



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

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MAR 12 1979

Docket Nos. 50-416
50-417 ←

Mississippi Power & Light Company
ATTN: Mr. Norris S. Stampley
Vice President - Production
Electric Building
Jackson, Mississippi 39205

Gentlemen:

GRAND GULF NUCLEAR STATION, UNITS 1 AND 2

Thank you for your submittal of February 7, 1979, providing information for the Operating License antitrust review of Grand Gulf. Review of this initial information has disclosed certain areas where we need some clarification or additional detail. Therefore, we would appreciate it if you could furnish information in response to the following questions.

1. Is the town of Itta Bena served under the MW-15 rate schedule? How and by whom was Itta Bena supplied prior to its supply by MP&L? What were the circumstances leading to the change in supply or supplier? Was there any organized opposition to the change in supply or supplier? If so, please describe. What is the approximate peak load of Itta Bena?
2. What were the circumstances leading to the purchase of Capital Electric Power Association? Was there any organized opposition to the purchase? If so, please describe.
3. Was there any organized opposition to the MP&L lease arrangement with the Town of Shaw? If so, please describe. Does the lease arrangement provide MP&L with the option of acquisition? If so, please describe.
4. Please describe SHEPA's transmission in terms of voltage, interconnections and extent of the transmission with respect to members connected and not connected. After SHEPA's interconnection with

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MP&L, will SNEPA also be interconnected with Mississippi Power Company in a closed loop fashion?

5. Does WNEPA own any transmission? If so, please describe in terms of voltage and extent of the transmission (e.g., with respect to members connected and not connected). Has WNEPA expressed any interest in an interconnection and transmission service schedule now or in the future similar (or dissimilar) to that which MP&L is negotiating with SNEPA? If so, please describe.
6. Does the Municipal Energy Agency of Mississippi (MEAM) own any transmission? If so, please describe in terms of voltage and extent of the transmission (e.g., with respect to members connected and not connected). Has MEAM expressed any interest in an interconnection and transmission service schedule similar to that which MP&L is negotiating with SNEPA? If so, please describe.
7. Is MP&L willing to include Short-Term Firm (transmission) service, similar to that of paragraph 16.06 of Service Schedule TS-2 with SNEPA, in Service Schedule E of its interconnection agreements with Clarksdale and others? If not, why not?
8. Has MP&L approached LP&L or other MSU affiliates to attempt to work out complementary transmission service arrangements? We note in your filed Service Schedule E, for providing transmission service to Clarksdale, the following Clause:

"If the requested transmission service involves transmission directly or indirectly over the facilities of a third utility system, City will make arrangements for the use of those facilities..." (emphasis added)

Since MP&L and LP&L are both interconnected to GSU and to each other, what is your view as to whether, under this clause, any transmission of power by MP&L or LP&L to or from Gulf States Utilities (GSU) would indirectly involve transmission over the other affiliate? Is it your view that an entity in LP&L's service area desiring to transmit power to GSU should pay both LP&L and MP&L for such service, and another entity in MP&L's service area desiring to transmit an equal amount of power to GSU, should also pay both LP&L and MP&L for that service? Have you developed a method to determine the direct and indirect portions of each power transmission, and would you charge accordingly? What difficulties and expenses would

be involved if interconnected utilities accepted indirect flows through their systems on a mutual exchange basis, in particular, when they are sister affiliates with single system generation dispatch?

9. We are still not clear as to the penalty that would occur to MSE if it were required to redeem some of the first mortgage bonds issued in connection with Grand Gulf. Since the bonds would be redeemed at par by funds from new owners, would there be any direct financial penalty to MSE even though the bond rates may now be higher for the new owners? Does the financial penalty to MSE of which you are concerned come about because MSE may have to issue new bonds for additional generation capacity to replace the generation capacity lost through granting access to additional owners? If so, what knowledge do you have or what is your estimate of the present market value of the bonds and the expected market value of bonds about one year from now as compared to the par value of the Grand Gulf bonds?

/s/ A. L. Toalston

Argil Toalston, Chief
Power Supply Analysis Section
Antitrust & Indemnity Group
Office of Nuclear Reactor Regulation

cc: Robert B. McGehee, Esq.
Troy B. Connor Jr., Esq.

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