STATE OF TEXAS I

COUNTY OF CAMERON I AFFIDAVIT

BEFORE ME, the undersigned official, on this day personally appeared Robert E. Roundtree, who is personally known to me, and first being duly sworn according to law upon his oath deposed and said:

My name is Robert E. Roundtree; I am over 18 years of age, and I reside at 205 Calle Amistosa #138, Brownsville, Texas. I have never been convicted of a crime, and I am fully competent to make this affidavit. I have personal knowledge of the facts stated herein, and they are all true and correct.

On March 24, 1980, Mr. Merle Borchelt of CP&L called to set up an appointment with me on March 25, 1980 at 9:00 am.

I was forced to cancel the 9:00 am appointment on March 24, 1980.

Mr. Borchelt called again on March 25, 1980 and I agreed to pick him up at the Brownsville Airport that day at 11:00 am for a conference.

Mr. Larry Gawlik, my Associate Manager for Engineering, and I met Mr. Borchelt at the Brownsville Airport at 11:00 am, March 25, 1980 and picked up Mr. Borchelt and Mr. Buddy Teague of CP&L. The four of us then met Mr. Tyler Russell of CP&L at the Beacon Harbor Restaurant for a luncheon conference.

Mr. Borchelt stated that he had been asked by Mr. Durwood Chalker of CSW to meet with me and bring me up to date on ongoing discussions between the Texas IOU's relative to a settlement of the interstate versus intrastate problems between CSW and Texas Utilities and Houston Light and Power.

Mr. Borchelt stated that agreement had been reached among the IOU's for the construction of two direct current interstate ties of 500 MW and 250 capacities and that by virtue of the direct current transmission across state lines that Texas Utilities and Houston Light and Power would not be subject to federal regulation.

Mr. Borchelt also stated that complete settlement was anticipated during the first two weeks of April 1980.

I then asked if any party had been involved in the settlement negotiations other than the IOU's and Mr. Borchelt stated that none had but that all were now being informed as I was.

I then asked Mr. Borchelt if the federal and state regulatory bodies had been a party to the settlement talks and he said that meetings had been held with the Commissions of Texas, Oklahoma and Arkansas and with the Governors' offices of those states and that all comments were favorable to the direct current transfer mode as a basis of settlement.

I then asked if the federal regulatory staffs had been contacted and Mr. Borchelt stated that they had and that without commitment the reactions expressed were favorable.

I asked Mr. Borchelt if his conversation with me was to be considered confidential in nature and he said no but that he hoped it would not be given to the news media prematurely.

I told Mr. Borchelt that I appreciated the information and that Brownsville was prepared to enter settlement negotiations in line with our consistent position that benefits accruing to the electric industry should flow to the benefit of all segments of the industry.

I also took occasion to caution Mr. Borchelt that my legal counsel was very likely to be upset when I informed them of the status of settlement talks of which they had no knowledge and urged him to have his attorneys contact my attorneys and inform them of the status of settlement and why they had been excluded from settlement discussions.

Robert E. Roundtree

SUBSCRIBED AND SWORN TO BEFORE ME on the 27th day of March, 1980, to certify which witness my hand and official seal.

Barbara Nicol

Notary Public in and for
Cameron County, Texas

My commission expires the 20th day of December, 1980.

P. O. Box 2121, Corpus Christi, Texas 78403 512-881-5500

* * ATTACHMENT C * *

M. L. Borchelt
Executive Vice President and
Chief Engineering Officer

February 15, 1980

POOR ORIGINAL

Mr. Bob Roundtree
Public Utilities Board of Brownsville
P.O. Box 3270
Brownsville, Texas 78520

Re: CPL/PUB Interconnection Contract
and Transmission Services Agreement

Dear Mr. Roundtree:

At our meeting in Dallas on February 1, 1980, you asked for an estimate of the rates which might apply during the term of the interconnection contract and a summary of CPL's position on this contract. Enclosed are the estimated rates based on 1979 actual costs, and budgeted additions to plant and your forecasted load and energy. Additionally, this letter summarizes the changes in the interconnection contract which CPL desires and the options which CPL would like to discuss with you at our meeting on February 19, 1980.

First, since PUB is now a member of TIS and STIS, it is no longer appropriate that the interconnection contract include emergency power provisions. Therefore, we propose to delete all references to emergency power from the interconnection contract.

Second, CPL projects that it will have surplus capacity, including the reserves for that capacity, in the amounts and at the times shown on the enclosed table. We are willing to reserve all or a part of this surplus, including reserves, for PUB, but only on a take or pay basis for the amount specified by you. As you know, we are negotiating with others for the sale of all or part of this surplus. Therefore, it is important that we receive your commitment promptly in order that we will know how much of this projected surplus will be available for others. We will not commit the surpluses shown in the enclosed table to anyone else, provided CPL and PUB are able to reach agreement on this contract by April 1, 1980.

Finally, in order to plan for fuel acquisitions and to design an appropriate rate structure, it will be necessary to define the amount of energy with PUB will take along with the associated power. The rates enclosed are based on the amount of energy which you have indicated to us <u>will be taken</u>. Monthly Rate "A" for

1980 and 1984 is based on your willingness to commit to taking that amount of energy. If you wish more flexibility in the amount of energy to be taken, Monthly Rate "B" could be employed. The degree of flexibility allowed in your capacity factor will necessarily be reflected in the rate design.

We are also enclosing calculations for hypothetical rate design for transmission services based on the TLS Positive Impact MVA-Mile approach. This differs from the LCRA contract which contains an Absolute Value Impact MW-Mile approach. It is otherwise similar to LCRA approach.

Yours very truly,

M. L. Borchelt

MLB:gb

Enclosure

cc: Durwood Chalker
A. E. Autry
R. L. Range
W. C. Price
C. A. Mast
T. J. Curlee
C. E. Orsak
R. B. Weston
W. N. Woosley
M. Manning
Mike Miller
B. J. Harris
J. C. Wells
Phil McConnell

cc: J. Davidson
G. Spiegel
M. Simmons
R. Brannick
W. Mayben

POOR ORIGINAL

CENTRAL POWER AND LIGHT COMPANY

FORECAST OF EXCESS CAPACITY WITH RESERVES
(BASED ON 15% TIS RESERVE CRITERIA)

	1980	81	82	83	84	85	86	87	88	89
(1) Firm Load & Standby	2504	2638	2865	2996	3140	3273	3437	3596	3765	3955
(2) Req'd Gen. to meet 15% Reserve (L.1 x 1.15)	2880	3034	3295	3445	3611	3764	3953	4135	4330	4548
(3) Generation Available	3504	3534	3534	3534	3849	3849	4164	4153	4345	4595
(4) Excess Gen. Above 15% (L.3. - L.2)	624	500	239	89	238	85	211	18	15	47
(5) Excess Gen. With Reserves (L4/1.15)	543	435	208	77	207	74	183	16	13	41

2-15-80

RATE ESTIMATE

CITY OF BROWNSVILLE

1980

POOR ORIGINAL

Billed KW = 40,000 x 12 = 480,000

KWH Sold = 310,240,000

KWH Related Costs	$ 6,833,264
Revenue from Fuel Cost Adjustment*	7,623,037
Difference =	789,773
Revenue from Energy Charge @ $0.003/KWH	930,720
Sub-total - Revenue from Energy Charge and Excess from Fuel Cost Adjustment =	1,720,493
Capacity Related Costs =	3,080,697
Balance to be recovered by Demand Charge	1,360,204
Demand Charge ($1,360,204 ÷ 480,000) =	2.83/KW
Customer Related Costs =	7,883
Customer Charge per Month	656.92

	Monthly Rate A	Monthly Rate B
Customer Charge	$657.00	$657.00
Demand Charge	$ 2.83 per KW	$ 4.69 per KW (including 620 KWH/KW)
Energy Charge	$ 0.003 per KWH for 310,240,000 KWHs Plus Fuel Cost Adjustment	$ 0.003 for each additional KWH used Plus Fuel Cost Adjustment

*Based of present FERC approved method

2-15-80

RATE ESTIMATE

CITY OF BROWNSVILLE

1984

POOR ORIGINAL

Billed KW = 70,000 x 12 - 840,000	
KWH sold = 575,710,000	
KWH Related Costs =	$16,557,198
Revenue from Fuel Cost Adjustment = *	17,501,584
Difference =	944,386
Revenue from Energy Charge @ $0.003/KWH =	1,727,130,
Sub-total - Revenue from Energy Charge and Excess from Fuel Cost Adjustment =	2,671,516
Capacity Related Costs =	7,472,995
Balance to be recovered by Demand Charge =	4,801,479
Demand Charge ($4,801,479 ÷ 840,000) =	5.72/KW
Customer Related Costs =	9,631
Customer Charge Per Month	802.58

	Monthly Rate A	Monthly Rate B
Customer Charge	$802.50	$802.50
Demand Charge	$ 5.72 per KW	$ 7.58 per KW (including 620 KWH/KW)
Energy Charge	$ 0.003 per KWH for 575,710,000 KWHs Plus Fuel Cost Adjustment	$ 0.003 for each additional KWH used Plus Fuel Cost Adjustment

*Based on present FERC approved method

2-15-80

ESTIMATED TRANSMISSION SERVICE
RATE FOR 1980

POOR ORIGINAL

A. DEVELOPMENT OF CAPACITY RELATED TRANSMISSION USE COST (MVA-MI METHOD):

FOR EACH VOLTAGE CLASS : $\dfrac{\text{Positive MVA-MI Impact}}{\text{Base MVA-MI + Positive MVA-MI Impact}}$ [(.2063) Deprec. Pl.+(.178)Non-Deprec. Pl.]

PMI = Positive MVA-MI Impact

69KV : $\dfrac{\text{PMI}}{21{,}830+\text{PMI}}$ x ($10,396,786) = 69KV Annual Capacity Use Cost

138KV: $\dfrac{\text{PMI}}{102{,}647+\text{PMI}}$ x ($16,515,372) = 138KV Annual Capacity Use Cost

345KV: $\dfrac{\text{PMI}}{9{,}286+\text{PMI}}$ x ($4,510,936) = 345KV Annual Capacity Use Cost

Total Annual Transmission Capacity Use Cost =

B. DEVELOPMENT OF ANNUAL TRANSMISSION O&M COST SHARE PRORATION:

$\dfrac{\text{Total PMI}}{133{,}763+\text{PMI}}$ x ($3,588,732) = Total Annual Prorated O&M Cost

C. TOTAL ANNUAL TRANSMISSION SERVICE RATE:

A+B = _____

2/15/80

POOR ORIGINAL

EXAMPLE

CPL TO WHEEL 50 MW FROM TU

MVA-MI Impact Based on 1980 Summer Peak Base Case

Positive MVA-MI Increases on CPL's Transmission System

69KV	-	2350
138KV	-	9456
345KV	-	1208
	Total	13014 MVA-MI

A. CAPACITY COST DEVELOPMENT:

69KV $\frac{2350}{21,830+2350}$ x ($10,396,786) = $1,010,440

138KV $\frac{9456}{102,647+9456}$ x ($16,515,172) = $1,393,086

345KV $\frac{1208}{9,286+1208}$ x ($4,510,936) = $ 519,269

Total Annual Transmission Capacity Use Cost = $2,922,795

= 5.40 / kw. Mo.

B. ANNUAL TRANSMISSION O&M COST PRORATION:

$\frac{13014}{133,763+13014}$ x ($3,588,732) = $ 318,195

C. TOTAL ANNUAL TRANSMISSION SERVICE RATE:

$2,922,795 + $318,195 = $3,240,990

2/15/80

CENTRAL POWER AND LIGHT CO.

TRANSMISSION PLANT ACCOUNTS

December 31, 1979

POOR ORIGINAL

VOLTAGE CLASS	TOTAL PLANT ($)	NON-DEPREC PLANT ($)	DEPREC PLANT ($)
69KV	50,451,369	400,400	50,050,969
138KV	80,072,514	126,739	79,945,775
345KV	21,883,984	131,798	21,752,186
TOTALS	152,407,867	658,937	151,748,930
FIXED CHARGE RATE (%)		17.8	20.63
ANNUAL TRANSMISSION O&M EXPENSES AS OF DECEMBER 31, 1979			3,588,732

2/15/80

	Initials	Date
Prepared By		
Approved By		

Transmission Accounts

as of December 31, 1979

Non-Depreciable 658 937.48

		1	2	3	4	
Acct #	Transmission Plant	69KV	138KV	345KV	Total	
350.1	Land Rights - Easements	3 4 2 4 4 2 2 0	3 8 9 5 0 2 9 1 1	2 2 7 9 7 9 3 1 9	9 5 9 9 6 4 2 6 0	1
350.2	Land in Fee - Under 138KV	4 0 0 4 0 0 4 1			4 0 0 4 0 0 4 1	2
350.3	Land in Fee - 138KV		1 2 6 7 3 8 9 0		1 2 6 7 3 8 9 0	3
350.6	Land in Fee - 345KV			1 5 1 7 9 8 2 7	1 5 1 7 9 8 2 7	4
352	Structures and Improvements	2 8 7 4 9 9 7 6	1 2 2 7 8 3 0 5	7 2 1 9 9 3 8	4 9 2 4 8 2 1 7	5
352.1	Structures and Improvements - Under 138KV	1 8 8 3 1 2 5 2			1 8 8 3 1 2 5 2	6
352.2	" " " - 138KV		3 3 6 8 6 8 2 1		3 3 6 8 6 8 2 1	7
352.4	" " " - 345KV			1 1 8 5 1 5 3 7	1 1 8 5 1 5 3 7	8
353	Station Equipment					9
353.1	" " - Under 138KV	3 1 4 3 6 8 8 3 7 9			3 1 4 3 6 8 8 3 7 9	10
353.2	" " - 138KV		2 8 7 1 6 0 4 2 4 6		2 8 7 1 6 0 4 2 4 6	11
353.4	" " - 345KV			2 0 8 7 2 0 3 5 3	2 0 8 7 2 0 3 5 3	12
353.5	Transformers in Reserve	(4 2 7 6 7 4 5)			(4 2 7 6 7 4 5)	13
353.6	" " "	(7 1 6 4 0 0 2)			(7 1 6 4 0 0 2)	14
353.7	" " "	2 9 1 1 6 0 0			2 9 1 1 6 0 0	15
353.8	" " "	(7 3 4 4 4 6)			(7 3 4 4 4 6)	16
354	Towers and Fixtures	5 2 4 8 5 4 2 9	4 1 2 6 8 7 9 4 3	5 4 5 6 9 2 8 3 6	10 1 0 6 6 6 0 0 8	17
355	Poles and Fixtures	1 4 3 4 2 6 9 3 8	1 7 3 4 6 1 9 9 8 5	1 3 9 0 7 7 8 0 6	3 2 9 6 2 6 6 7 2 9	18
356	Overhead Conductors and Devices	1 1 6 4 6 9 5 4 4 4	1 8 5 5 6 1 8 1 0 5	4 6 3 1 5 6 5 8 4	3 8 8 1 4 7 0 1 3 1	19
357	Underground Conduit	3 6 0 6 2 5 5 8			3 6 0 6 2 5 5 8	20
357.1	" " - Under 138KV					21
357.2	" " 138KV		2 7 4 5 9 8 6 5		2 7 4 5 9 8 6 5	22
357.4	" " 345KV					23
358	Underground Conductors and Devices	2 7 3 7 2 7 5 5			2 7 3 7 2 7 5 5	24
358.1	" " - Under 138KV	1 1 1 4 8 0 1 7			1 1 1 4 8 0 1 7	25
358.2	" " - 138KV		5 5 8 2 2 4 1 4		5 5 8 2 2 4 1 4	26
358.4	" " - 345KV					27
359	Roads and Trails	1 6 4 1 9 1 8 3	2 0 6 3 1 5		1 6 8 2 5 9 9 8	28
359.1	" " - Under 138KV	4 4 5 6 2 7			4 4 5 6 2 7	29
359.2	" " - 138KV		5 6 1 6 0 3		5 6 1 6 0 3	30
359.4	" " - 345KV	5 3 7 0	5 2 2 7	1 4 4		31
		5 4 4 1 5 6 9 9 7	8 0 0 7 2 1 6 2 8	2 1 9 3 3 1 0 2 0 7	1 6 4 4 7 1 1 1 4 3 2	32

POOR ORIGINAL

UNITED STATES OF AMERICA
BEFORE THE
NUCLFAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY LICENSING BOARD

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

CERTIFICATE OF SERVICE

I hereby certify that I have caused copies of the foregoing OPPOSITION BY BROWNSVILLE TO JOINT MOTION FOR EXTENSION OF TIME AND REQUEST FOR PREHEARING CONFERENCE to be served on the following by deposit in the United States mail, first class, postage paid, this 3th day of April, 1980.

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

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Nuclear Regulatory Commission
Washington, D. C. 20555

Geo. Spiegel

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING APPEAL BOARD

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

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that copies of the foregoing:

RESPONSE OF HOUSTON LIGHTING & POWER COMPANY
TO MOTION FOR LEAVE TO FILE AFFIDAVIT BY
BROWNSVILLE AS AMICUS CURIAE

were served upon the following persons, by hand *, or by deposit in the United States Mail, first class postage prepaid, this 9th day of April, 1980.

J.A. Bouknight, Jr.

*Alan S. Rosenthal, Chairman
Atomic Safety & Licensing Appeal Board Panel
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

*Thomas S. Moore
Atomic Safety and Licensing Appeal Board Panel
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

*Michael C. Farrar
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March 26, 1980

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Re: Texas litigation: Houston Lighting & Power, NRC Docket Nos. 50-498A, 50-499A; Central & South West Corp., et al, SEC No. 3-4951; Central Power & Light, et al, FERC No. EL 79-8; and other related proceedings

Dear Dave:

Yesterday, Mr. M. L. Borchelt, Executive Vice President and Chief Engineering Officer of Central Power and Light Company, a subsidiary of Central and South West Corporation, called on Mr. Robert Roundtree, Manager of the Public Utilities Board of Brownsville, Texas, at the express request of Mr. Durwood Chalker, Board Chairman of C&SW, to inform Brownsville generally of the plans of C&SW, Houston Lighting and Power Company, and Texas Utilities, to settle the above-referenced litigation. He stated, among other things, that the settlement had been informally discussed and approved by the Governors and regulatory commissions of Arkansas, Oklahoma and Texas. He also stated that it had also been discussed with Federal agencies, and they are in general accord, though no commitment has been made.

Needless to say, Brownsville views the settlement of this litigation as extremely desirable and is prepared to cooperate fully to achieve this end. Brownsville has a substantial interest in these proceedings, as set forth in our pleadings and depositions, and, of course, desires that any proposed settlement resolves the pertinent issues raised by Brownsville and demonstrably meets the standards of public interest as they relate to the power interconnection, interchange and pooling of electric utility resources throughout the Southwest region of the country. Brownsville, all smaller utility systems, and all consumers are benefitted by interregional exchange and pooling arrangements which serve the purposes of Section 202(a) of the Federal Power Act as well as meet all pertinent standards of that Act, the Atomic Energy Act and the Public Utility Holding Company Act.

I am sure you appreciate that C&SW's interest in achieving settlement can best be served by bringing into the settlement negotiations all substantially interested parties, including Brownsville, and at the earliest possible stage, because otherwise major parties bargain for and develop vested negotiated interests which may create difficulties in accomodating the needs of later-admitted parties.

Accordingly, it is requested that you furnish us with copies of such agreements or proposed agreements or understandings that have been reached to date and that you provide for our prompt entry into the discussions. I and John Davidson have been assigned the chief responsibility for representing Brownsville's interests in such discussions.

I will be happy to discuss this with you at your earliest convenience.

Sincerely yours,

George Spiegel

GS/nzb
cc: Mr. Robert E. Roundtree, PUB, Brownsville
John W. Davidson, Esq.
Michael J. Manning, Esq.
Philip McConnell, Esq.