsville.

(b) whether PUB gave any consideration to the cost of obtaining power from the South Texas Project prior to seeking leave to intervene in this proceeding;

Response

(b) PUB considered the cost of obtaining power from the South Texas Project prior to seeking leave to intervene in this proceeding, and, given the limited information available to it at the time, believes that participation in the Project is probably financially feasible.

(c) whether PUB compared the cost of participation or ownership of a share in STP versus cost of purchasing unit power from STP, and if so describe the results; and

Response

(c) PUB has not specifically compared the cost of ownership in STP versus the cost of purchasing unit power from STP. PUB has never had access to sufficiently detailed information to meaningfully do so.

(d) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

(d) Documents relating to PUB's consideration about obtaining electric power from the South Texas Project are being supplied.

Interrogatory No. 45

45. State every occasion upon which HL&P has denied PUB access to or use of any nuclear power plant, or

the electric power generated by such plant, fully describe each such occasion, and identify and state the location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

To the extent HL&P may have supported and participated in a tacit policy among the South Texas Project owners to exclude small municipal and cooperative electric utilities from participation in the project, HL&P has, in effect, been denying PUB access to nuclear power. See PUB's Response to Interrogatory No. 43.

PUB cannot address this question more specifically until it has finished obtaining and reviewing information and documents sought in discovery.

Interrogatory No. 46

46. State every occasion upon which HL&P has denied PUB access to or the use of HL&P's transmission lines, fully describe each such occasion, and identify and state the location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

PUB has never requested access to or the use of HL&P's transmission lines. In order to utilize HL&P's transmission facilities, PUB would have to first negotiate a wheeling arrangement with CP&L, which until very recently has not been possible. PUB seeks transmission availability from CP&L at the present time.

Interrogatory No. 47

47. Separately state every fact upon which PUB bases the contention that the offer it received to participate in the South Texas Project was not a bona-fide offer.

Response

PUB contends that CP&L's 1973 and 1974 "offers" to participate in the South Texas Project were not bona-fide offers because of the events set forth in PUB's response to CP&L's Interrogatory No. 6, 1/ which is attached hereto in pertinent part.

In addition, the plant participation restriction in Section 8.2 of the South Texas Project Participation Agreement to which HL&P is signatory makes participation in the plant by a small electric system virtually impossible, as set forth in response to Interrogatory No. 43 and others.

1/ Response of the Public Utilities Board of the City of Brownsville, Texas, to Central Power & Light Company's First Set of Interrogatories and Request for Production of Documents, April 30, 1979.

2251 326

ATTACHMENT TO INTERROGATORY NO. 47

2251 527

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. Hasting'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.

2251 329

Interrogatory No. 48

48. State whether, with or without participation by other utilities, PUB, since January 1, 1968, has given any consideration or made any studies of the feasibility of the construction of an electric generating unit, either coal-fired or nuclear-fired, to be constructed and operated for the joint use of PUB and other utilities and if so, fully describe the results of such study or studies, and state the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

Since January 1, 1968 PUB has from time to time considered both by itself and together with others the feasibility of constructing a coal-fired electric generating unit to be constructed and operated for the joint use of PUB and other utilities.

During the early 1960's, PUB in fact considered the construction of a small nuclear-fueled generating unit for the joint use of PUB and other electric utilities and participated in discussions concerning this possibility with both Magic Valley Electric Cooperative representatives and CP&L representatives.

Documents relating to this interrogatory are being supplied.

Interrogatory No. 49

49. State whether PUB, with or without participation by other utilities, has at any time since January 1, 1968, made any study of the feasibility and cost of establishing synchronous electrical operations with utilities operating in interstate commerce and, if so, fully describe the results of such study and the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

Since January 1, 1968, PUB has not by itself or together with any other utility studied the feasibility and

cost of establishing synchronous electrical operations with utilities operating in interstate commerce.

Interrogatory 50

50. State whether PUB has considered synchronous operation with CP&L under "Mode 2" as proposed by C&SW in SEC Admin. Proc. File No. 3-4951, and if so, state the conclusions reached by PUB. Identify and state the location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

PUB has not specifically considered synchronous operation with CP&L under "Mode 2" as proposed by C&SW in SEC Admin. Proc. File No. 3-4951. The Power Technologies, Inc., "Expansion Study of the Central & South West Corporation Electric Power System" was not made available to PUB when it was completed in November, 1975, and it has only been in the course of the instant litigation that this report has come to PUB's attention.

Interrogatory No. 51

51. Separately describe every instance upon which PUB considered the possibility of taking electric power from the South Texas Project by means of a DC interconnection, and with respect to each such instance separately state:

(a) whether PUB made any study of the cost of a DC interconnection, and if so fully describe the costs identified by such study;

(b) whether PUB made any study or comparison of how the use of a DC interconnection would affect the potential or projected costs of "Mode 2" as compared to "Mode 4", as described in SEC Admin. Proc. File No. 3-4951, and if so fully describe the results of such study; and

(c) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

PUB has never seriously considered the possibility of taking electric power from the South Texas Project by means of a DC interconnection.

Interrogatory No. 52

52. State whether PUB has received any request for an ownership interest in or unit power purchase from the South Texas Project from any electric utility not a participant in the project, or from any municipal electric system, electric cooperative or other entity and, if so, separately state:

- (a) the identity of every entity from which such a request was received;
- (b) the date(s) of each such request;
- (c) the terms incorporated in such request;
- (d) the response to such request;
- (e) the identity of every person known to PUB to have knowledge of such request and/or response; and
- (f) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

PUB has never received any request for an ownership interest in or unit power from any electric utility not a participant in the project, or from any municipal electric system, electric cooperative or other entity.

Interrogatory No. 53

53. Separately describe every instance upon which PUB considered the possible interconnection of any electric utilities (including but not limited to PUB) by means of a DC interconnection, and with respect to each such instance separately state:

- (a) whether PUB made any study of the cost of a DC interconnection, and if so fully describe the costs identified by such study;

(b) whether PUB made any study or comparison of how the use of a DC interconnection would affect the potential or projected costs of any mode of interconnection between such utilities, and if so fully describe the results of such study; and

(c) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

PUB has not considered the possible interconnection of any electric utilities by means of a DC interconnection.

Interrogatory No. 54

54. State whether PUB has performed or is performing any study or analysis of the economic, electric or other effects of participation or non-participation in the South Texas Project, or any study or analysis of power supply alternatives to the South Texas Project, and if so separately state:

(a) the status, results and conclusions of each study or analysis;

(b) the total coal and nuclear megawatts potentially available to PUB for each year in the future for which such information has been determined or projected;

Response

Since PUB has until very recently been effectively denied the opportunity to participate in the South Texas Project, PUB has not performed any formal studies or analyses of the economic, electric or other effects of participation or of non-participation in that nuclear generating project, or of other power supply sources as alternatives to the South Texas Project.

Indeed, since PUB is and historically has been wholly dependent upon CP&L's transmission facilities for access to any bulk power supply other than power it itself

generates, and since CP&L until very recently has flatly refused to even consider the sale of transmission services to PUB, a detailed analysis of possible power supply alternatives to the purchase of wholesale power from CP&L (other than expansion of PUB's own generating facilities) has not been feasible.

The engineering firm of Burns & McDonnell is presently engaged in a comprehensive power supply study on behalf of PUB, which is expected to be completed in June 1979.

(c) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

(c) To the extent PUB has considered various power supply alternatives, documents relating to such consideration are being supplied.

Interrogatory No. 55

55. State whether PUB has conducted, directed, taken part in or is otherwise aware of any comparison, study, computation or other consideration directed toward the implementation of synchronous interstate operations, and if so separately state:

- (a) the entity making each such comparison, etc.;
- (b) the date(s) upon which each such comparison, etc., began;
- (c) the identity of every person who contributed information or data for such comparison, etc.;
- (d) the identity of every person outside of PUB who took part in or was consulted with respect to such comparison, etc.;
- (e) the conclusion(s) reached by such comparison, etc.;

(f) the problem(s) of synchronous interstate operations, if any, identified by the comparison, etc.; and

(g) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

PUB has not itself conducted, directed, or taken part in, nor is it aware of any comparison, study, computation or other consideration directed to the implementation of synchronous interstate operations, other than those studies and analyses of synchronous interstate operations undertaken by the Central & South West companies. PUB has obtained the copies of these studies within its possession from the District Court discovery documents made available by HL&P in Houston and other sources of discovery commonly available to all the parties in this proceeding.

While PUB management is knowledgeable concerning a number of conclusions reached in the CSW studies, PUB has not had an opportunity to review these studies closely.

To the extent PUB has documents relating to the CSW studies, PUB will make them available for inspection in Washington, D.C.

Interrogatory No. 56

56. State whether PUB has conducted, taken part in or is otherwise aware of any comparison, study, computation or other consideration of duplicating CP&L's transmission lines and/or securing alternative transmission lines in the event that the transmission lines of CP&L are not available to PUB, and if so separately state:

(a) the entity making each such comparison, etc.;

(b) the date(s) upon which each such comparison, etc., began;

(c) the identity of every person who contributed information or data for such comparison, etc.;

(d) the identity of every person outside of PUB who took part in or was consulted with respect to such comparison, etc.;

(e) the conclusion(s) reached by such comparison, etc.;

(f) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

The construction of transmission facilities that would duplicate existing or planned CP&L transmission lines would be so costly, that a detailed comparison or study has never been required to demonstrate that such duplication of facilities would be economically impossible for a small system with limited resources such as PUB. Thus, PUB has never conducted such a comparison, study, computation, or other consideration of duplicating CP&L's transmission lines, nor is PUB aware of any such comparison or study conducted by any other person.

Interrogatory No. 57

57. (a) Describe and identify the current plan for interconnecting PUB with utilities operating in interstate commerce.

Response

(a) Other than through its intervention in the instant NRC proceedings, PUB has no present plan for interconnecting with utilities operating in interstate commerce.

As has been noted in response to other of these interrogatories, PUB is entirely surrounded by CP&L's service area and has access to the Texas transmission system only through CP&L's transmission facilities. Thus, as a realistic matter, PUB is not capable of independently arranging to interconnect with utilities operating in interstate commerce.

Interrogatory No. 57.(b)

(b) Specify every benefit that PUB will achieve through such interconnections.

Response

While PUB is not capable of independent action in this regard, PUB does fully support CP&L's position that it and other Texas utilities which choose to do so should be permitted to operate in interstate commerce and also remain interconnected with the ERCOT systems.

PUB would benefit from such interstate operation both through direct access to a broader and more diversified bulk power supply market and indirectly -- for example -- to the extent CP&L and other potential sellers of wholesale power are able to reduce their system costs through access to a broader and more diversified bulk power supply market. In addition, as PUB obtained ownership in large economic generating units (such as the South Texas Project), interstate operation would broaden the market in which PUB would be able to sell and otherwise exchange power.

Interrogatory No. 57.(c)

State whether PUB has studied or evaluated the cost that such plan would impose upon the electric utilities in ERCOT and/or the loads that such plan would impose on the transmission lines of the ERCOT companies, and if so state the status, results and conclusions of each such study or evaluation.

Response

PUB has not studied or evaluated the cost that such plan would impose upon the electric utilities in ERCOT and/or the loads that such plan would impose on the transmission lines of the ERCOT companies.

PUB does not have in its possession much of the data necessary to perform such studies.

Interrogatory No. 58

58. State whether PUB has offered an ownership share in, or unit power from, the South Texas Project to any electric utility not a participant in the Project, or to any municipal electric system, electric cooperative, or other entity, and if so separately state:

- (a) the identity of every entity to which such offer was made
- (b) the date(s) of each such offer;
- (c) the terms of each such offer;
- (d) the response to each such offer;
- (e) the identity of every person known to PUB to have knowledge of such offer and/or response; and
- (f) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

PUB has never offered an ownership share in, or unit power from, the South Texas Project to any electric uti-

lity not a participant in the Project, or to any municipal electric system, electric cooperative, or other entity. PUB is obviously not in a position to do so.

Interrogatory No. 59

59. State whether PUB has studied, analyzed or contemplated offering an ownership share in, or unit power from, the South Texas Project to any electric utility not participating in the Project, or to any municipal electric system, electric cooperative, or other entity, and if so separately state:

(a) the identity of each entity to which an offer was contemplated;

(b) the terms of the offer;

(c) the reason the offer was not made;

(d) the identity of every person known to PUB to have knowledge of such offer; and

(e) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

Since PUB itself has no ownership share in, or unit power from, the South Texas Project, it is not in a position to study, analyze or contemplate offering such participation to any other electric utility not participating in the Project, or to any municipal electric system, electric cooperative, or other entity. However, PUB representatives have expressed interest in negotiating some form of short-term "sell-back" arrangement.

Interrogatory No. 60

60. State the reason(s) for PUB's decision to seek participation in the South Texas Project. Separately state the identity and location of every document that refers or relates to or sets forth any evaluation of alternatives to participation in the South Texas Project by PUB, including

but not limited to the alternative of interstate operations with other electric utilities.

Response

PUB has sought participation in the South Texas Project because it is the informed judgment of PUB management that participation in South Texas would be a less expensive means to meet its bulk power needs than local generation or purchased power from CP&L.

See PUB's Response to Interrogatory No. 44 and No. 54.

Interrogatory No. 61

61. With respect to the following paragraph set forth at page 7 of PUB's Supplemental Petition for Leave to Intervene filed June 28, 1978:

CP&L has sought to operate interstate rather than be artificially confined to intrastate operation within Texas. Other utilities in Texas have exercised, or sought to exercise, contractual rights in restraint of trade to prohibit CP&L from obtaining, for itself, for its customers, including PUB, and for the larger economic interests in the State of Texas, access to the economies of large scale interconnected operation. PUB agrees with CP&L that access to the interconnected system of the United States should be required, and that contractual arrangements to the contrary are contracts in restraint of trade or commerce among the several states.

(a) State whether PUB contends that the TIS Agreement constitutes a restraint of trade;

(b) State whether PUB contends that the South Texas Project Participation Agreement constitutes a restraint of trade;

(c) State whether PUB has evidence that the utilities within ERCOT as it is presently constituted and operating do not have "access to the economies of large scale interconnected operation," and if so separately state:

(1) the meaning of the phrase "access to the economies of large scale interconnected operation;"

(2) the nature of the evidence in PUB's possession; and

(3) the identity and location of every document referring or relating to or setting forth such evidence.

(d) State the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

(a) To the extent that the TIS Agreement restricts utilities from dealing with utilities which are located outside of the State of Texas or which are interconnected with utilities outside of the State of Texas, PUB contends that the Agreement constitutes a restraint of trade. Further, to the extent that the Agreement either by its terms or as it is applied is exclusionary, it constitutes such a restraint. Through discovery and analysis by consultants PUB is examining whether specific portions or applications of the Agreement constitute additional restraints.

(b) Yes. As we understand the South Texas Project Participation Agreement, and as it has been interpreted by Judge Porter in West Texas Utilities Company, et al. v. Texas Electric Service Company, et al., ND Texas Case No. CA-3-76-0633-F, the Agreement prohibits its signatories from dealing with utilities interconnected with "interstate" utilities. Insofar as this is correct, the Agreement would constitute a restraint of trade. Further, the Agreement prevented PUB and others from participation in the South Texas Units, thereby constituting an additional restraint of trade. The provisions in this Agreement governing transmission access to the

Project and establishing the right of first refusal would constitute a continuing restraint. See response to Interrogatory No. 43.

(c) We are not certain that we understand this question. In the event that clarification of this response is requested, we shall supplement it. However, PUB points out that CP&L has contended that it can receive economies of large scale interconnected operation through operating interstate. To the extent that ERCOT prevents or inhibits such operations, CP&L and others are blocked from access to potentially lower cost power supply sources and markets. Since PUB purchases power from CP&L, to the extent that this increases CP&L's operating costs, PUB is thereby injured. PUB is further injured to the extent that it is blocked from alternative sources of power supply or from direct markets. In this regard, it appears that Palo Verde nuclear generated power is likely to be available from El Paso, which is on the interstate system. Additionally, low cost power supply may be available from Gulf States or smaller electrical entities in Louisiana.

By reference to the Federal Power Commission (FERC) National Power Survey, and general knowledge, it is well established that there are large economies from power pooling. To the extent that TIS or STIS and its member utilities maintain higher reserve margins than would be required if they were interconnected to interstate entities, all affected systems lose access to economies of scale and suffer

increased cost. The same would be true insofar as economic interchange opportunities are lost. Through discovery, as well as analysis by consultants, PUB hopes to determine the extent to which such economies are lost. However, it finds no basis to dispute CP&L's position on this matter.

PUB is examining the entire questions covered by this interrogatory and will supplement its response to the extent that it obtains additional information or analysis that is relevant.

Interrogatory No. 62

62. Identify separately every officer or director of PUB since 1965, and state such member's position(s) and the dates during which such person held such positions.

Response

Public Utilities Board of Directors

<u>Name, Position</u>	<u>Date(s) Position(s) Held</u>
Kermit Cromack: Chairman:	6/28/77 - 6/28/81 9/18/78 - to present
L. L. Winans: Member	7/19/78 - 7/19/82
Marcelo Hernandez: Member	7/15/75 - 7/19/79
Mario Yzaguirre: Member	7/15/75 - 7/15/79
Richard Mouser: Member	8/29/78 - 8/29/79
Ruben Edelstein: Chairman:	7/15/75 - 7/15/79 6/15/60 - 10/21/67
Israel Lizka: Chairman:	7/15/74 - 8/21/78 7/24/75 - 8/21/78
Vergil Fredieu: Member	7/14/74 - 7/15/78

Paul Cunningham: Member	1/08/74 - 6/23/77
Glen Herman: Member	7/31/71 - 8/15/74
Raul Tijerina: Chairman:	2/13/67 - 7/25/75 7/07/70 - 6/25/75
Fausto Yturria Member	6/22/70 - 6/22/74
Bat Corrigan: Member	6/22/70 - 6/22/74

Public Utilities Board of Directors

<u>Name, Position</u>	<u>Date(s) Position(s) Held</u>
A. B. Guerra: Member	7/08/69 - 1/08/74
Elliott B. Roberts: Member	10/12/67 - 6/28/70
Leonel Garza: Member	7/16/63 - 11/30/66
Antonio Gonzalez: Member	11/15/63 - 12/10/70
Carlos Watson: Member	9/28/60 - 6/25/71
Barry Putegnat: Chairman:	7/15/60 - 6/22/70 7/19/68 - 6/22/70
Gustavo Pena:	6/15/60 - 6/22/69

Jim Mills served as Mayor for the City of Brownsville from 12/19/73 to 11/19/75.

Louis Lapeyre served as Mayor for the City of Brownsville from 8/19/72 to December of 1973.

Earle Griffey served as Mayor for the City of Brownsville from 12/19/70 to 8/19/72.

Interrogatory No. 63

63. With respect to Part II of PUB's Supplemental Petition for Leave to Intervene (entitled "Description of Situation") identify separately, for every paragraph within

Part II, every past or present member of PUB (including their representatives) with first-hand knowledge of the facts set forth in each paragraph.

Response

The following individuals have first-hand knowledge of the facts set forth in each paragraph of Part II of PUB's Supplemental Petition for Leave to Intervene. Individuals who were members of PUB management prior to 1971 presumably were knowledgeable concerning some of the facts set forth in this section. If HL&P desires PUB to attempt to locate those individuals, PUB will do so. Identification of the listed individuals follows.

1. Presumably, everybody connected with PUB is aware of its geographical location.

2. Robert E. Rountree
Larry R. Gawlik
George Lindsey
Hon. Ruben Edelstein

Present members of the Public Utilities Board, past PUB management and past Board members are presumed to have first-hand knowledge of the facts set forth in paragraph

- 3, 4, 5 Robert E. Roundtree
Larry Gawlik
George Lindsey
H.E. Hastings
Ruben Edelstein
Charles H. Illingworth

- 6, 7 Robert E. Roundtree
Larry R. Gawlik
Ruben Edelstein
Al Cisneros ^{1/}
Ersel G. Lantz ^{1/}
Charles H. Illingworth

^{1/} While these individuals are not members of PUB, they do have first-hand knowledge of the facts set forth in paragraphs 6 and 7.

- 8, 9, 10 H.E. Hastings
Robert E. Roundtree
Larry R. Gawlik
- 11 H.E. Hastings
Robert E. Roundtree
Larry R. Gawlik
Ruben Edelstein
Charles H. Illingworth
- 12, 13 Robert E. Roundtree
Larry R. Gawlik
Charles H. Illingworth
- 14 H.E. Hastings
Ruben Edelstein
Robert E. Roundtree
Larry R. Gawlik
Mark S. Stenson
- 15 Robert E. Roundtree
Larry R. Gawlik
- 16 H.E. Hastings
Robert E. Roundtree
Larry R. Gawlik
Charles H. Illingworth
- 17 Robert E. Roundtree
Ruben Edelstein
H.E. Hastings
Charles H. Illingworth
- 18 H.E. Hastings
Mark D. Stenson

Mr. Robert E. Roundtree 205 Calle Amistosa
General Manager #138
Public Utilities Board Brownsville, Tx. 78520
1425 Robinhood
Brownsville, Texas 78521
(512) 546-2241

R. Michael Simmons, Esq. 2727 Old Alice Rd. #8
Staff Counsel Brownsville, Tx. 78520
Public Utilities Board
1425 Robinhood
Brownsville, Texas 78521
(512) 546-2241

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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

Mr. George Lindsey, III
Associate General Manager
for
Public Utilities Board
1425 Robinhood
Brownsville, Texas 78521
(512) 546-2241

67 Shoreline
Brownsville, Tx. 78520

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

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

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

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

Mr. H. E. Hastings 1914 Beckert Drive
219 West Water Street Piqua, Ohio 53356
Piqua, Ohio 45336

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

Mr. Mark D. Stenson 504 146th Place, N.E.
Partner Bellevue, Wash. 98007
R. W. Beck & Associates
200 Tower Building
Seattle, Washington 98101
(206) 622-5000

Consulting Engineer to PUB: 1972 - 1976

Mr. Charles H. Illingworth, P.E.
Daverman Associates, Inc.
Architects - Engineers - Planners
200 Monroe
Grand Rapids, Michigan
Consulting Engineer to PUB: 1977 to date

Interrogatory No. 64

64. Does PUB contend that the City of Austin is responsible for the creation or maintenance of a situation inconsistent with the antitrust laws, within the meaning of §105(c) of the Atomic Energy Act of 1954, in connection with the South Texas Project? If so, separately state every fact upon which PUB bases its contention, and state the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

PUB contends that to the extent the City of Austin has supported and participated with other of the joint owners of the South Texas Project in policies and actions intended to exclude or excluding small municipal and cooperative electric utilities from meaningful participation in the Project, Austin is responsible for creating and maintaining a situation inconsistent with the antitrust laws, within the

meaning of §105(c) of the Atomic Energy Act of 1954.

For example, as signatory to the South Texas Project Participation Agreement, Austin has agreed that each plant participant shall itself construct and own the transmission facilities necessary to connect its system to the South Texas Project switchyard (§8.2). To the extent this provision, which requires duplication several times over of expensive transmission facilities, is intended to exclude small competing electric systems from participation in the Project, Austin in agreeing to it is creating and maintaining a situation inconsistent with the Atomic Energy Act. Austin has also agreed to rights of first refusal under §18 of the Agreement. We do not know such rights are intended to be enforced against PUB.

Since PUB is still involved in the discovery phase of this case, it is not yet able to state with specificity the facts upon which it bases this contention.

Interrogary No. 65

65. Does PUB contend that the City of San Antonio is responsible for the creation or maintenance of a situation inconsistent with the antitrust laws, within the meaning of §105(c) of the Atomic Energy Act of 1954, in connection with the South Texas Project? If so, separately state every fact upon which PUB bases its contention, and state the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

PUB contends that to the extent the City of San Antonio has supported and participated with other of the joint owners of the South Texas Project in policies and

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actions intended to exclude or excluding small municipal and cooperative electric utilities from meaningful participation in the Project, San Antonio is responsible for creating and maintaining a situation inconsistent with the antitrust laws, within the meaning of §105(c) of the Atomic Energy Act of 1954.

For example, as signatory to the South Texas Project Participation Agreement, San Antonio has agreed that each Plant participant shall itself construct and own the transmission facilities necessary to connect its system to the South Texas Project switchyard (§8.2). To the extent this provision, which requires duplication several times over of expensive transmission facilities, is intended to exclude small competing electric systems from participation in the Project, San Antonio in agreeing to it is creating and maintaining a situation inconsistent with the Atomic Energy Act.

San Antonio has also agreed to rights of first refusal under §18 of the Agreement.

Since PUB is still involved in the discovery phase of this case, it is not yet able to state with specificity the facts upon which it bases this contention.

Interrogatory No. 66

66. State whether PUB (including attorneys) has met with members of the Department of Justice or the NRC Staff with respect to the antitrust implications of the construction and/or operation of the South Texas Project, and/or Commanche Peak Steam Electric Station and/or the Allens Creek Nuclear Generating Station, and if so separately state:

- (a) the date(s) and location of each such meeting;

(b) the identity of every person present at each such meeting;

(c) the identity and location of every document furnished to the Department of Justice or the NRC Staff by PUB before, during or after each such meeting;

(d) the identity and location of every document furnished to PUB or an affiliated company by the Department of Justice or NRC Staff before, during or after each such meeting; and

(e) the identity and location of every document referring or relating to or setting forth the matters inquired into in this Interrogatory.

Response

PUB representatives have met with members of the Department of Justice on two occasions with respect to the antitrust implications of the construction and/or operation of the South Texas Project.

(a),(b) A meeting at the office of Spiegel & McDiarmid on December 27, 1978, at which Robert C. McDiarmid, Robert A. Jablon, Marc Poirier, Susan G. White, Judith L. Harris, Ronald H. Clark and Frederick H. Parmenter were present.

A meeting at the offices of Spiegel & McDiarmid on April 11, 1979 at which Marc Poirier, Susan G. White, Judith L. Harris and Frederick H. Parmenter were present.

PUB understands this interrogatory to define members of the Department as Justice Department or NRC employees. It excludes telephone conversations and informal contacts during NRC prehearing conferences.

(c) Copies of documents furnished to the Department of Justice are available for inspection at the

offices of Spiegel & McDiarmid in Washington, D.C.

(d) The Department of Justice has not furnished any documents to PUB or its representatives.

PUB is not aware of any such meetings between its representatives and the NRC Staff.

Interrogatory No. 67

67. Identify separately the person at PUB who directed the filing of the petition to intervene in the NRC with respect to the South Texas Project.

Response

Mr. Robert E. Roundtree, General Manager for the Public Utilities Board of the City of Brownsville, Texas, at the direction of the Public Utilities Board requested that the petition to intervene be filed at the NRC with respect to the South Texas Project.

Interrogatory No. 68

68. Identify separately each person that PUB expects to call as an expert witness at the hearing in this matter, and with respect to each such person identified separately state the subject matter on which the expert is expected to testify and the substance of the facts and opinions to which the expert is expected to testify, and give a summary of the grounds for each such opinion.

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, as PUB continues its assessment of its needs.

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 utilities 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 relate 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.

Interrogatory No. 69

63. Identify and state the location of every document received, reviewed or generated by, or which formed in whole or in part the basis for, or in any way contributed to the conclusions reached by, the experts identified in response to Interrogatory No. 68 in this matter.

Response

As indicated in response to Interrogatory No. 68, PUB has not yet formally retained the economic and engineering consultants identified. Both consultants have broad experience in their fields of expertise, and PUB anticipates that this experience and expertise would be relied upon in their testimony.

These experts will also be provided access, as needed, to various of the documents and data obtained in discovery, and PUB anticipates that certain of these documents and data will contribute to the conclusions Mr. Mayben and Dr. Wilson may reach.

Documents reviewed by or generated by expert witnesses in reaching conclusions about which they are likely to testify on behalf of PUB will be identified and to the extent such documents are not privileged will be made available to HL&P after Dr. Wilson and Mr. Mayben have been retained and had an opportunity to analyze the specific circumstances surrounding this case.

Interrogatory No. 70

70. Separately identify each person whom PUB has employed in anticipation of or in connection with the preparation for the hearing in this matter, and who is not expected to be called as expert witnesses.

Response

Other than counsel, whose appearances have been entered in this case, PUB has not employed any persons it does not expect to call as expert witnesses in anticipation of or in connection with the preparation for the hearing in this matter.

Interrogatory No. 71

Identify every non-expert witness that PUB expects to call as a witness at the hearing in this matter.

Response

PUB has not yet determined what non-expert witnesses it will call to testify at the hearing in this matter.

PUB will probably call the Honorable Ruben Edelstein, who has been Mayor the City of Brownsville since November 1975, to testify. In addition, Mayor Edelstein was Chairman of the Public Utilities Board from approximately July 1960 until about July 1967.

Business address:

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

Home address:

65 Robins Lane
Brownsville, Texas 78520

PUB may ask additional non-expert witnesses to testify. Should PUB determine to do so, PUB will supplement its response to this interrogatory.

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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))

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 Houston Lighting & Power Company's First Request for Production of Documents and to Houston Lighting & Power Company's First Set of Written Interrogatories 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

Robert A. Jablon

Subscribed and Sworn to before me this 2nd day of May, 1979.

Judith B. Sklar

My Commission Expires Jan. 31, 1982

2251 357

UNITED STATES OF AMERICA
BEFORE THE
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of)	
HOUSTON LIGHTING & POWER COMPANY,)	
et al.)	Docket Nos. 50-498A
)	and 50-499A
(South Texas Project, Unit Nos.)	
1 and 2))	
)	
)	
)	
In the Matter of)	
TEXAS UTILITIES GENERATING COMPANY,)	
et al.)	Docket Nos. 50-445A
)	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 HOUSTON LIGHTING AND POWER COMPANY'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS AND TO HOUSTON LIGHTING & POWER COMPANY'S FIRST SET OF WRITTEN INTERROGATORIES in the above-captioned proceeding have this 2nd day of May, 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

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1150 17th Street, N. W.
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Chief, Public Counsel &
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2251 359

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Orlando, Florida 82803

Somervell County Public Library
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Glen Rose, Texas 76403

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

2251 360

W. S. Robson, General Manager
South Texas Electric Cooperative,
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Victoria Regional Airport
Victoria, Texas 77901

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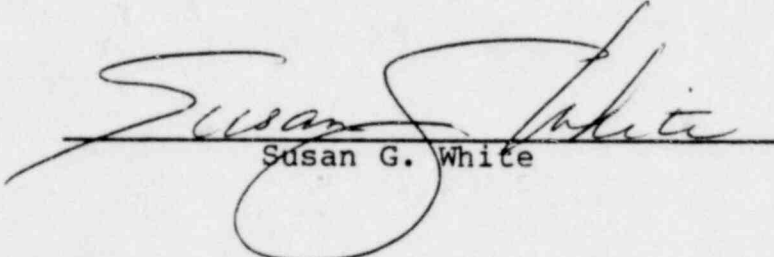
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Executive Director
Committee on Power for the
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James E. Monahan
Executive Vice President and
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Brazos Electric Power Coop., Inc.
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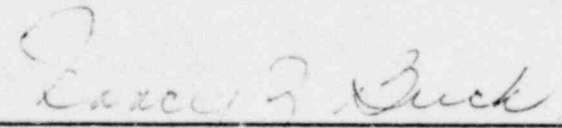
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Nuclear Regulatory Commission
Washington, D. C. 20555

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
2nd day of May, 1979.



My Commission Expires September 30, 1979

2251 561